



# County of Allegheny

## Office of the Controller

PERFORMANCE AUDIT REPORT ON  
ALLEGHENY COUNTY  
DEPARTMENT OF HUMAN SERVICES  
RFP AND CONTRACT AWARD PROCESS FOR  
RECOVERY HOUSING  
FOR THE PERIOD  
JULY 1, 2017 THROUGH OCTOBER 31, 2018

*(Performance Audit)*

June 17, 2019

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**CHELSEA WAGNER**  
CONTROLLER

# COUNTY OF ALLEGHENY

## OFFICE OF THE CONTROLLER

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June 4, 2019

Marc Cherna  
Director  
Allegheny County Department of Human Services  
One Smithfield Street  
Suite 400  
Pittsburgh, PA 15219

**Performance Audit Report on**  
**Allegheny County Department of Human Services**  
**RFP and Contract Award Process for Recovery Housing**  
**For the Period July 1, 2017 through October 31, 2018**

Dear Director Cherna:

We have conducted a performance audit to evaluate the Allegheny County Department of Human Services' (DHS) Request for Proposal (RFP) and contract award process for Recovery Housing services. Our performance audit covers the Recovery Housing RFP posted March 13, 2017 as well as the related contracts covering the period July 1, 2017 through October 31, 2018. Our audit was performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The results of our procedures found DHS did not include the RFP or sections of it as part of its contracts with the providers, overpayments made by DHS to Recovery Housing providers, numerous instances of provider noncompliance with the terms of the RFP, lower than expected provider performance outcomes, poorly maintained resident files, and DHS noncompliance with DDAP requirements.

The detailed results of our performance audit are included in the attached report.

DHS provided a response to our draft audit report in which they stated they do not concur with our findings. In addition, they stated "the RFP was a document that contained aspirational goals that ideally, DHS would seek from providers performing these services. Any goals or measures

Director Marc Cherna  
June 4, 2019

contained in the RFP were never meant to be absolute requirements; if so, the RFP would have been incorporated into the contract by reference or those specific terms would have been inserted into the contract". We believe it is inappropriate and arbitrary to have standards set forth in a RFP as to who receives a contract and then not requiring the selected provider to abide by those terms.

We believe that the implementation of our recommendations will help improve the operations of the Recovery Housing program. We would like to thank the management and staff of DHS and the service providers for their courtesy and cooperation during the performance of our procedures.

Kind regards,



Chelsa Wagner  
Controller



Lori A. Churilla  
Assistant Deputy Controller, Auditing

cc: Honorable John DeFazio, President, County Council  
Honorable Nicholas Futules, Vice-President, County Council  
Honorable Rich Fitzgerald, County Executive, Allegheny County  
Mr. William D. McKain, County Manager, Allegheny County  
Ms. Jennifer M. Liptak, Chief of Staff, County Executive  
Ms. Mary C. Soroka, Director, Budget and Finance  
Mr. Kenneth J. Varhola, Chief of Staff, County Council  
Ms. Sarah Roka, Budget Manager, County Council

## **I. Introduction**

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On March 13, 2017, the Allegheny County Department of Human Services (DHS) issued a Request for Proposal (RFP) to solicit proposals from organizations or businesses (referred to as proposers) to provide Recovery Housing. According to the RFP, a Recovery House is a safe, sober, supportive, drug- and alcohol-free living environment that promotes recovery from alcohol and other drug use, and associated problems. Residents can live together as a community while they transition between residential treatment or other institutional settings, such as the Jail, to living independently. The Recovery House serves as a step between inpatient treatment, including treatment provided while in the Allegheny County Jail, and living independently.

The RFP explains the need for Recovery Housing. “When individuals exit inpatient treatment or the Jail to homelessness or to a living environment that jeopardizes their recovery, treatment becomes secondary to work, or they may feel forced to return to old lifestyles and ultimately relapse and/or recidivate to jail. Recovery Housing provides residents with the opportunity to focus on the supports needed to establish a foundation in treatment, to build a support network and a plan for maintaining recovery, and to find a permanent place to live that is conducive to recovery. Individuals build resources while living in Recovery Houses that will continue to support their recovery as they transition to live independently and productively in the community (e.g. life skills, employment).”

The target population includes:

- Individual adults transitioning out of inpatient drug and alcohol treatment facilities
- Individual adults exiting the jail with a substance use disorder who have participated in drug and alcohol treatment or intervention services in the jail
- Individual adults who are in recovery, but who are living in an environment that puts their recovery in jeopardy

In order to ensure a successful program, the RFP specifies requirements that successful proposers must meet, including: intake and orientation procedures, rules and requirements for the house, physical standards for the house, case management services, staffing and training, record retention, and performance expectations.

All proposals were required to be completed on the DHS response form and follow the evaluation criteria listed in the RFP. Each section of the proposal is worth a set number of points. There are seven sections in the proposal, which are listed below, including a brief description of the criteria for each section.

- Organizational Experience (10 points) – Experience related to individuals with a history of unhealthy substance use and those transitioning out of inpatient treatment and/or the jail.
- Housing (40 points) – The number of houses, rooms, and residents that can be served at one time; intake materials for new residents; house rules and regulations; a plan if residents relapse; a plan for involuntary termination; house location and amenities; a plan for being responsive to the concerns of residents and neighbors; and a plan to ensure the house complies with the required physical standards.
- Supporting Residents (20 points) – An approach to create and monitor the residents’ Recovery Plans, and a plan to connect residents to treatment, employment, housing, etc.; provide peer supports; and create a supportive community.

## I. Introduction

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- Staffing/Training Plan (10 points) – A staffing plan which includes the appropriate number of staff with the appropriate experience and a plan to recruit, train, and retain qualified staff.
- Records, Confidentiality, and Reporting (5 points) – A plan to maintain and secure client records.
- Performance Measurers (5 points) – A plan to track and monitor performance measures, and take action based on these measures.
- Financial Management and Budget (20 points) – The financial health of the proposer (as supported by audits or other documentation) and a line item budget.

The submission deadline for proposals was April 24, 2017. Nine proposals were received. Each evaluation committee member assigned points to each proposal based on the RFP requirements, and the committee met to discuss the proposals and evaluations. The committee eliminated four proposers, and invited five proposers to give an oral presentation. After the oral presentations, the committee rescored the proposals based on the additional information provided in the presentation, and recommended contracts be awarded to four proposers: East End Cooperative Ministry for male residents, Familylinks for female residents, Three Rivers Youth for male and female residents (two separate houses), and Clean and Sober Humans Association for male residents (Clean and Sober Humans was already a current Recovery Housing provider). While contracts were awarded to all four proposers (referred to hereafter as providers), DHS informed us that Clean and Sober Humans discontinued services and services from Three Rivers Youth have been suspended since late April 2018 due to an issue with their occupancy permit. Management of Three Rivers Youth hopes to reopen this spring but as of the end of our fieldwork they had not yet obtained an occupancy permit. Based on billing support, Clean and Sober Humans only provided services for 17 days under the 2017 RFP. The chart below summarizes the amounts paid to each provider for services provided under the 2017 RFP for our engagement period.

Provider	7/1/17 – 6/30/18	7/1/18 – 10/31/18	Total
East End	\$ 68,880	\$ 52,720	\$ 121,600
Familylinks	69,320	65,200	134,520
Three Rivers Youth	59,760	0	59,760
Clean and Sober Humans	6,120	0	6,120
TOTAL	\$ 204,080	\$ 117,920	\$ 322,000

Another RFP was posted on July 13, 2018. The original award decision/notification date was estimated to be October 2018. However, there have not been any contracts awarded under this RFP. The providers listed above are continuing to provide services based on the 2017 RFP.

Other than local permitting requirements and ordinances, there were no regulations in effect governing recovery houses when the RFP was issued. On December 19, 2017, the Governor approved Act 59 of 2017. The Act took effect 180 days from approval date, and requires the Pennsylvania Department of Drug and Alcohol Programs (DDAP) to begin licensing or certifying certain drug and alcohol recovery houses. The licensure or certification shall occur no later than two years from the effective date.

## **II. Objectives, Scope, and Methodology**

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### **Objectives**

Our objectives were to determine if:

1. The Allegheny County Department of Human Services (DHS) rated and evaluated the proposals received according to the terms identified in the Request for Proposal (RFP) for Recovery Housing.
2. DHS properly documented the rationalization for selecting which providers were awarded contracts and which were not.
3. DHS verified that all proposers awarded contracts for Recovery Housing were in compliance with key terms of the RFP and the proposer's response, prior to awarding the contract.
4. The proposers that were awarded Recovery Housing contracts were in compliance with key terms of the RFP prior to being awarded a contract.
5. DHS has monitored all of the Recovery Housing providers to ensure they are in compliance with key terms of the contract and RFP.
6. All of the proposers awarded Recovery Housing contracts are in compliance with key terms of the contract and RFP.
7. The Recovery Housing providers have complied with payment provisions established by DHS.

### **Scope**

Our audit procedures covered the Recovery Housing RFP posted March 13, 2017 as well as the related contracts covering the period July 1, 2017 through October 31, 2018. We had intended to review the RFP and contract award process, including the related contracts for the RFP posted July 13, 2018, however DHS informed us that they had not yet awarded any contracts under this RFP at the time our fieldwork began.

We conducted this performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Methodology**

Methodologies used to accomplish our objectives included, but were not limited to, the following:

## **II. Objectives, Scope, and Methodology**

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- Reviewed the Recovery Housing RFPs posted March 13, 2017 and July 13, 2018 as well as the contracts awarded to East End Cooperative Ministry, Familylinks, Three Rivers Youth, and Clean and Sober Humans Association for Recovery Housing under the 2017 RFP.
- Interviewed various personnel at DHS and the Recovery Housing providers to gain an understanding of the processes and controls surrounding the RFP/proposal evaluation, contract award, and contract monitoring processes.
- Analyzed the proposals submitted by all nine proposers to determine if the proposal was complete and contained all required documentation.
- Reviewed documentation from the evaluation committee to determine if DHS rated and evaluated the proposals received according to the terms identified in the RFP and properly documented the rationalization for selecting which providers were awarded contracts and which were not.
- Reviewed monitoring reports completed by DHS.
- Reviewed referral lists, resident files, case notes, staffing records, training certificates (on a sample basis) maintained by the Recovery Housing providers to determine if the providers were in compliance with key terms of the RFP. We randomly selected a sample at each provider using a resident listing provided by DHS or the provider.
- Reviewed provider policies and procedures to ensure they were in compliance with the requirements identified in the RFP.
- Conducted walk-throughs of the Recovery Houses for all four providers: East End Cooperative Ministries, Familylinks, Three Rivers Youth, and Clean and Sober Humans. We did note that Three Rivers Youth and Clean and Sober Humans are currently not utilizing the buildings to provide DHS Recovery Housing services.
- Reconciled provider invoices to billing reports and recalculated payments for mathematical accuracy.
- For a sample of residents at each provider, we compared the billing reports to provider records to verify the resident was present at the Recovery House for the days billed.
- Our audit also included an assessment of internal controls that are significant within the context of our objectives. Any significant findings related to internal control are included in the findings and recommendations.

We provided a draft copy of this report to the Department of Human Services Director for response. His response begins on page 27.

### III. Findings and Recommendations

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***Finding #1***  
**DHS Overpaid \$5,360 to Three  
Recovery Housing Providers**

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Criteria: Section 2.2 of the 2017 Request for Proposal (RFP) indicates that residents may stay in a Recovery House for a maximum of 90 days (consecutively or non-consecutively) throughout the fiscal year (July 1 to June 30).

After review of both the RFP and associated contracts, we found that neither contained any reference to specific payment terms for Recovery Housing services. We inquired of DHS management and were informed that “DHS will pay for a day in which the client sleeps in the Recovery House bed” at a rate of \$40 per day.

When billing for Recovery Housing services provided, providers enter the residents’ information into the Community Care Behavioral Health Organization (CCBHO) database. CCBHO screens the data to determine if the residents are Medicare or Medicaid eligible, or have other insurance coverage. Once this verification is complete, CCBHO sends the data for the remaining unfunded residents to DHS for payment, as the County is the last payer for Recovery Housing services. Once received by DHS, this information is downloaded into the Client Information and Payment System (CIPS). A member of the DHS Fiscal team then reads the data from CIPS, reviews and codes provider invoices, and approves payment to the provider.

Condition: We reviewed records provided by both DHS and the Recovery Housing providers to determine if the providers were properly paid. Specifically, we reviewed CIPS data as well as provider billing records for all Recovery Housing residents billed to DHS during our audit period to determine if the length of stay, and associated billing, exceeded 90 days.

Our procedures found East End Cooperative Ministries (EECM) and Three Rivers Youth billed for, and were paid for, a total of 24 days exceeding the 90 day limit. EECM was paid for 1 day over the 90 day limit for one resident and Three Rivers Youth received payment for 23 days over the 90 day limit for two residents. In addition, we found that EECM and Familylinks billed for and received payment for an additional 21 days after the residents had been discharged from the Recovery Housing program. Of these 21 days, East End received payment for an extra 5 days for one resident and Familylinks received payment for the remaining 16 extra days for two residents.

We also reviewed documentation maintained by the providers for a sample of residents to support the number of days billed to DHS and to substantiate that the resident was present in the House for the days billed.

### III. Findings and Recommendations

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Our procedures found that providers billed DHS for days when they could not provide evidence that the resident slept at the Recovery House, and for days when the resident was permitted to sleep offsite.

East End Cooperative Ministries maintains a nightly roster that is used for billing purposes. During our audit period, EECM invoiced DHS for a total of 3,040 days for 65 unique residents. We sampled 16 residents and tested all of the days billed for those 16 residents (a total of 787 days) and found that for 10 of the 16 residents (63%) tested, signatures were missing on the nightly roster for a total of 27 days. EECM indicated two residents wore an ankle monitor and were required to remain in the building, thus accounting for 8 of the 27 days. For the remaining 19 days however, EECM could provide no documentation to support the claim that the resident was present and accounted for, and billed DHS for all 19 days. Our procedures also revealed that EECM issues passes to its residents, allowing residents to leave the Recovery House and spend the night off-site. We found that passes were issued to 6 of the 16 residents (38%) tested for a total of 50 days (6%). Even though the resident was off-site, EECM billed for and received payment for all 50 pass days.

Familylinks maintains an Enrollment Grid that is used for billing purposes. During our period, Familylinks invoiced DHS for a total of 3,363 days for 68 unique residents. We sampled 15 residents and tested all of the days billed for those 15 residents (a total of 969 days) and found a total of 19 (2%) documented AWOL (absent without leave) occurrences for 8 of the 15 residents tested and 1 documented medical occurrence (0.1%) for one additional resident. It is Familylinks' policy that if a resident is not present in the house by curfew they are considered AWOL and are marked as such on the Enrollment Grid. However, Familylinks billed for and received payment for all 20 nights when the residents were not present in the facility.

Cause: Controls to limit payment for a Recovery House resident to 90 days are not set up within CIPS. Per discussion with a DHS Fiscal Manager, setting up such a cap within CIPS, if even possible, would be an extensive process.

The RFP and associated contracts are silent as to proper billing practices and do not specify whether the provider is allowed to bill for days the resident does not sleep in the Recovery House (AWOL, medical, and pass days, etc.). Such information was also never directly communicated by DHS to the Recovery Housing providers. During discussion regarding payment for such days, DHS indicated that "...there are instances when exceptions can be made with approval." However, DHS could not convey what would qualify as an allowable exception. Since the providers were never provided with clear guidance from DHS as to what constitutes an

### III. Findings and Recommendations

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allowable billing, providers billed for days in which residents were not present and accounted for at the Recovery House.

Our discussions with the DHS Contract Compliance Manager and DHS Contracts Administrator also revealed that DHS does not perform a reconciliation of days billed by the providers on a monthly basis. Such reconciliation is completed when DHS performs its fiscal monitoring. At the start of our fieldwork, DHS had yet to complete any fiscal monitoring over any of the Recovery Housing providers. Since that time, DHS has conducted fiscal monitoring procedures at EECM and Familylinks.

Effect: Due to a lack of guidance and timely monitoring activities, billing practices between providers are inconsistent. Providers are unclear as to whether they can bill for unique situations, and as a result, unallowable billings are invoiced to and paid for by DHS.

During our audit period and for the residents sampled, East End Cooperative Ministries billed for and was paid for 75 unallowable days totaling \$3,000; Familylinks billed for and was paid for 36 unallowable days totaling \$1,440; and Three Rivers Youth billed for and was paid for 23 unallowable days totaling \$920.

Recommendations: We recommend that the Department of Human Services:

- Create and institute a billing policy for Recovery Housing providers. At a minimum, the policy should include:
  - The definition of and rate per unit (e.g. one unit at \$40 equals one night at the Recovery House),
  - An explanation of allowable billing practices, including whether or not the provider is allowed to bill for days the resident does not sleep in the Recovery House due to AWOL and/or medical status, issuance of facility pass, etc. and,
  - A description of acceptable documentation that is to be used to substantiate the number of units billed.
- Work with East End Cooperative Ministries, Familylinks and Three Rivers Youth to collect the \$5,360 in overpayments documented above.
- As part of its fiscal monitoring activities, reconcile the number of days invoiced back to provider records in order to detect any overpayments made to the provider, and reinforce to the providers that acceptable documentation must be maintained to support resident days billed.

Management's  
Response:

The response begins on page 27.

### III. Findings and Recommendations

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#### *Finding #2*

#### **DHS Needs to Ensure Providers Understand and Comply With the Terms of the Request for Proposal**

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Criteria:

The 2017 Request for Proposal (RFP) provides detailed requirements surrounding various aspects of the Recovery Housing Program, including services provided to residents. These requirements encompass numerous pages in the RFP. We've summarized below the RFP requirements for which our procedures found the providers were not compliant.

1. Section 2.1A – Referrals – The provider must accept all referrals.
2. Section 2.2C – Intake and Orientation: Path to Recovery - The provider must give residents a written policy which states residents can choose their own path to recovery and that address conflicts of interest between house staff and various other treatment programs.
3. Section 2.2D – Rules and Requirements
  - Weekly Meetings - Residents must attend weekly, mandatory recovery support meetings offered by the Recovery House.
  - Recovery Plan - Residents must create and follow a Recovery Plan. The Case Manager will verify participation in Plan activities.
4. Section 2.2E – Physical Standards for a Recovery House
  - Certificate of Occupancy - A certificate of occupancy must be posted in a common area.
  - Repairs – Recovery House repairs must be made within 48 hours.
5. Section 2.2F – Naloxone (Narcan) - Narcan must be available in the Recovery House at all times, and staff must be trained in the use of Narcan.
6. Section 2.3 – Case Management Services
  - Recovery Plan - The case management staff must:
    - Encourage the resident to develop and participate in the Plan
    - Create the Plan with the resident within 24 hours of arrival
    - Check-in weekly regarding the resident's progress
    - Update the Plan with the resident at least every 30 days
    - Include specific service supports and treatment, permanent housing, employment, and other needs in the Plan
  - Employment - The provider must offer job readiness workshops and facilitate employment for residents. Employment opportunities must be scheduled into the resident's Recovery Plan
  - Public Entitlements - Providers must help connect residents to public entitlements (e.g. Medicaid and Food Stamps)

### III. Findings and Recommendations

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7. Section 2.4 – Staffing/Training - The staffing plan must include a House Manger and a Case Manager. Descriptions of staff duties and contact information for the House Manager must be posted in a common location. The House Manager must be available 24 hours a day, seven days per week.

We also noted the following in Article VI of the Allegheny County Health Department (ACHD) Rules and Regulations:

1. Section 604 – A Rooming House is any dwelling or part of any dwelling that contains one or more rooming units, which is let to four or more persons who are not related by blood, marriage or adoption, exclusive of usual servants, including boarding homes, whether or not operated for profit
2. Section 611A – No person may operate a rooming house without a valid rooming house permit issued by the ACHD

Condition:

We reviewed a sample of resident files and other supporting documentation from all four Recovery Housing providers to determine if the providers were in compliance with the terms of the RFP. Our procedures uncovered multiple instances in which the providers were not compliant with such terms or with the ACHD Rules and Regulations.

We found East End Cooperative Ministries' (EECM) Recovery Policy lacking, in that it doesn't state a resident is able to choose his own path to recovery nor does it address conflicts of interest between staff and other outside treatment programs. We also found that EECM's Case Manager was not holding mandatory weekly support meetings, was not verifying resident participation in Recovery Plan activities, did not complete weekly check-ins for 1 of 14 applicable residents, and did not schedule employment opportunities into 3 of 12 applicable residents' (25%) Recovery Plans. Additionally, EECM's Case Manager did not meet with any of the 12 applicable sampled residents (100%) to formally update the Recovery Plan every 30 days and connected only 1 of 2 residents needing connection to public entitlements to such services.

We also found deficiencies in the performance of Case Manager duties and responsibilities at Familylinks. For 14 of the applicable sampled residents, we found the Case Manager did not assist 5 residents (36%) in creating a Recovery Plan within 24 hours of the resident's arrival, as required. Additionally, for one resident (7%) the Recovery Plan did not include specific supports or treatment, and Familylinks could not provide evidence that the resident participated in any supports or treatment, or that the Case Manager encouraged the resident to participate in such activities. Furthermore, it appears the Case Manager did not complete regular

### **III. Findings and Recommendations**

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weekly check-ins regarding the resident's progress in the program for 3 of the 14 residents (21%), nor did she formally update the Recovery Plan every 30 days for any of the 12 residents (100%) who stayed at the Recovery House for at least 30 days.

In addition to the deficiencies found related to services provided by the Case Manager, Familylinks was also unable to provide any documentation as to the status of two pending referrals to the Recovery Housing program, nor were they able to provide support that maintenance requests were resolved within 48 hours, as required by the RFP.

Our procedures also revealed vacancies in key staffing positions at both Three Rivers Youth Recovery Houses. We found that the House Manager positions for the male and female Recovery Houses were vacant for a period of 2 and 4.5 months, respectively. The Case Manager position for the male Recovery House was also vacant for a period of approximately 4.5 months. We also found that the Case Managers failed to complete all weekly resident check-ins for all ten resident files reviewed (100%), and we were unable to find any evidence in one file that the Case Manager worked with the resident to complete the 30-day update to the Recovery Plan, as required.

Additionally, we found no evidence that required contact information for the House Manager was posted in a common area of the male Recovery House, and it also appears that Three Rivers Youth did not provide Narcan training for 6 of the 11 employees (55%) employed in various positions in both Recovery Houses. Similarly, while management of Clean and Sober Humans claimed that all staff were trained in the use of Narcan, management was unable to provide any training certificates to support such a claim.

We also found that Three Rivers Youth was operating its male and female Recovery Houses without a valid occupancy permit from October 2017 through April 2018. In addition, Familylinks, Three Rivers Youth (male House) and Clean and Sober Humans all failed to obtain a required ACHD rooming house permit.

Cause:

During various discussions with management of the Recovery Houses, all stated that they received limited instruction from DHS in terms of implementing a successful Recovery House program. DHS management indicated that it does not provide formal training to its providers regarding service delivery or program implementation. DHS management stated that they believe the RFP and monitoring results provide sufficient information such that providers should be able to implement a successful and compliant program.

### III. Findings and Recommendations

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The program monitoring tool used by DHS was roughly based on the Pennsylvania Department of Drug and Alcohol Programs (DDAP) Recovery Housing requirements (Section 6.03 of the DDAP Treatment Manual). According to DHS management, DHS also incorporated some of the requirements from the 2017 RFP into its monitoring tool. As part of its monitoring activities, DHS reviewed policies and procedures, client records, physical plant and staff training as it relates to Recovery Housing. Although DHS performed multiple site visits and programmatic monitoring visits, it appears that the recommendations made to the providers and any follow-up visits were insufficient and ineffective, as our procedures found many current issues related to non-compliance with the terms of the RFP.

Effect: Including program requirements in the RFP leads to an understanding that these requirements are necessary and essential to a successful program. If the requirements of the RFP are not followed and/or clearly understood by the providers, it can impede the residents' recovery, thus rendering the program ineffective and unsuccessful.

Recommendations: We recommend that the Department of Human Services:

- Meet with Recovery Housing providers to ensure the providers:
  - Understand the terms and requirements put forth in the RFP and associated contracts,
  - Understand the role these requirements play in a successful program outcome,
  - Are able to appropriately provide services as required by the RFP and contracts,
  - Have the necessary tools and staffing in place to be able to provide the required services to Recovery Housing residents.
- Further expand its monitoring tool to include additional RFP requirements, and advise the provider in writing of all deficiencies. Perform follow-ups to ensure all deficiencies have been corrected and recommendations implemented.

Management's  
Response:

The response begins on page 27.

### III. Findings and Recommendations

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#### *Finding #3*

#### **DHS Needs to Do More to Ensure Recovery Housing Providers are Meeting Performance Outcome Benchmarks**

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Criteria:

Section 2.6 of the 2017 Recovery Housing Request for Proposal (RFP) states, “DHS expects that the Successful Proposer will meet the following benchmarks. The Successful Proposer(s) must collect and report accurate progress for continuous quality improvement.

1. 80% of residents abstain from using drugs and alcohol while in Recovery Housing
2. 100% of residents exit to a permanent housing placement
3. 100% of residents who did not have income, gained income while in Recovery Housing
4. 100% of residents who were eligible for public entitlements, gained public entitlements while in Recovery Housing (e.g., Medicaid, Food Stamps)
5. 100% of residents participated in safe and sober activities while in Recovery Housing
6. 100% of residents who wanted to be connected to long term treatment supports while in Recovery Housing received connection
7. 100% of residents were connected to physical and dental health supports while in Recovery Housing (if needed)
8. 80% of residents indicated satisfaction with their experience in Recovery Housing, as measured by a satisfaction survey administered at discharge from the Recovery House

The Successful Proposer(s) will be required to file a quarterly and an annual report on performance measures and service utilization.”

Condition:

We were provided by DHS with a Recovery Housing Annual Outcome Report for the period December 2017 through June 2018 for East End Cooperative Ministries (EECM) and Familylinks, and for the period October 2017 through March 2018 for Three Rivers Youth. Such a report was not prepared for Clean and Sober Humans due to the limited time frame (17 days) their services were provided under the 2017 RFP. We reviewed these reports and found that none of the Recovery Housing providers met all of the performance outcomes as outlined in the RFP. We compiled the following chart based on the information provided by DHS. For an outcome to be achieved, the provider had to meet the requirement for the entire period.

### III. Findings and Recommendations

#### Summary of Provider Performance Outcomes

		EECM	Familylinks	Three Rivers Youth (Male)	Three Rivers Youth (Female)
Measurement Period		12/17-6/18	12/17-6/18	10/17-3/18	10/17-3/18
Number of Individuals Served		43	43	17	7
Number of Individuals Discharged		30	29	17	7
<b>Expected Outcome for All Residents</b>		<b>Actual Resident Outcome by Provider</b>			
Abstain from drugs and alcohol	80%	56%	58%	82%	86%
Exit to a permanent housing placement (after discharge)	100%	37%	34%	59%	14%
Gain income (for those who previously did not have income)	100%	39%	60%	100%	100%
Gain public entitlements (if eligible)	100%	92%	91%	100%	83%
Participate in safe and sober activities	100%	56%	98%	100%	100%
Connect to long-term treatment supports (if desired)	100%	100%	98%	100%	100%
Connect to physical and dental health supports (if necessary)	100%	100%	100%	82%	100%
Satisfaction with the Recovery Housing experience (via survey at time of discharge)	80%	73%	Note 1	53%	14%
<b>Number of Outcomes Met</b>		<b>2</b>	<b>1</b>	<b>5</b>	<b>5</b>

*Note 1: Upon review of the Annual Outcome Report as provided by DHS, it appears the data used for this category is incorrect. We are unable to determine if the performance outcome was met.*

Additionally, each Recovery Housing provider provided us with monthly performance outcome reports. These reports covered each month during the period July 2018 through October 2018 for EECM and Familylinks, and the month of April 2018 for Three Rivers Youth (both Three Rivers Youth Recovery Houses closed in late April 2018). We reviewed these reports and again found that none of the Recovery Housing providers met all of the performance outcomes as outlined in the RFP. We noticed little improvement in the number of outcomes met by each provider; Familylinks and Three Rivers Youth (male) each increased the number of outcomes met by one. We compiled the following chart based on the information provided by the Recovery Housing providers. For an outcome to be achieved, the provider had to meet the requirement for the entire period.

### III. Findings and Recommendations

#### Summary of Provider Performance Outcomes

		EECM	Familylinks	Three Rivers Youth (Male)	Three Rivers Youth (Female)
Measurement Period		7/18-10/18	7/18-10/18	4/18	4/18
Number of Individuals Served		79	26	5	1
Number of Individuals Discharged		25	24	5	1
<b>Expected Outcome for All Residents</b>		<b>Actual Resident Outcome by Provider</b>			
Abstain from drugs and alcohol	80%	96%	50%	100%	0%
Exit to a permanent housing placement (after discharge)	100%	60%	54%	100%	0%
Gain income (for those who previously did not have income)	100%	62%	78%	Note 1	0%
Gain public entitlements (if eligible)	100%	78%	91%	100%	100%
Participate in safe and sober activities	100%	58%	77%	100%	100%
Connect to long-term treatment supports (if desired)	100%	80%	100%	100%	100%
Connect to physical and dental health supports (if necessary)	100%	100%	100%	75%	100%
Satisfaction with the Recovery Housing experience (via survey at time of discharge)	80%	56%	58%	100%	100%
<b>Number of Outcomes Met</b>		<b>2</b>	<b>2</b>	<b>6</b>	<b>5</b>

*Note 1: Upon review of the monthly performance outcome report as compiled by the provider, it appears the data used for this category is incorrect.*

Cause:

The 2017 RFP did not provide any information or explanation on how to properly report performance outcome data. Based on discussions with the providers and review of the reports submitted to DHS, it appears as if each Recovery Housing provider was using inconsistent data and each was reporting that data slightly differently to DHS. It was not until the issuance of the 2018 Recovery Housing RFP that DHS provided written guidelines explaining how to accurately complete the performance outcome reporting requirements. As noted above however, based on our review of the monthly data it appears that even with access to these guidelines providers are still submitting erroneous data to DHS. Even more so, not only is the provider submitting inaccurate data, but DHS is accepting this data month after month without providing any guidance to the providers as to how to adjust their reporting.

In addition, based on discussions with Recovery Housing providers during fieldwork, it appears that DHS has had very limited to no discussions with providers regarding their ability to meet or not meet outcomes as stated in

### III. Findings and Recommendations

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the RFP. Furthermore, the RFP does not provide for any consequences to the provider if performance outcomes are not met.

Effect: Reporting of performance outcome data appears to be inconsistent across all Recovery Housing providers. Inconsistent and incorrect use of data provides no evidence of how well or how poorly the Recovery Housing program is performing, thus leaving it difficult to accurately measure the successes or setbacks of both the program and the residents who participate. Setting high expectations in an attempt to motivate providers without providing proper guidance on how to achieve those desired outcomes sets providers up for failure.

Recommendations: We recommend that the Department of Human Services:

- Ensure all providers are utilizing and submitting consistent and appropriate data when completing monthly performance outcome reports.
- Review all performance outcome data submitted by each Recovery Housing provider on a monthly basis. If it appears that the data is inconsistent or inaccurate, or if the provider is not meeting the expected outcomes, DHS should immediately communicate with the provider to determine the cause and work to remedy any issues. All issues found by DHS should be documented and maintained to ensure the provider has corrected its data moving forward.
- Meet with any new Recovery Housing providers to ensure the provider has an understanding of all expectations and reporting guidelines.

Management's  
Response:

The response begins on page 27.

### III. Findings and Recommendations

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#### *Finding #4*

#### **DHS Should Address Incomplete Resident Files as Part of its Recovery House Monitoring Plan**

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Criteria:

The 2017 Request for Proposal (RFP) provides detailed requirements surrounding various aspects of Recovery Housing case management services, program staffing and training, and resident records. These requirements encompass numerous pages in the RFP. We've summarized below the RFP requirements for which our procedures found the providers were not compliant.

1. Section 2.2B – Rental Payment - Residents must contribute 15% of their income as rent. While completing our procedures, we were informed that DHS provided communication to providers stating that rent collection was optional, but if rent was collected, it must be used to offset billings to the County.
2. Section 2.2C – Intake and Orientation
  - House Rules - The resident must sign a form indicating that they agree to the written house rules.
  - Path to Recovery - The provider must give residents a written policy which states residents can choose their own path to recovery and that address conflicts of interest between house staff and various other treatment programs.
  - Consent to Release Information - The resident must execute a Drug and Alcohol Consent to Release Information Form.
  - Medication Policies - The provider must give residents the Recovery House's over-the-counter and prescription medication policy.
  - Overdose Prevention Policy - Residents must sign a statement that they have read and reviewed the Recovery House's overdose prevention policy.
  - Rent - The provider must explain if and how they will collect rent.
  - House Repairs - The provider must explain how to report needed repairs to the Recovery House.
3. Section 2.2D – Rules and Requirements: No alcohol or drugs - Residents cannot use alcohol or drugs. Providers may use random urine testing and/or breathalyzers to enforce this policy.
4. Section 2.3 – Case Management Services
  - Recovery Plan - The case management staff must check-in weekly regarding the resident's progress
  - Housing - The provider must plan for permanent housing for the resident on the day of admission

### III. Findings and Recommendations

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5. Section 2.5 – Records, Confidentiality, and Reporting: Activity Notes - Activity notes indicating a resident’s progress and current status in meeting his/her goals must be updated weekly.

Condition:

We reviewed a sample of resident files and other supporting documentation from all four Recovery Housing providers to determine if the providers were in compliance with the terms of the RFP. Our procedures uncovered multiple instances in which the providers were unable to provide adequate records to substantiate compliance with such terms.

Of the 15 resident files reviewed at East End Cooperative Ministries (EECM) we found numerous instances in which EECM could provide no evidence that required documentation was given to or acknowledged by the resident. One file was missing signed House Rules, another file was missing a signed Drug and Alcohol Consent to Release Information form, and two additional resident files contained no evidence that the resident was presented with the over-the-counter and prescription drug medication policy. Additionally, we found no evidence that 9 of the 15 residents (60%) sampled were ever subject to a drug test or breathalyzer, and for the 6 residents in our sample who were drug tested, EECM could not provide any copies of the test results. Furthermore, we found that some of the case notes contained within the resident files did not appear to add much value to the file itself. Case notes were typically short, basic and sometimes quite vague, and didn’t offer the same amount of detail as seen in the case notes of other Recovery Housing providers.

We reviewed 15 resident files at Familylinks and found two files that did not contain evidence to support that the resident received the policy stating they can choose their own path to recovery, three files that contained no evidence that the resident was presented with the over-the-counter and prescription medication policy or the overdose prevention policy and an additional three files that contained no evidence that the resident was ever provided with an explanation on how to report necessary Recovery House repairs. During the course of our procedures, we also found that Familylinks charged rent in the amount of \$204 to one of our 15 sampled residents. Familylinks informed us that the money was returned to the resident but could provide no documentation of such occurrence.

In total we reviewed 10 resident files from both the male and female Three Rivers Youth Recovery Houses. Of the 10 resident files reviewed, we found multiple instances in which Three Rivers Youth could provide no evidence that required documentation was given to or acknowledged by the resident. One file was missing signed House Rules and contained no evidence that the resident was provided with the over-the-counter and

### III. Findings and Recommendations

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prescription drug medication policy, or that the provider explained the rent collection policy or how to report necessary Recovery House repairs. Six files (60%) did not contain evidence that the resident received the policy stating they can choose their own path to recovery and were also missing documentation to evidence that the resident was presented with the overdose prevention policy. We also found one additional resident file which did not contain an initial resident Recovery Plan, thus we were unable to determine if Three Rivers Youth planned for permanent housing on the day of the resident's admission, as required by the RFP.

Of the 3 resident files reviewed at Clean and Sober Humans (CASH) we found no evidence in any of the three files (100%) that the resident received the over-the-counter and prescription drug medication policy or the policy stating they can choose their own path to recovery. Additionally, we found no evidence that any of three the residents sampled (100%) were ever subject to a drug test or breathalyzer, as CASH could not provide any copies of the test results. CASH also could not provide any documentary evidence to support weekly check-ins with any of the three residents sampled (100%). Furthermore, one of the three files reviewed was missing signed House Rules, a signed Drug and Alcohol Consent to Release Information form, and contained no evidence that resident was presented with the overdose prevention policy.

Cause:

During various discussions with management of the Recovery Houses, all stated that they received limited instruction from DHS in terms of implementing a successful Recovery House program. DHS management indicated that it does not provide formal training to its providers regarding service delivery or program implementation. DHS management stated that they believe the RFP and monitoring results provide sufficient information such that providers should be able to implement a successful and compliant program.

The program monitoring tool used by DHS was roughly based on the Pennsylvania Department of Drug and Alcohol Programs (DDAP) Recovery Housing requirements (Section 6.03 of the DDAP Treatment Manual). According to DHS management, DHS also incorporated some of the requirements from the 2017 RFP into its monitoring tool. As part of its monitoring activities, DHS reviewed policies and procedures, client records, physical plant and staff training as it relates to Recovery Housing. Although DHS performed multiple site visits and programmatic monitoring visits, it appears that the recommendations made to the providers and any follow-up visits were insufficient and ineffective, as our procedures found many current issues related to non-compliance with the terms of the RFP.

### **III. Findings and Recommendations**

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Effect: An incomplete resident file fails to provide any evidence that services were provided to the resident in accordance with the terms of the RFP. Without physical evidence to document the management of care and supervision afforded to residents by the provider, one may be led to the conclusion that such services were never provided. By not holding the provider responsible to maintain sufficient and appropriate resident records, a resident's progress in the Recovery Housing program cannot be adequately measured, thus potentially rendering the program ineffective and unsuccessful.

Recommendations: We recommend that the Department of Human Services:

- Conduct its monitoring activities with greater diligence such that all steps outlined in the Recovery Housing monitoring tool are performed thoroughly and completely.
- Ensure that all deficiencies found and recommendations made to Recovery Housing providers during the course of a DHS monitoring visit are included in a formal written follow-up summary. A corrective action plan should be required for such all (both written and oral) recommendations.
- Perform follow-ups to ensure all deficiencies have been corrected and recommendations implemented.

Management's  
Response:

The response begins on page 27.

### III. Findings and Recommendations

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#### *Finding #5*

#### **DHS Should Do More to Comply with DDAP Requirements**

Criteria: Section 6.03 of the Pennsylvania Department of Drug and Alcohol Programs (DDAP) Treatment Manual gives authority to the Allegheny County Single County Authority (SCA) to contract with an agency or an individual who provides Recovery Housing services. The DDAP Manual states that prior to final approval of a Recovery Housing provider, the SCA must conduct a site visit, and results of the visit must be documented and be available for DDAP review.

Section 2.2E of the 2017 RFP requires the Recovery Housing provider to post certificates of occupancy in common areas and abide by local building and fire safety codes.

Condition: DHS failed to conduct a site visit to any of the Recovery Housing providers awarded a contract under the 2017 RFP, as required by the DDAP Treatment Manual.

Three Rivers Youth opened its male and female Recovery Houses in October 2017. Shortly after, the City of Pittsburgh was made aware that Three Rivers Youth was operating two of its previously vacant facilities as Recovery Houses. Subsequently, additional complaints from the community surfaced regarding Three Rivers Youth operating its facilities without a valid occupancy permit and without proper zoning. When questioned, management from Three Rivers Youth stated that they believed they were appropriately zoned to operate the Recovery House and that it “was an oversight on their part.”

Due to the ongoing legal issues related to the occupancy permit and zoning variance, Three Rivers Youth closed its Recovery Houses in April 2018. In May 2018 Pittsburgh’s Zoning Board of Adjustment ruled against a request from Three Rivers Youth for a new zoning variance that would allow them to house 30 residents across both facilities. Three Rivers applied again for a zoning variance, this time asking to house 20 adults (10 residents in each Recovery House), rather than the 30 it previously requested. As of late summer 2018, the Pittsburgh Zoning Board of Adjustment approved a zoning change allowing Three Rivers to establish a “community home” for 10 residents (20 in total) in each of its two Termon Avenue facilities. However, before either facility can be issued an occupancy permit, extensive interior work is necessary (a fire sprinkler system and other safety features) to bring the buildings up to code as a “community home.” Three Rivers Youth management intends to reopen its Recovery Houses in spring 2019.

### III. Findings and Recommendations

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Cause: DHS acknowledged that no site visits were made to the Three Rivers Youth Recovery Houses or to any of the other prospective Recovery House facilities prior to awarding the Recovery Housing contracts. Instead, proposal evaluators requested and viewed (from the five short-listed proposers) photographs of the proposed Recovery Houses, including images of the outside of the facilities, bedrooms, bathrooms, kitchens and common spaces. It also appears that DHS did not require providers to submit copies of applicable permits and licenses, but rather placed reliance on the provider to ensure all applicable permits and licenses were obtained. DHS indicated that the provider is expected to abide by and meet all applicable laws, ordinances, and regulations before signing/finalizing a contract.

Effect: Because DHS did not adhere to the DDAP requirements regarding site visits or perform adequate due diligence, Three Rivers Youth operated two Recovery Houses for a period of approximately six months without a valid occupancy permit or proper zoning. Operating the Recovery Houses without a valid occupancy permits is in direct violation of the terms of the RFP. Additionally, since Three Rivers Youth was forced to close its two facilities in April 2018, DHS' Recovery Housing program has also had to operate with one less provider for almost a full year. In the year that the Houses have been closed, Three Rivers could have served at least 80 residents across both Houses.

Recommendations: We recommend that the Department of Human Services:

- Comply with DDAP requirements and conduct site visits of all prospective Recovery Housing providers/facilities prior to awarding a contract. Site visits should be conducted for all prospective Recovery House providers/facilities even if the provider is currently under contract with DHS to provide another service.
- Integrate a requirement into all RFPs that providers submit copies of all applicable permits and licenses as part of their proposal package. DHS should review these documents to ensure validity and applicability prior to awarding a contract.

Management's  
Response:

The response begins on page 27.

### III. Findings and Recommendations

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#### *Finding #6*

#### **DHS Did Not Include Key Requirements of the RFP as Part of the Recovery Housing Provider Contracts**

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- Criteria:** Certain County Departments make it a practice to incorporate the RFP and proposal into the final contract. If the RFP is not incorporated in its entirety by reference, relevant items such as important contractual terms, scope of work descriptions, performance expectations, or other key requirements from the RFP or the proposal may not be met. Contracts should be written so that the County can hold the provider accountable for these requirements.
- Condition:** DHS issued an RFP on March 13, 2017 to solicit proposals from organizations to provide Recovery Housing. DHS received nine proposals which were rated and evaluated based on seven criteria which included provider experience, housing/program plan, resident support plan, staffing plan, record retention, performance monitoring, and fiscal management (see Introduction, page 3 for more details). Contracts were awarded to four proposers based on their proposals. Since then, one provider discontinued services, and services from a second provider have been suspended due to an issue with their occupancy permit.
- The contract/amendment for Recovery Housing service providers includes a Work Statement which describes the services to be performed. We found that the Work Statement simply provides an explanation of what Recovery Housing is and states that services must be provided in accordance with the Pennsylvania Department of Drug and Alcohol Program (DDAP) code 920R, the DDAP Treatment Manual, and the DDAP licensure, which is currently being developed by DDAP. The Work Statement does not contain any of the specific terms, criteria, detailed requirements, or performance outcomes solicited in the RFP.
- Cause:** DHS did not believe it was important to include the RFP or sections of it as part of the contract. DHS management stated that the RFP was not included in the contract because recovery housing are not services that should be rigidly standardized.
- Effect:** It is inappropriate and arbitrary to have standards set forth in an RFP that are used as a basis for awarding a contract and then not require the selected provider(s) to abide by those terms. Although DHS appears to have set high expectations with the RFP, these terms were never incorporated into the contract. The contract is weak and only includes the minimum state requirements. This has resulted in limited accountability and lack of clear program expectations. In addition, DHS's limited contract has resulted in inconsistent program administration and

### **III. Findings and Recommendations**

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application of program criteria between the various providers as evidenced in Findings #1 through #4 of this report.

Recommendations: We recommend that the Department of Human Services:

- Strengthen the Recovery Housing provider contracts by identifying key terms and requirements from the RFP during contract negotiations, and incorporate these requirements into the provider contracts. This will allow DHS to ensure provider accountability with contract terms as well as strengthen the provider's understanding of DHS's expectations related to recovery housing.

Management's  
Response:

The response begins on page 27.

## **IV. Conclusion**

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While it appears that the Allegheny County Department of Human Services (DHS) evaluated and rated the proposals received for Recovery Housing services in accordance with the terms identified in the Request for Proposal (RFP), it also appears that DHS did not incorporate the RFP, or sections of it and the proposal, into the final contract. DHS also did not effectively monitor those providers who were ultimately awarded Recovery Housing contracts. Our procedures found that DHS' inadequate monitoring led to overpayments made to Recovery Housing providers, numerous instances of provider noncompliance, lower than expected provider performance outcomes, poorly maintained resident files, and DHS' own noncompliance with applicable DDAP requirements. These deficiencies were not limited to one provider; deficiencies were found across all Recovery Housing providers, thus leading one to believe that the cause of such deficiencies may not be limited to the providers, but also to the agency responsible for monitoring their performance and their contracts—DHS. Given that the performance outcome data reported by the providers contains inconsistent and incorrect data, it is difficult to understand how DHS is able to determine if the Recovery Housing program is providing the services necessary to benefit its intended population. DHS needs to improve its monitoring activities, clearly communicate all deficiencies to providers in writing, and follow-up with each provider to ensure they have a clear understanding of what improvements are required.

COUNTY OF



ALLEGHENY

RICH FITZGERALD  
COUNTY EXECUTIVE

June 4, 2019

Chelsa Wagner  
Allegheny County Controller  
Courthouse  
436 Grant Street  
Pittsburgh, PA 15222

Re: Performance Audit Report on Allegheny County Department of Human Services RFP and Contract Award Process for Recovery Housing for the Period of July 1, 2017 through October 31, 2018

Dear Controller Wagner:

The Allegheny County Department of Human Services (DHS) is pleased that in your conclusion, you wrote that it appears that DHS evaluated and rated the proposals received for Recovery Housing services in accordance with the terms of the RFP, which was the initial focus of the performance audit. Nevertheless, as we address the substance of the Draft Audit Report, DHS' Management Responses are detailed herein. Moreover, we wanted to note some common themes that appeared throughout the Draft Audit in this cover page.

For example, the Draft Report continuously references the Request for Proposal (RFP) issued in 2017 as a document that should be complied with by Providers that were successful in being selected to provide Recovery Housing Services. The RFP was a document that contained aspirational goals that ideally, DHS would seek from Providers performing these services. Any goals or measures contained in the RFP were never meant to be absolute requirements; if so, the RFP would have been incorporated into the contract by reference or those specific terms would have inserted into the contract.

Additionally, the Draft Report references noncompliance with requirements of the Department of Drug and Alcohol Programs (DDAP). It is the opinion of DHS that the vast majority of the findings reference non-compliance with the RFP and other anecdotal practices as opposed to citing a specific regulation.

This was the first time DHS has ever solicited for the service of Recovery Homes. One of the primary reasons we issued this RFP was to identify a appropriate group of Providers that could do the work of Recovery Housing. Recovery Housing are not services that should be rigidly standardized. Recovery is a very challenging, lifelong journey, and unfortunately it is expected that relapse will occur for many. The role of a Recovery House must be to provide

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MARC CHERNA, DIRECTOR  
**DEPARTMENT OF HUMAN SERVICES**  
**EXECUTIVE OFFICE**

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flexible, non-judgmental support when the person is again capable of resuming his or her recovery journey.

We believe that once you have seen our responses, your office will understand that this was just a first step in attempting to standardize this service delivery. It is our goal to learn from this initial RFP process as we consider issuing a second RFP for Recovery Housing Services. Thank you so much.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Cherna', with a long horizontal flourish extending to the right.

Marc Cherna  
Director

## **FINDING #1 – DHS Overpaid \$5,360 to Three Recovery Housing Providers**

### MANAGEMENT’S RESPONSE:

Allegheny County does not concur with this finding. As explained during the exit interview, the programmatic allowances for billing were revised by the Bureau of Drug and Alcohol to enhance the service deliverables to clients. There was no disallowance of any expenditures reported to the funding agency during the period of review. Unlike other County Departments, ACDHS Request for Proposals are not a part of the contract with any of the Providers contracted to deliver services under the Recovery Housing Program. Any reliance on the RFP referenced in this finding is misleading. Nonetheless, DHS agrees to create and institute a billing policy for Recovery Housing services which will include definitions, acceptable billing practices and documentation.

The auditor’s information lacks basic regulatory reference in citing of an alleged overpayment in some areas. For example, we would agree where clients stayed past 90 days without an exception and where the Providers billed for clients after the date of discharge would be disallowed. However, where there are other disallows, the auditor should provide ACDHS with the regulation that was utilized to determine disallowability. Fiscal and Programmatic billings are timely. Fiscal compliance visits for Recovery Housing Providers are conducted once a year per DDAP regulations.

DHS does reconcile after we have conducted a site visit, but it would be very difficult to perform site visits for Recovery Housing Providers monthly as they comprise but a portion of the over 350 entities with which DHS contracts. Monthly reconciliations would require increases in staff and subsequent administrative costs with no increased value as compared to annual monitoring.

## **FINDING #2 – DHS Needs to ensure Providers Understand and comply with the terms of the Request for Proposal**

### MANAGEMENT’S RESPONSE:

Allegheny County DHS does not concur with this finding. ACDHS Request for Proposals are not a part of the contract with any of the Providers contracted to deliver services under the Recovery Housing Program. Any reliance on the RFP referenced in this finding is misleading.

- Nonetheless, DHS submits to the Controller’s Office, the information below to refute the Effect and Recommendations indicated in this Finding. For example, DHS has Emails/Documents showing in which we provided any TA and explicit direction
  - EECM: Technical Assistance was provided to EECM through 15 emails between them (EECM) and DHS staff in regards to the recovery house.
  - FL: Technical Assistance was provided to FL though 20 emails between them (FL) and DHS staff in regards to the recovery house.

- TRY: Technical Assistance was provided to TRY through 9 emails between them (TRY) and DHS staff in regards to the recovery house.
- Additionally, DHS has staff rosters that coincides with site visits conducted across fiscal years
- DHS also has copies of what we send to providers post monitoring such as letters and reports.
- DHS also has an updated recovery tool

\*Supporting documentation will be made available upon request.

### **FINDING #3 – DHS Needs to do more to ensure Recovery Housing Providers are Meeting Performance Outcome Benchmarks.**

#### MANAGEMENT’S RESPONSE:

DHS does not concur with this finding insofar as the RFP is not a part of any agreement between DHS and any of the Recovery Housing Providers to deliver services for Recovery Housing. Any reliance on the RFP referred to in this finding is misleading.

Nonetheless, DHS has provided a written response below.

To ensure all Providers are utilizing and submitting consistent and appropriate data when completing monthly outcome reports, below are examples of steps DHS has taken:

EECM: The Quality Assurance Coordinator sent out an email on 8/29/18 with an updated Outcomes monthly tracking form after having a conversation with Rev. Wild to clarify some confusion between EECM and the county on certain definitions on the tracking form including, permanent housing. At the annual monitoring visit on 11/28/18 the QAC went over the Outcomes report for the first fiscal year of the recovery house staff and the discussion revolved around how to improve the data point that fell short of the set goal. EECM staff were engaged in the conversation with methods they could use to increase their percentages. They believed that previously discussed definitions of permanent housing helped them in that category.

FL: The Quality Assurance Coordinator sent out an email on 8/29/18 with an updated Outcomes monthly tracking form after a conversation with the other recovery house provider regarding questions regarding certain definitions on the form, including the definition of permanent housing. At the annual monitoring visit on 12/6/18 the QAC went over the Outcomes report for the first fiscal year of the recovery house staff and the discussion revolved around how to improve the data point that fell short of the set goal. FL staff indicated ways in which they thought that they could improve those data points.

TRY: TRY was not open when Monitoring season occurred. When TRY reopens, discussion and explanation of its outcomes report will occur during the Pre-Reopening visit. Individualized TA will be provided.

Below is the method DHS uses to validate monthly outcome data submitted by the providers and what we do when the submit outcome reports incorrectly

All Providers: Monthly Outcomes reports are sent to the Quality Assurance Coordinator via email and are reviewed as they are received. If there is an issue/concern that is noted about the monthly reports during the review the QAC will reach out via email for clarification, if necessary a phone follow-up will also occur between the QAC and provider.

\*Supporting documentation for Recovery Housing outcomes will be made available upon request.

**FINDING #4 – DHS should address incomplete resident files as part of its recovery house monitoring plan.**

MANAGEMENT’S RESPONSE:

DHS does not concur with the premise of this finding insofar as it is subjective and references the RFP which is not a part of any agreement between DHS and any of the Recovery Housing Providers to deliver services for Recovery Housing. Any reliance on the RFP referred to in this finding is misleading.

Nonetheless, DHS has provided a written response below.

DHS can provide examples of multiple monitoring visits made to the Recovery Houses where we upon finding any deficiencies, we document them and require the Provider to address, typically within 30 days of receipt of the report.

\* Supporting documentation for Recovery Housing monitorings will be made available upon request.

**FINDING #5 – DHS should do more to ensure more to comply with DDAP Requirements**

DHS does not concur with the premise of this finding insofar as it references the RFP as it is not a part of any agreement between DHS and any of the Recovery Housing Providers to deliver services for Recovery Housing. Any reliance on the RFP referred to in this finding is misleading.

Nonetheless, DHS has provided a written response below as well as supporting document which is attached.

DHS does acknowledge that it did not conduct a site visit to Three Rivers Youth prior to a contract being awarded. However, DHS did conduct a site visit to FamilyLinks and East End Cooperative Ministries. DHS has evidence that will indicate when site visits were conducted with EECM and FamilyLinks.

\*Supporting documentation for Recovery Housing monitorings will be made available upon request.

**FINDING #6 – DHS did not include key requirements of the RFP as part of the recovery housing contracts.**

**MANAGEMENT’S RESPONSE:**

The Allegheny County Department of Human Services (DHS) disagrees with this finding. The County Controller does not cite any statute, regulation or policy that would require DHS to include in its contract with a successful proposer(s), the Request for Proposals (RFP). The information contained in this finding is all anecdotal. The scope of services identified in the agreement with the Providers describes the services DHS is purchasing from the Provider for which they are required to adhere. Additionally, the Providers are expected to adhere to the requirements promulgated by the Pennsylvania Department of Drug and Alcohol Program and Treatment Manual.

Further, these contract documents are not weak, and it wasn’t that we thought the RFP wasn’t important. The decision to not include the RFP into the contract is neither inappropriate or arbitrary. As a matter of policy, DHS does not include RFPs in our contracts. Our RFPs ask proposers to present their plan for providing services that are consistent with the goals of the RFP, but do not always prescribe specifications for the provision of service. Given this, it would not be appropriate to include the RFP in a contract. Once a Successful Proposer has been identified through our RFP process, we draft a workstatement that reflects the specific service the provider must deliver. The workstatement is based on the goals of the RFP, the Successful Proposal, and other relevant requirements (such as the DDAP Treatment Manual). It is our belief that we captured in our scope of work the services to be delivered by the Providers.

**CONCLUSION:**

DHS appreciates the acknowledgement that your review revealed that we use sound practices in evaluating and rating proposals for Recovery Housing in accordance with the terms identified in the RFP.

However, to reiterate from our opening letter, foundational reference is consistently made throughout the audit report insisting that DHS did not comply with the terms and conditions of the RFP.

As we have noted numerous times in our response, this is fundamentally in error because the RFP was not and has never been a part of the contract. The terms indicated in the RFP were aspirational as achievements DHS would like to see in a Recovery Housing model; but never intended to be contractual. The effectual contract between DHS and the Provider did not contain the performance measures that were allegedly in noncompliance according to the audit report.

Additionally, as we have noted, we strongly disagree with the notion inadequate monitoring led to overpayments made to Recovery Housing Providers. DHS follows DDAP regulations when monitoring these Providers and we monitor once a year. The timing of our monitoring for these services with these Providers did not fall within the scope of the Controller’s audit. Further, when DHS conducts a fiscal review, it utilizes a sampling of claims as would the Controller’s Office.

Regarding any deficiencies, we believe we have more than adequately refuted the Controller’s Office findings with a bevy of information that indicates efforts DHS has taken to ensure these Providers are

adhering to the terms and conditions of their contract as opposed to the RFP. DHS acknowledges instances where we could enhance our efforts, and we will act accordingly. One of the goals we hoped to achieve by issuing this RFP was to begin to standardize Recovery Housing services. We knew things might not go as planned which is why we decided on issuing a second RFP so we could learn from this initial solicitation and improve.

We will continue to collaborate with our providers and funding agencies to ensure that we are implementing regulatory standards and best practices that offer the best possible programmatic services to our clients in Allegheny County, PA.