
**Alan G. Hevesi
COMPTROLLER**



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**OFFICE OF THE
NEW YORK STATE COMPTROLLER**

DIVISION OF STATE SERVICES

**OFFICE OF MENTAL
RETARDATION AND
DEVELOPMENTAL
DISABILITIES**

**RESIDENTIAL SERVICES
INITIATIVE**

Report 2004-S-79

AUDIT OBJECTIVES

Our objectives were to determine whether the five-year residential services initiative implemented in 1998 by the Office of Mental Retardation and Developmental Disabilities (1) met its goals for residential placements and family support services, and (2) had an accurate waiting list for residential placements.

AUDIT RESULTS - SUMMARY

Many developmentally disabled individuals live in community-based residences that are overseen by the Office of Mental Retardation and Developmental Disabilities (Department). Individuals who want to live in such residences are placed on a waiting list by the Department. In an effort to reduce excessively long waiting times, in 1998, the Department implemented a five-year program called NYS-CARES that was intended to increase the number of residential beds in every region of the State.

We found that this program was successful, as significant numbers of residential beds were added in all 13 regions of the State. Moreover, the Department's targets were met or exceeded in 10 of the 13 regions, and the statewide target of 4,900 additional beds was exceeded, as a total of 5,075 additional beds were made available for residential

placement. We also determined that the waiting list for residential placements, which had contained inaccurate information in the past, now appeared to be accurate.

The NYS-CARES program was also supposed to increase the number of identifiable family support services that were provided for developmentally disabled individuals living at home. We found that, during the five-year program period, the Department's numerical goal for family support services was exceeded by a significant margin.

We make three recommendations to enhance the Department's monitoring and planning for the NYS-CARES program. Although Department officials appreciated our positive comments of NYS-CARES, they generally disagreed with our recommendations.

This report, dated March 23, 2006, is available on our website at: <http://www.osc.state.ny.us>. Add or update your mailing list address by contacting us at: (518) 474-3271 or
Office of the State Comptroller
Division of State Services
State Audit Bureau
110 State Street, 11th Floor
Albany, NY 12236

BACKGROUND

The Department provides community-based services to more than 30,000 developmentally disabled individuals (consumers) in New York State. For example, the Department may place consumers in supervised community-based residences. The supervision may be minimal or extensive, depending on the consumers' needs, and the consumers may live by themselves in individual apartments or in houses with other consumers in a family environment. The Department also provides family support services for consumers who live at home with their families.

Residential placements are made from a waiting list maintained by the Department. Prior to 1998, parents and other caregivers faced years of uncertainty when they waited for residential placements. Some caregivers feared placements would not be available before they became too elderly to care for their developmentally disabled family members at home.

To reduce the long periods of waiting and uncertainty, in August 1998, the Department introduced a new five-year initiative in which funding was increased for community based-housing and day services. The initiative was called New York State Creating Alternatives in Residential Environment and Services, or NYS-CARES. The goals of the initiative were to (a) increase the number of available residential opportunities (as measured by residential beds) by 4,900 statewide and (b) increase the number of identifiable family support services provided to consumers and their families by a total of at least 1,000.

The funding for the initiative was committed for the full five-year period. This multi-year commitment facilitated the acquisition and customization of community residences,

processes which can take several months to complete. A total of \$488 million was appropriated for the initiative over its five-year life, which ended on March 31, 2004. On April 1, 2004, the initiative was succeeded by NYS-CARES II, a ten-year program with the goal of creating 1,900 additional residential opportunities.

The NYS-CARES program seeks to meet consumers' residential service needs in an individualized service environment. The individualized service environment allows consumers to have a significant role in selecting their services through a person-centered approach that considers their needs and choices. The program supports consumers' relationships with family, friends and other individuals, and seeks to create opportunities for increased independence, individualization and inclusion in the community.

The Department has 13 regional Developmental Disabilities Services Offices (Services Offices), each responsible for the consumers residing in their geographic areas. Most consumer services in these areas are provided by not-for-profit organizations (provider agencies) overseen by the Services Offices, while some services are provided directly by the Services Offices. All 13 regional Services Offices participate in the NYS-CARES program.

Consumers complete a Confidential Needs Identification form to determine their service needs. The completed form is then used by the Department to identify and plan for each consumer's services. If residential services are desired, the consumer is added to the waiting list for residential placement.

The consumers on the waiting list are given one of the following three placement priorities: Level I (emergency); Level II

(urgent/emergency prevention); or Level III (non-urgent). The placement priorities are assigned by Services Office staff in accordance with written Department guidelines. The consumers are also classified on the basis of when they would like to be placed: as soon as possible; within the next two years; within the next three to five years; or some time after the next five years.

NYS-CARES program activities are overseen by a Statewide Oversight Committee and Local Oversight Committees in each of the 13 regions. Parents, provider agency representatives and Department officials serve on the committees, which meet periodically to discuss relevant issues and concerns. The committees also review program activity to ensure compliance with program principles and placement guidelines.

AUDIT FINDINGS AND RECOMMENDATIONS

Residential Placements

The NYS-CARES program was created to reduce the waiting time for residential placements. If this waiting time was to be reduced, the number of available residential beds would have to be increased. It was therefore decided by the Statewide and Local Oversight Committees that a certain number of residential beds should be created in each of the 13 regions (e.g., 489 beds were to be created in the Finger Lakes region, while 864 were to be created on Long Island). Each of the regional Services Offices was responsible for meeting the goal in its region. In total, 4,900 residential beds were to be created over the five-year program period.

To determine whether these goals were met, we reviewed internal Department management reports showing the number of residential beds available in each region. For each region, we compared the number of beds available on August 1 1998, when the program began, to the number available on March 31, 2004, when the NYS-CARES program was succeeded by the NYS-CARES II program. We then compared each region's increase in available beds to the Committees' goal for that region.

We found that the Committees' goal was met or exceeded in 10 of the 13 regions, and was 99 percent met in one of the three remaining regions. We also found that the total statewide goal of 4,900 additional beds was exceeded, as 5,075 additional beds were available on March 31, 2004, as follows:

Region	Increase in Available Beds		Percentage of Goal Achieved
	Goal	Actual	
B. Fineson (Queens)	419	415	99%
Brooklyn	487	517	106%
Broome	108	131	121%
Capital District	289	320	111%
Central NY	164	164	100%
Finger Lakes	489	589	120%
Hudson Valley	495	544	110%
Long Island	864	793	92%
Metro NY	673	554	82%
Staten Island	135	168	124%
Sunmount (Northern)	77	85	110%
Taconic	66	99	150%
Western NY	624	696	112%
Total	*4,890	5,075	104%

* An additional 10 beds were also to be created, but these beds were not allocated to any region; instead, they were to be held in reserve for emergency placements.

We therefore conclude that the NYS-CARES program generally met its goals for residential beds.

None of the three Services Offices that fell short of their goals fell significantly short, as they added between 82 and 99 percent of the desired number of beds. The three Services Offices are responsible for consumers in New York City and Long Island, and according to a Department official in the area, the high cost of housing in the area makes it especially difficult to acquire residences for the program.

For example, the official noted that the Metro NY Services Office and a provider agency had recently viewed a two-bedroom apartment with an asking price of \$410,000. This price reflected the fair market value of the property, as defined by program guidelines. However, within a week, the apartment sold for \$508,000, a price that far

exceeded the apartment's "fair market value." According to the program's guidelines, a residence cannot be purchased at a price that exceeds its fair market value, unless a waiver is obtained from the Department. Because it takes much longer than a week to obtain such a waiver, the provider agency had no chance to purchase this apartment.

To determine whether any improvement had been made in the rate of residential development under the NYS-CARES program, we compared the increase in available beds during the five-year program period to the increase in available beds during the preceding five-year period (April 1, 1993 through July 30, 1998). We found that the rate of residential development improved significantly under the NYS-CARES program, as 40 percent more beds were created in the five-year program period, as follows:

Region	Increase in Available Beds		Net Increase or Decrease During Program	Percentage Increase or Decrease During Program
	Five Years Preceding Program	Five Years of Program		
Fineson (Queens)	243	415	172	71%
Brooklyn	366	517	151	41%
Broome	68	131	63	93%
Capital District	417	320	-97	-23%
Central NY	218	164	-54	-25%
Finger Lakes	159	589	430	270%
Hudson Valley	493	544	51	10%
Long Island	431	793	362	84%
Metro NY	460	554	94	20%
Staten Island	121	168	47	39%
Sunmount (North)	131	85	-46	-35%
Taconic	146	99	-47	-32%
Western NY	370	696	326	88%
Total	3,623	5,075	1,452	40%

Department officials attribute the improvement to the program's multi-year funding commitment, which enabled better development planning. We note that the rate of residential development did decline in four regions, but all four regions met or exceeded their development goals.

We also reviewed Department records to determine how long consumers were on the waiting list during the five-year program period. We determined that, on average, consumers were on the new waiting list for about 21 months before they were placed in community residences.

We could not compare this average waiting time to the average waiting time experienced by consumers before the program was implemented, because the Department did not retain the records that were needed to make this determination. However, before the program was implemented, families were not confident they would ever be placed. We therefore believe an average wait of 21 months represents a significant improvement.

We note that, while Department records indicate how long each consumer has been on the waiting list at any given point in time, the Department does not monitor the average waiting time to determine whether it is acceptable. We recommend the Department perform such monitoring, on a region by region basis, and take corrective action if the waiting time in any region begins to show significant increases.

The Department's Central Office maintains a database for the NYS-CARES program. The database has the names of the consumers who are served by the program and relevant information about these consumers, such as their location and their identified service needs. The information in the database is used to create the waiting list for residential

placement, and is also used for residential development planning purposes.

We believe planning for residential development could be enhanced if the following additional information were maintained on the database:

- The database contains each consumer's desired time frame for placement (i.e., as soon as possible, within the next two years, within the next three to five years, or some time after the next five years). However, the database does not contain the placement priority assigned to each consumer (i.e., Level I, Level II or Level III) by the regional Services Offices. Since both sets of information could be useful when estimating the need for residential beds at various points in the future, both sets of information should be maintained on the database.
- Consumers on the waiting list sometimes decline residential placement when it is offered. It would be useful for the Department to know why placements are declined. For example, if certain types of housing arrangements are frequently rejected, residential development plans may have to be modified accordingly. However, the database does not indicate if a consumer has declined a placement and does not record the reasons why placements are declined. We believe this information should be maintained on the database.

Family Support Services

Under the NYS-CARES program, consumers who live at home with their families may receive family support services. Such

services are designed to assist the families in the following ways:

- respite services provide families with a temporary break from providing constant care to a family member;
- family reimbursement allows families to purchase services and goods that are not funded through any other sources, as long as prior approval has been granted;
- recreation for consumers is a planned program of social, recreational and leisure activities;
- advocacy may include information and referral services, outreach, parent networking and service access assistance; and
- counseling, training/educational activities and support services help families gain insight, resolve problems and develop alternative approaches to identifying the services that are needed.

One of the goals of the NYS-CARES program was to increase the availability of family support services. The Department measures service availability by counting each instance in which a family support service is provided. For example, a counseling session would be counted as one service, and a reimbursement for an approved purchase would be counted as another service. In the five years preceding the implementation of the NYS-CARES program, a total of 242,967 family support services were provided to consumers and their families. Under the program, this five-year total was to be increased by at least 1,000.

To determine whether this goal was met, we reviewed the Department's records of family

support services for the five-year program period. We found that the goal was met, as the number of family support services provided in this five-year period increased by more than 44,600. Department officials attributed the significant improvement to funding increases and the addition of new support services not previously provided. Family support services will continue to be provided under the NYS-CARES II program.

Accuracy of Waiting List

The Department's waiting list for residential placements identifies the consumers who want to be placed in community residences. The waiting list also identifies each consumer's service needs, desired time frame for placement and geographic location. The Department uses this information in its residential development planning process, as it seeks to acquire or build residences in areas where such residences are needed, make the residences available when they are needed, and ensure that the residences are compatible with the service needs of the consumers in the area.

If the planning process is to be effective, the information on the waiting list must be accurate. In the past, the waiting list often contained inaccurate information and problems resulted. To improve the accuracy of this information, in 1994, the Department mailed each consumer his or her waiting list information and asked the consumer to either confirm or correct the information. In March 2002, the Department conducted a similar survey by telephone.

The information on the waiting list comes from the Department's Central Office database for the NYS-CARES program. To determine whether this information is

accurate, we randomly selected a sample of 100 consumers out of 2,165 consumers from 7 of the 13 regional Services Offices (the Capital District, Central NY and Long Island Services Offices, as well as the four Services Offices responsible for New York City) and verified certain waiting list information for these consumers against the consumers' case files. We selected the consumers from the January 2005 database.

We visited the seven Services Offices and examined the case files for the 100 consumers to determine whether (a) the service needs recorded for the consumers on the January 2005 database were consistent with the service needs identified in the files and (b) the consumers' desired time frames for placement, as recorded on the database, were consistent with the information in the files. We identified no significant inaccuracies and thus conclude that the information used for the waiting list appears to be reasonably accurate.

It should be noted that the number of consumers on the waiting list has increased since the NYS-CARES program was implemented, growing from about 7,800 in August 1998 to 8,777 in January 2005. This increase appears to be indicative of the program's success, as consumers and their families may believe residential placement is truly an option.

Other Matters

We are required by generally accepted government auditing standards to be alert for instances of fraud and abuse. To confirm the genuineness of the community residences listed on the Department's records, we randomly selected 35 residences out of 2,165 residences in the seven regions we visited.

We then visited the actual residences to confirm that they existed, and observed the general living conditions at the residences to confirm that the residences were in fact being used for their intended purposes. We confirmed the existence of all 35 residences and observed nothing that would lead us to believe that the residences were not being used for their intended purposes.

In addition, to determine whether any Department employees may have benefited inappropriately as a result of NYS-CARES program transactions, we used special auditing software to analyze information maintained on various Department databases. Our analysis of this information identified no transactions that were less than arm's length and no instances in which Department employees benefited inappropriately from program transactions.

Recommendations

1. Monitor the average amount of time consumers have been on the waiting list for residential placements on a region by region basis, and take corrective action if the waiting time in any region begins to show significant increases.
2. Record the placement priority that has been assigned to each consumer on the Central Office database, and use this information when planning for residential development.
3. Indicate on the Central Office database if a consumer has declined residential placement, record the reasons placement was declined, and use this information when planning for residential development.

AUDIT SCOPE AND METHODOLOGY

We conducted our audit in accordance with generally accepted government auditing standards. We audited the Department's implementation of the NYS-CARES program for the period August 1, 1998 through June 30, 2005. To accomplish our audit objectives, we met with officials from the Department's Central Office, the Services Offices, provider agencies and Oversight Committees to obtain an understanding of the residential development planning and implementation processes. We also analyzed and audited internal management reports showing the number of residential beds created and consumers placed.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State, several of which are performed by the Division of State Services. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of who have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our opinion, these management functions do not affect our ability to conduct independent audits of program performance.

AUTHORITY

The audit was performed according to the State Comptroller's authority under Article V,

Section 1, of the State Constitution; and Article II, Section 8, of the State Finance Law.

REPORTING REQUIREMENTS

We provided a draft copy of this report to Department officials for their review and comment. While Department officials appreciated the Comptroller's overall positive comments regarding the NYS-CARES initiative, they generally disagreed with our recommendations designed to further enhance program outcomes. A complete copy of the Department's response is included as Appendix A. Appendix B contains State Comptroller's Notes which address the matters of disagreement contained in the Department's response.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Office of Mental Retardation and Developmental Disabilities shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising of the steps that were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

CONTRIBUTORS TO THE REPORT

Major contributors to this report include William Challice, David R. Hancox, Sheila Emminger, Todd Seeberger, Brian Krawiecki, Bob Mainello, Michael Asencio, Craig Coutant, Thierry Demoly, Peter Pagliaro, Resa Ostrander and Dana Newhouse.

APPENDIX A - AUDITEE RESPONSE

George E. Pataki
Governor



Thomas A. Maul
Commissioner

STATE OF NEW YORK OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

44 HOLLAND AVENUE
ALBANY, NEW YORK 12229-0001
(518) 473-1997 • TDD (518) 474-3694
www.omr.state.ny.us

February 14, 2006

Mr. William P. Challice
Audit Director
Office of the State Comptroller
Division of State Services
State Audit Bureau
123 William Street - 21st Floor
New York, NY 10038

Dear Mr. Challice:

Thank you for the opportunity to comment on the Draft Report 2004-S-79 regarding OMRDD's Residential Services Initiative, New York State - Creating Alternatives in Residential Environments and Services (NYS-CARES).

We appreciate the Comptroller's determination that "this program was successful" and that OMRDD's "targets were met or exceeded" by providing substantially more opportunities for an out-of-home residential service for individuals in need. We further appreciate the finding regarding the Family Support Services aspect of this initiative that "during the five-year program period, the Department's numerical goal for Family Support Services was exceeded by a significant margin."

OMRDD is proud of the success of the NYS-CARES initiative. As you are aware, it was the outcry from parents in the late 1990s for additional out-of-home residential opportunities that lead Governor Pataki to announce NYS-CARES on August 19, 1998. Since that time, NYS-CARES has been recognized as a leading program in the nation assuring that, through this long-range plan, out-of-home residential options and additional supports at home would be available for New Yorkers with developmental disabilities.

The participation of families, advocates, nonprofit providers and the people we serve has been integral to the program's success. Participation in the planning and implementation of the NYS-CARES initiative began with regional forums that provided a venue for the exchange of information and ideas. The NYS-CARES Statewide Oversight Committee was established to assure that the ideas and principles of the program would be closely followed, and that best practices and other valuable information would be identified and shared. Additionally, as part of NYS-CARES, OMRDD launched a customer satisfaction survey and has now surveyed many of the participants and their families to determine their feelings about the program, the results of which have further demonstrated the program's success.



Providing supports and services for people with developmental disabilities and their families.



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OMR26.04 (05/01)

Given the "significant improvement" cited by your Office, and OMRDD's continuous efforts to build upon our track record of success, I reviewed the three recommendations your Office made to further enhance NYS-CARES, and offer the following response for your consideration.

1. *Monitor the average amount of time consumers have been on the waiting list for residential placement on a region by region basis, and take corrective action if the waiting time in any region begins to show significant increases.*

As your report indicated, prior to NYS-CARES, "families were not confident that (their loved ones) would ever be placed." Today, things are much different. The average waiting time for a residential service is in large part dependant upon the desires of the person being served, with many people indicating a need for such services far into the future. In many cases today, the out-of-home residential waiting list is simply part of the mechanism by which an individual becomes registered with OMRDD for anticipated future needs. People with developmental disabilities are able to make themselves known to OMRDD as having a need even when there may be no immediate desire for an out-of-home opportunity. According to customer satisfaction feedback, the flexibility and peace of mind that comes with this ability is very important to the people we serve, and this flexibility is a direct result of the way NYS-CARES is structured. The period of time a person spends waiting for a residential opportunity is often related to that individual's preferences and life situation. OMRDD does not monitor waiting time now, and therefore contends that monitoring waiting time has little utility as a measure of performance, success, or as a management tool. Instead, OMRDD strictly adheres to the priority system to assure that those who need immediate residential services are accommodated in a timely manner, and honors the personal preferences and choices of the people we serve for the remainder of those seeking an out-of-home residential opportunity.

*
Notes
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2. *Record the placement priority that has been assigned to each consumer on the Central Office Database, and use this information when planning for residential development.*

As stated in your findings, OMRDD already utilizes the methodology of priority ranking in identifying how residential opportunities are afforded to the individuals served in our system. You indicated that people "on the waiting list are given one of the following three placement priorities: Level I (emergency); Level II (urgent/emergency prevention); or Level III (non-urgent)." What you did not indicate is the fluidity of these situations, and the need for continuous monitoring and person-centered planning of the ongoing and changing needs of each person being served at the local level. For example, a person in Priority III can move immediately to Priority I if suddenly a parent can no longer care for the individual due to an unforeseen circumstance. Staff members from each Developmental Disabilities Services Office work directly with service coordinators and nonprofit providers in their area to immediately react to a given person's changing needs. Maintaining a priority list centrally is therefore not practical in OMRDD's decentralized service system.

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Notes
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*See State Comptroller's Notes, page 13

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3. *Indicate on the Central Office Database if a consumer has declined residential placement, record the reasons placement was declined, and use this information when planning for residential development.*

Flexibility and choice are integral to the design of the NYS-CARES program. To that end, an Individualized Service Plan is developed for each person served and is designed with and for them based on their personal preferences and their clinical needs.

Hence, planning for opportunities through NYS-CARES is done at the local level, close to the people who will be receiving them. This is the most efficient and effective way to assure that each individual with developmental disabilities receives the services that they need and want. To perform this activity centrally would unnecessarily slow down the process and adversely affect customer satisfaction. OMRDD is aware that it needs to afford people with real-time options for their services, and as such has developed a "Best of NY" home inventory system, based on GEO mapping technology that highlights available properties in the system for people who are in the process of deciding on a residential option. In addition to pictures of each site, the program delineates the proximity of places of worship, shopping, medical services, etc. in relation to the home. This program is enabling people to become more familiar with residential options to assist in the possible decision making process.

Once again, OMRDD appreciates the overall positive review of the NYS-CARES initiative. Our customer satisfaction surveys support your assertion that "consumers and their families...believe residential placement is truly an option" through NYS-CARES. The overwhelming success of NYS-CARES to date is testimony to the active participation of families and individuals we serve who have helped to design, implement and monitor this landmark program.

I appreciate the opportunity to comment on the audit findings.

Sincerely,



Thomas A. Maul
Commissioner

TAM/JFM

* Notes 3

*See State Comptroller's Notes, page 13

APPENDIX B - STATE COMPTROLLER'S COMMENTS

- Comment 1 - The NYS-CARES program was created to reduce the waiting time for residential placements. We agree that individual preferences play a part in wait times and that emergencies need to be addressed as a priority. However, there are individuals on the wait list who do not need emergency placement but are waiting for a residential placement. The Department does not monitor how long these individuals have been waiting for placement. By examining or tracking wait times, the Department gains a valuable indicator of the need for services statewide or in particular geographical areas, and reduces the risk of reverting to the wait list problems that prompted the creation of the NYS-CARES program.
- Comment 2 - Maintaining a priority list is practical in the Department's decentralized system. The Department's existing Central Office Database could track the priority designation. This information would be useful to both the individual Services Offices and Central Office. Services Office staff who work directly with service coordinators and non-profit providers could use this priority list information to plan for its future service needs, while the Central Office could use it to monitor and manage the NYS-CARES program.
- Comment 3 - Maintaining declination information on the Central Office Database can provide Department officials with useful information to manage the NYS-CARES program. As Department officials note, some clients decline current placement and are placed on the wait list in anticipation of their future needs. By indicating which clients fall into this category, Services Office officials could focus their efforts on placing those clients with a current need. Central Office officials could monitor the entire wait list and plan for the future needs of the NYS-CARES program.