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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 4, 2025

Lorraine Cortés-Vázquez
Commissioner
New York City Department for the Aging
2 Lafayette Street
New York, NY 10007

Re: Case Management
Report 2025-F-3

Dear Commissioner Cortés-Vázquez:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article III of the General Municipal Law, we have followed up on the actions taken by officials of the New York City Department for the Aging to implement the recommendations contained in our initial audit report, *Case Management* (Report 2021-N-9).

Background, Scope, and Objective

The New York City Department for the Aging (DFTA) promotes, administers, and coordinates the development and provision of services for older New Yorkers to help them maintain their independence and participation in their communities. DFTA's stated mission is to work to eliminate ageism and ensure the dignity and quality of life of the City's diverse older adults, and for the support of their caregivers through service, advocacy, and education. According to the most currently available U.S. Census American Community Survey data, there were over 1.9 million adults age 60 and older (seniors) residing in New York City in 2023.

DFTA contracts with community-based organizations (providers) to provide case management services, which help older persons with functional impairments gain access to appropriate services, benefits, and entitlements needed to age safely at home and maintain their quality of life. DFTA reported that more than 31,000 seniors received over 515,000 hours of case management services in City fiscal year ended June 30, 2024. For City fiscal year ended June 30, 2025, DFTA contracted with 20 providers servicing 21 case management program contracts, totaling over $48 million. As of City fiscal year 2025, case management providers are reimbursed based on a rate for each unit (hour) of case management service, not to exceed an approved budget. Furthermore, case management providers must adhere to DFTA's Case Management Standards of Operations and Scope of Services (Standards), which detail when intake assessments and reassessments must be performed, as well as wait list prioritization. According to DFTA officials, as of February 2025, there were 338 people on the case management list and 475 on the home care wait list.

Our initial audit report, issued on July 26, 2023, examined whether DFTA provided and paid case management services appropriately for eligible seniors. The audit, which covered the period from January 2019 through October 2022, found that DFTA did not provide adequate

oversight of its case management program. Specifically, DFTA did not ensure that its contracted providers adhered to DFTA's Standards; therefore, key milestones for delivering and monitoring services needed for vulnerable seniors were not always met. Clients spent significant time on wait lists before they could receive critical services, such as case management and home care. When services became available, a referral was not always prioritized such that those with the greatest needs received services first. Additionally, DFTA reimbursed providers for $10,480 in claimed expenses that had insufficient supporting documentation or were unrelated to the case management program. DFTA's oversight of its case management providers was inadequate as it did not maximize the use of available case management data, and it did not include certain aspects of case management in its evaluations. DFTA officials also did not always review supporting documentation for personal service and other than personal service expenses prior to payment.

The objective of our follow-up was to assess the extent of implementation, as of May 12, 2025, of the eight recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

DFTA has made some progress in addressing the problems we identified in the initial audit report. Of the initial report's eight audit recommendations, one was implemented, four were partially implemented, and three were not implemented.

Follow-Up Observations

Recommendation 1

Ensure that case managers comply with all requirements of the Standards, including timely assessments, supervisory review, contacts, and documentation.

Status – Partially Implemented

Agency Action – DFTA officials implemented protocols to monitor providers' compliance with Standards, which require that providers conduct assessments within 10 days of intake and reassessment every 365 days. However, DFTA officials did not take any steps to regularly monitor compliance with other timeliness requirements, such as timely supervisory reviews, service follow-up contacts, or case note documentation.

According to the new protocols, DFTA officials generate two reports monthly—Report of Past Due Initial Assessments and Report of Past Due Reassessments—to identify providers who are not in compliance with the Standards. The protocols require that reports are shared internally monthly and are shared with providers quarterly. The protocols require providers to submit an action plan within 1 week to address underutilization and DFTA officials provide technical assistance and meet with the providers to review action plans and ensure they are addressing the issue(s). We reviewed Past Due Initial Assessments and Past Due Reassessment reports and corresponding action plan notes for the period from November 2024 through February 2025 and found that DFTA officials sent reports of non-compliance with Standards to all 21 providers during the period, as follows: three providers in November 2024, 21 providers in January 2025, and five providers in February 2025.

To determine if DFTA officials implemented the recommendations, we judgmentally selected a sample of three providers. The three providers had four contracts in City fiscal

year 2025. We then judgmentally selected a sample of 20 clients from the four sampled contracts. Our sample factored both the age of the youngest clients and the oldest clients. We reviewed case notes for the period from July 2023 through March 12, 2025 for the 20 sampled clients to determine if the providers complied with the Standards' timeliness requirements for initial assessments, supervisory reviews, service follow-up contacts, and case note documentation. We found 11 instances of non-compliance with the Standards for 10 clients (see table below). While DFTA implemented protocols to ensure provider compliance with assessment requirements, of the 11 instances of non-compliance, one instance was related to assessments.

Non-Compliance With DFTA Standards

DFTA Standard	Instances of Non-Compliance	Most Days Exceeding DFTA Standard
Initial Assessment (must be within 10 days of intake)	1	19
Supervisory Review (must be within 10 days of event)	2	7
Initial Service Follow-Up (must be within 24 hours)	2	3
Service Follow-Up Assessment (must be within 15 days)	1	2
Case Notes Documentation (must be within 3 days of event)	5	6

DFTA officials explained they plan to deploy a new case management system named VIVE in September 2025. DFTA officials also explained that program staff will have the ability to run monitoring reports, which further assist DFTA in ensuring compliance.

Recommendation 2

Review wait lists to assess whether clients are prioritized for service referral based on weighted scores.

Status – Partially Implemented

Agency Action – DFTA officials provided evidence that they reviewed a sample of two wait lists (for two providers) to assess how clients were prioritized. DFTA's analysis of these two wait lists, one with 28 clients and the other with 62 clients, found that 18 clients were taken off these wait lists (four and 14, respectively) before clients with a higher weighted score because these clients had waited longer for services. For example, a client with a weighted score of 31 was removed after a client with a weighted score of 7 because the client with the lower score had spent more time on the wait list. We asked DFTA officials if they took any action when they discovered providers are selecting clients from the wait list based on time rather than score, and they stated that they reviewed the data but did not contact providers to discuss their findings.

However, the current wait list prioritization calculation only factors an individual's specific needs such as ability to bathe, eat, cook, and shop and whether there is adequate support. There is no consideration or impact based on the length of time a person is on the wait list. DFTA officials stated they intend to change the calculation for the weighted score to include length of time on the wait list; however, the updates to the calculation have not yet been implemented. Officials explained that the new calculation for weighted scores will be implemented in September 2025 with the launch of their new system, VIVE. Once the system goes live, DFTA officials plan to conduct a quarterly review to

assess the integrity of the process. The new calculation for wait list prioritization will add one point per month on the wait list to the weighted score.

Based on feedback from case management providers, DFTA added a new field to case records that indicates when clients are selected from the wait list for a service but cannot begin services. DFTA officials explained that this additional information allows them to better review why providers do not always provide services to those on the wait list with the highest score. In November 2023, DFTA officials issued a memo to providers explaining this new field. However, this additional field, by itself, does not prevent providers from continuing to select the client with the longest wait time.

Furthermore, while DFTA made efforts to review a sample of wait list data and plans to make changes to the calculation for the prioritization score, it has not yet implemented a mechanism to assess whether clients are prioritized for service referral based on weighted scores.

Recommendation 3

Ensure PAS evaluations use the appropriate case management criteria.

Status – Partially Implemented

Agency Action – To ensure providers are operating in accordance with the Standards, DFTA performs annual Program Assessment System (PAS) evaluations for each provider, which include questions related to compliance with the Standards, and for which providers must respond with a corrective action plan. Our initial audit found that the annual PAS evaluations had questions with criteria that did not align with the Standards—specifically, questions regarding time requirements for selected case management services. During City fiscal year 2025, DFTA officials updated some of the annual assessment questions to align with the Standards, such as compliance with follow-up calls and assessment time frames. However, DFTA officials told us they have not made any updates to the evaluation criteria for selection from the wait lists. According to DFTA officials, PAS evaluations of whether an individual on the wait lists is selected based on priority have not yet been implemented because they are awaiting a new system, VIVE, and the update to the prioritization formula. However, it is unclear why DFTA officials need to wait for the new system to update the PAS questions, because DFTA's Senior Tracking, Analysis & Reporting System (STARS) is currently capturing data regarding wait list delays.

Recommendation 4

Utilize existing case management data in STARS to more effectively review case management provider compliance and performance.

Status – Partially Implemented

Agency Action – DFTA officials use STARS to generate monthly reports that identify providers that are non-compliant with assessment and reassessment time frame Standards. The goal of these reports is to identify providers who are not in compliance with the Standards and to share reports with providers to foster better adherence to the Standards. DFTA officials review these reports monthly to identify providers that have past due assessments and/or reassessments and send the reports to providers quarterly with a request for a corrective action plan.

While DFTA uses case management data from STARS for certain monitoring reports, the reports do not monitor compliance with all Standards. The original audit identified fields in STARS for case management milestones, case notes, and weighted scores. However, DFTA does not use this STARS data to ensure timely supervisory reviews, timely contacts for new services, or timely documentation of case notes.

DFTA officials are also using the STARS Client Units Report, which shows the number of client units reported by a provider (i.e., hours spent providing case management services to clients). DFTA officials use this report with other STARS data to review a sample of clients to ensure units reported are supported by case notes. Additionally, DFTA officials use Caseload Cards for each provider, which utilize STARS data to identify the average caseload for the current and previous month, the number of clients on the wait list for the current and previous month, and the trends between the previous and current month. DTFA officials use this information to review and monitor provider performance.

Recommendation 5

Review the $10,480 in claimed expenses and recover as appropriate.

Status – Not Implemented

Agency Action – At the time of our initial audit, DFTA officials agreed with our recommendation and indicated they will review the $10,480 in identified expenses, as well as past invoices, for the sampled provider. While DFTA initially agreed these expenses were inappropriate (e.g., recliner, mattress, jacket, microwave, blender), DFTA officials stated that their financial team and internal program team reviewed the items in question with the provider and, based on this review, determined the items are allowable and appropriate expenses. Therefore, DFTA decided not to recoup the funds. We requested documentation to show DFTA's review; however, officials did not provide any evidence to support this review or show how they arrived at this conclusion.

According to DFTA officials, there were phone conversations with the provider in which DFTA's Bureau of Financial Services informed the provider of the findings and the provider verbally appealed the findings. However, DFTA officials stated they did not review the expenses at this time due to various staffing and priority issues. DFTA officials told us they sent a list of the items to the program staff a year later for review, at which time the program staff concluded that the items were allowable because they assisted clients. It is unclear how DFTA officials arrived at this conclusion. According to New York City's Health and Human Services Cost Policies and Procedures, allowable expenses should be necessary and attributed to the performance of the relevant contract. According to the Standards, supplemental services are offered at the program's discretion when necessary to achieve a care plan goal and the service cannot be obtained through other means. Examples of allowable supplemental expenses include friendly visiting; support groups; home remediation/services; legal services; medical, dental, and mental health expenses not covered by insurance; and transportation for non-emergency appointments. Notwithstanding these provisions, DFTA officials did not provide us with any documentation to show they conducted a review to confirm the expenses met the requirements.

Recommendation 6

Educate providers on the correct fringe benefit rates and allowable expenses under the program.

Status – Implemented

Agency Action – In 2024, DFTA released a new Request for Proposals (RFP), which explained to all providers the fringe benefit rates and types of allowable expenses. With this RFP, DFTA changed the payment structure for case management contracts. According to the RFP, the payment structure for the contracts awarded from the RFP will be rate-based (i.e., payment per unit or hour of case management service), not to exceed the approved budget.

The RFP included a Budget Proposal Worksheet that details correct fringe benefit rates and allowable expenses under the program. According to the worksheet, the budget must include allocations to certain fringe benefits categories at a minimum, a rate of 7.65% of the salaries must be allocated to Federal Insurance Contributions Act (FICA) taxes, and fringe benefits must not exceed 33% of the total salaries. Furthermore, the worksheet educates providers on appropriate supplemental expenses as follows: "Supplemental expenditures will be reimbursed on a line-item basis, and awardees will receive an allocation of no more than 1% of the reimbursed case management hours; supplemental services are offered at the program's discretion when necessary to achieve a care plan goal and the service cannot be obtained through other means. Examples include support groups, home remediation/services, legal services, medical, dental, and mental health expenses not covered by insurance, and transportation for non-emergency appointments."

Recommendation 7

Review required PS supporting documentation to ensure accurate calculations before paying providers, as per their Fiscal Manual.

Status – Not Implemented

Agency Action – DFTA officials updated the payment structure for case management contracts to rate-based, with a maximum reimbursement rate of $82.28 per hour of case management services. DFTA officials informed us that the maximum rate for these contracts was based on the budgeted amount and the total cost of the program. However, our initial audit identified inaccurate calculations for personal services (PS), specifically fringe benefit calculations. Providers report expenditures incurred using a provided template rather than supporting documentation such as a payroll ledger. While DFTA receives payroll compensation reports with employees' names and titles as part of providers' monthly invoices, DFTA officials did not provide evidence that they reviewed documentation to support calculations for PS.

DFTA officials believe the original recommendation is no longer applicable due to the conversion to rate-based contracts, where reimbursement is tied to the number of hours of case management provided. However, we find that this does not remove the responsibility for DFTA to review and ensure claimed PS expenses are accurate and appropriate.

Recommendation 8

Request and review supporting documentation for OTPS expenses to ensure that only program-related expenses are reimbursed.

Status – Not Implemented

Agency Action – As discussed above, case management contracts are now rate-based and expenses for other than personal services (OTPS) are no longer reimbursed on a line-item basis. DFTA officials do not require that providers submit documentation to support these expenses. Supplemental service expenses, which are offered at the program's discretion when necessary to achieve a care plan goal and the service cannot be obtained through other means, are still reimbursed on a line-item basis. According to DFTA Standards, examples of supplemental services include support groups; home remediation/services; legal services; medical, dental, and mental health expenses not covered by insurance; and transportation for non-emergency appointments.

We reviewed January 2025 invoices and supporting documentation for the three sampled providers mentioned earlier and found that providers reported supplemental expenses for items such as clothing, a TV antenna, and an Amazon purchase with no details. DFTA officials did not provide copies of receipts with the supporting documentation as they explained the review process does not include looking at receipts. DFTA officials review a spreadsheet that lists the supplemental service expenses and then they scan the list to ensure expenses are allowable and confirm the amount on the spreadsheet agrees with the amount on the invoice. For select items, the prices seemed unreasonable and DFTA officials should have reviewed receipts to confirm the items were allowable under the program and the appropriate amount was reported. For example, one provider requested $166 for reimbursement for a 10-pack of bandages and an 18-pack of briefs and $102 for a 24-pack of nutritional drinks. We found that a 24-pack of the same brand of nutritional drinks is available at retail for approximately $45. Without supporting documentation of these expenses, it is unclear how DFTA determined these expenses supported the individualized care plan and were unobtainable through other means and at a more reasonable price.

Major contributors to this report were David DiNatale, Leanna Dillon, and Victoria Braimoh.

DFTA officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of DFTA for the courtesies and cooperation extended to our auditors during this follow-up.

Sincerely,

David Schaeffer
Audit Manager

cc: Jose Mercado, New York City Department for the Aging