

SURVEYING RESIDENT FUNDS

42 CFR §483.10(c) Protection of Resident Funds
F159 and F160

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F159 – MANAGEMENT OF PERSONAL FUNDS

- Residents who have authorized the facility in writing to manage their personal funds should have ready and reasonable access to those funds
 - What is ready and reasonable access?
 - Requests for less than \$50.00 should be honored within the same day.
 - Requests for \$50.00 or more should be honored within three banking days.

F159 – MANAGEMENT OF PERSONAL FUNDS

Accounting and Records

- Anytime there is a transaction the resident should be given a receipt and the facility retain a copy
- Quarterly statements are to be provided in writing to the resident or the resident's representative within 30 days after the end of the quarter

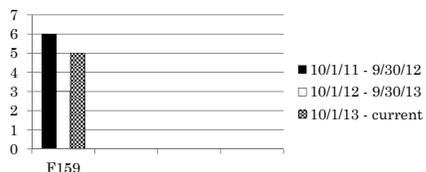
F159 – MANAGEMENT OF PERSONAL FUNDS

Notice of Certain Balances

- o Notify resident when account reaches \$200 less than the SSI resource limit for one person

F159 – MANAGEMENT OF PERSONAL FUNDS

- o 10/1/11 – 9/30/12 – F159 cited six times
- o 10/1/12 – 9/30/13 – F159 cited three times
- o 10/1/13 – current – F159 cited five times



F159 – MANAGEMENT OF PERSONAL FUNDS

- o In November 2013, we determined the facility failed to ensure \$32,000.00 was not temporarily transferred out of the Resident Trust Fund Account (RTFA) to the facility's operating account, without the residents' consent (F224).
- o Also, the facility failed to ensure the RTFA was reconciled monthly; the RTFA accrued the correct amount of interest; and the RTFA was not commingled with the facility's operating account (F159).

F159 – MANAGEMENT OF PERSONAL FUNDS

- o In May 2014, we determined the facility failed to ensure \$10,774.00 was not withdrawn from the Resident Trust Fund Account, without the residents' consent (F224).
- o Also, the facility failed to ensure written authorization was obtained to manage residents' personal funds deposited in the facility; quarterly statements were distributed to residents or their legal representative; residents were given receipts for withdrawals from their trust fund account; and the residents' petty cash fund was safeguarded from theft (F159).

F159 – MANAGEMENT OF PERSONAL FUNDS

" ... FOR IMMEDIATE RELEASE
July 1, 2014

AG ANNOUNCES CONVICTION OF FORMER CONECH COUNTY NURSING HOME BOOKEEPER FOR THEFT OF RESIDENTS' FUNDS

... Attorney General Luther Strange announced the conviction today of (name) for the theft of patient funds from (nursing facility) in Conecuh County.

(Name) had been employed as a bookkeeper at the facility from November 2008 until February 2013. (Management company) owner of the facility, conducted an internal audit of the facility's patient trust fund after discrepancies were noted in the residents' accounts. The audit found evidence that (name) had embezzled more than \$4,000 by manipulating the computer-based accounting records. (name of management company) immediately reported its findings to the Attorney General's Office.

(Name) pleaded guilty before Conecuh County District Judge Jeffrey Brack to first-degree theft of property, a class B felony, after having been indicted on the same charge by the March 2014 term of the Conecuh County grand jury.

(Name) was sentenced to 14 months imprisonment, which was suspended, and she was placed on 14 months supervised probation. She also was ordered to pay \$4,280 in restitution to (management company) management and a \$500 fine ... "

F159 – MANAGEMENT OF PERSONAL FUNDS

" ... FOR IMMEDIATE RELEASE
August 5, 2014

AG ANNOUNCES CONVICTION OF FORMER NURSING HOME BOOKKEEPER FOR THEFT OF RESIDENTS' FUNDS

... Attorney General Luther Strange announced the conviction today of a former employee of a DeKalb County nursing home for the theft of more than \$5,000 from the facility's resident trust fund. (Name) of Rainsville, pleaded guilty this afternoon before DeKalb County Circuit Judge Randall Cole to one count of first-degree theft of property (Name) previously had been indicted by the November 2013 term of the DeKalb County Grand Jury.

(Name) admitted that, while employed by (nursing facility), she stole \$5,634.77 from the facility's resident trust fund by falsifying deposit tickets and converting the money to her own use. The thefts occurred between 2010 and August 2012. (Name) was sentenced to two years imprisonment, which was suspended, and she was placed on two years of supervised probation. She also was ordered to pay \$5,634.77. In addition, (Name) will be prohibited from working in any facility that receives federal healthcare funds ... "

F159 – MANAGEMENT OF PERSONAL FUNDS

- o Because of these issues, the SA has begun posing several questions to residents and families during the group, resident and family interviews concerning the Resident Trust Fund



F159 – MANAGEMENT OF PERSONAL FUNDS

Resident Interview -

Instructions: This interview is intended to be conducted with an interviewable resident. This interview should be completed on every Recertification Survey. Include this interview with FORM HCFA-806A (QUALITY OF LIFE ASSESSMENT- RESIDENT INTERVIEW).

- 1) Have you authorized, in writing, the facility to manage your personal funds (if self-sponsored)?
- 2) How do you access the petty cash fund?
- 3) What procedure is followed when you request money from your account?
- 4) Were limits placed on the amount of money you could withdraw?
- 5) When can you have access to the petty cash fund?
- 6) How do you access your money after normal business hours or on weekends and holidays?
- 7) How long does it take to receive the requested money?
- 8) How frequently does the facility provide you with an accounting of your funds?
- 9) Is there anything else about funds that you would like to discuss?



F159 – MANAGEMENT OF PERSONAL FUNDS

Group Interview -

Instructions: This interview should be completed on every Recertification Survey. Include this interview with FORM HCFA-806B (QUALITY OF LIFE ASSESSMENT) GROUP INTERVIEW.

- 1) How many residents have their personal funds managed by the facility?
- 2) How does the resident access the petty cash fund?
- 3) When can the resident have access to the petty cash fund?
- 4) Is there any limit to the amount of money that the resident can get from the petty cash fund?
- 5) How does a resident access their money after normal business hours or on the weekends and holidays?
- 6) Are you given a receipt, when you withdraw money from your personal fund account?
- 7) Is there anything else about funds that you would like to discuss?



F159 – MANAGEMENT OF PERSONAL FUNDS

Family Interview -

Instructions: This interview is intended to be conducted with a resident's responsible party (sponsor). This interview should be completed on every Recertification Survey. Include this interview with FORM HCFA-806C (QUALITY OF LIFE ASSESSMENT/FAMILY INTERVIEW).

- 1) Have you authorized, in writing, the facility to manage the resident's personal funds?
- 2) What procedure is followed when you request money from the resident's account?
- 3) How long does it take to receive the requested money?
- 4) How frequently does the facility provide you with an accounting of the resident's funds?
- 5) Is there anything else about funds that you would like to discuss?

F159 – MANAGEMENT OF PERSONAL FUNDS

- o If during these interviews, **both** residents and families voice no concerns with resident funds, the SA has completed a review of this task
- o However, if problems/concerns are voiced by **either** resident and/or family, the SA will add Resident Funds to Phase 2 and complete the "Resident Account Review" with the appropriate facility staff member.

F159 – MANAGEMENT OF PERSONAL FUNDS

- o When did this begin?
 - Beginning July 21, 2014, the questions will be asked on every Recertification Survey during group, resident and family interviews

F160 – CONVEYANCE UPON DEATH

- Upon death of a resident with personal funds deposited with the facility, the facility must convey within 30 days the resident's funds, and a final accounting of those funds, to the individual or probate jurisdiction administering the resident's estate



F160 – CONVEYANCE UPON DEATH

- 10/1/11 – 9/30/12 – F160 cited three times
- 10/1/12 – 9/30/13 – F160 cited one time
- 10/1/13 – current – F160 cited two times



F160 – CONVEYANCE UPON DEATH ... ALERT

- This alert replaces the alert dated November 21, 2013
- Purpose: To clarify the procedures associated with handling funds following the death of a Medicaid-eligible nursing home resident
- If the deceased resident has resident trust funds remaining at the nursing home, those funds may be turned over promptly to the individual handling the estate of the deceased resident
- The "Administrator of Estate Designation Form"
 - Signed by the resident or Power of Attorney
 - No licensee, owner, administrator, employee, or representative of a nursing facility shall be named as a beneficiary to such funds, unless that individual is the resident's next of kin
 - Medicaid has made this form available to all facilities to use during the admissions process



F160 – CONVEYANCE UPON DEATH ...
ALERT

- o Effective September 15, 2014, nursing home facilities shall maintain documentation regarding the disbursement of any deceased resident funds. This documentation should include the resident's name, Social Security number, the person or entity to which payment was made, and the amount of funds submitted should be forwarded to the attention of the Estate Recovery Unit of the Third Party Division. To satisfy this requirement, nursing homes may choose to fax the completed Administrator of Estate Designation Form to the Alabama Medicaid Agency at (334) 353-4820 at the time the funds are disbursed

F160 – CONVEYANCE UPON DEATH ...
ALERT

- o Questions may be sent via email to codie.rowland@medicaid.alabama.gov until 9/30/14.
- o All questions and answers will then be posted on the Medicaid website

QUESTIONS AND/OR COMMENTS?

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