



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

**ROY COOPER** • Governor

**MANDY COHEN, MD, MPH** • Secretary

**JOYCE MASSEY-SMITH, MPA** •  
Director, Division of Aging and Adult Services

**DAAS ADMINISTRATIVE LETTER NO. 20-21**

**TO:** Area Agency on Aging Directors

**FROM:** Hank Bowers, Assistant Director

**DATE:** November 5, 2020

**SUBJECT:** COVID-19 Pandemic Response, Part VII:

- **Background and Special Circumstances Affecting Monitoring during the COVID-19 Emergency**
- **DAAS Monitoring of AAAs in SFY 2021**
- **AAA Monitoring of Community Service Providers**

**Background**

Since early 2020, the nation and state have been focused on responding to the COVID-19 global pandemic. NC Governor Roy Cooper declared a State of Emergency on March 10, 2020, to coordinate the state's response to the public health emergency. The Families First Coronavirus Response Act was passed by Congress and signed into law on March 18, 2020, to provide supplemental emergency funding for Older Americans Act nutrition programs. The President approved a Major Disaster Declaration (FEMA-14487-DR) for the State of North Carolina on March 25, 2020. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed and signed into law to provide supplemental funding for Older Americans Act nutrition services, supportive services, family caregiver services, and elder rights protection activities, among other things. In the middle of disaster relief discussions, the Supporting Older Americans Act of 2020 was signed into law on March 25, 2020 and will reauthorize the Older Americans Act (OAA) for another five years and authorize increased funding.

The combined weight of concern for vulnerable older citizens during this emergency and the need for an effective disaster response have been supported by the federal funding provided through the Families First and CARES Act grants to states, as well as the flexibilities surrounding use of regular OAA funding offered by the Major Disaster Declaration (MDD). The MDD (with an end date yet to be determined) allows states to use any portion of existing allocations under the Older Americans Act for disaster relief to older individuals.

In response to these challenges and opportunities, NC Area Agencies on Aging (AAAs) and the aging services network have dealt with rising need and changing patterns of service delivery as programs closed in response to CDC recommendations and the Governor's Stay at Home

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF AGING AND ADULT SERVICES**

LOCATION: 693 Palmer Drive, Taylor Hall, Raleigh, NC 27603  
MAILING ADDRESS: 2101 Mail Service Center, Raleigh, NC 27699-2101  
www.ncdhhs.gov • TEL: 919-855-3400 • FAX: 919-733-0443

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

Order (Executive Order 121) or reconfigured services to follow new safety protocols. With the additional COVID grants and MDD flexibilities, the aging network has been delivering meals and other essential services to older adults and family caregivers even in the midst of a pandemic. The funding has also supported the State Long-Term Care Ombudsman Program in its advocacy for residents of long-term care facilities. The Division of Aging and Adult Services (DAAS) has been proud to partner with AAAs and community service providers in the reimagining of services for older adults during the COVID-19 pandemic.

The COVID grants were allocated to AAAs on the basis of the NC intrastate funding formula, and AAAs have distributed the funding within their Planning and Service Areas. In addition to contracting with community service providers, some AAAs requested waivers to provide direct service programs. In support of these statewide service delivery efforts, DAAS has provided information on requirements for the administration and reporting of activities and expenditures under the Families First/CARES Act grants and MDD flexibilities through a series of administrative letters on the COVID-19 Pandemic Response.

The federal COVID grants were issued as separate grant award numbers, and thus COVID grant activities must be accounted for separately from other Older Americans Act funding. New service codes for tracking activities under the Families First/CARES Act/OAA flexibilities were issued in the administrative letters, and guidance for reporting expenditures in the Aging Resources Management System (ARMS) for reimbursement was provided. These administrative letters also detailed how to report people served and funding expended for non-unit services through monthly tracking spreadsheets for OAA Title III-B supportive services, III-C nutrition services, III-E caregiver support services, and Ombudsman services and activities.

This current administrative letter explains how the monitoring of regular Older Americans Act services and the new COVID grants will be organized in SFY 2021 as NC AAAs and the aging services network continue to deliver services in alternate ways during the special circumstances imposed by a global pandemic. As in past monitoring years, AAAs will monitor their subrecipients per the monitoring requirements in the AAA Policies and Procedures Manual, except as modified by this administrative letter, and the Division will monitor the oversight conducted by NC AAAs. When AAAs have been approved for direct service waivers, the Division will monitor the services delivered by those AAAs. The schedule for the monitoring of regular Older Americans Act grants, as detailed in each AAA's Area Plan (Exhibit 14) is determined by annual risk assessments. The plan for monitoring COVID grants, as well as the special circumstances of the COVID disaster relief efforts that will affect all monitoring procedures in SFY 2021, are explained below.

### **Special Circumstances affecting Monitoring during the COVID-19 Emergency**

There is an expectation in normal monitoring requirements that expenditures under federal/state grants will be reviewed periodically to document that allowable expenditures were used to provide suitable services to eligible clients. Exceptions to the normal monitoring process may be necessary when there is a state of emergency, such as a pandemic or natural disaster. These exceptions can involve temporary changes to staffing, travel restrictions, budgetary restraints, or provisional deviations from normal monitoring requirements.

The timeframe for monitoring during special circumstances also may be affected. As detailed below, requirements for minimum AAA monitoring of service providers every three years or sooner as indicated by risk assessments may have to be adjusted during a state of emergency. The Division has adjusted normal monitoring requirements during the COVID-19 emergency so that monitoring of grantees determined to be high risk will remain the highest priority even during special circumstances.

Under these special circumstances, monitoring may have to occur through alternate means, such as desk reviews, virtual conferences, or a combination of methods to accommodate conditions. Sample sizes may have to be adjusted. The funded agencies subject to monitoring will have to provide required records and/or digital documentation through a secure process, but there are special challenges to the sharing of documentation between agencies when many offices are closed and staff are teleworking. With the input of NC AAAs, the Division has accommodated many special circumstances in the guidance below and provided risk-based monitoring flexibilities for SFY 2021.

### **Scope of Monitoring during the COVID-19 Emergency**

The following instructions provide guidance for AAAs and the subrecipients, contractors, and subcontractors that receive federal/state funding through the AAAs. All NC community service providers that receive funding during SFY 2021 and the first quarter of SFY 2022 under the Older Americans Act, the Home and Community Care Block Grant, the Family Caregiver Support Program, or the Families First and CARES Act COVID-19 pandemic grants will be affected by the monitoring directives in this administrative letter.

The following monitoring instructions include oversight of regular OAA and state funding distributed annually, as well as the special COVID-19 pandemic response grants provided under the Families First and CARES Act awards as applicable. Section 1 details the state oversight of AAA funding by DAAS (including the Ombudsman Program, Planning and Administration, Fiscal Monitoring, and Service Operations). Section 2 details the requirements for SFY 2021 monitoring by AAAs.

### **SECTION 1: DAAS MONITORING OF AREA AGENCIES ON AGING**

Annually each section of the Division contributes to a Self-Assessment Guide for AAAs that begins the process of determining which programs will receive a monitoring review.

1. Elder Rights and Special Initiatives
  - a. Legal Services
  - b. Ombudsman Program
2. Title V Senior Community Service Employment Program (SCSEP)
3. Service Operations
4. Fiscal - Part A and Part B Worksheets

This process will proceed in FY 2021 as in past years, but there will be special accommodations for the COVID-19 pandemic.

- The Self-Assessment Guide will be distributed by Nov. 6.
- The AAA Self-Assessments will be completed and submitted to the Division by Dec. 14.
- After review of the AAA Self-Assessments, DAAS will complete AAA risk assessments and in late January 2021 will schedule monitoring reviews by program (predominately desk reviews) with AAA directors.
- Monitoring reviews will focus on the following areas: Ombudsman, Title V Senior Community Services Employment Program, Planning and Administration, Fiscal Monitoring, and Service Operations (including legal services).
- Monitoring reviews will be conducted between February and May 2021, except as indicated below for Ombudsman monitoring.

- As applicable, the monitoring reviews will include both regular OAA, HCCBG, and FCSP funding, as well as the Families First and CARES Act funding.

The following information delineates how each section will carry out monitoring during under the Major Disaster Declaration and the public health emergency related to the COVID-19 pandemic.

#### A. Ombudsman Monitoring

CARES Act Monitoring:

CARES Act funding for the Ombudsman program must be expended on allowable Older Americans Act activities as defined in the OAA and state and local policy. Per DAAS Administrative Letter No. 20-10 dated June 9, 2020, Ombudsman activities under the CARES Act must be reported in ARMS under CARES codes 990 through 995 as defined in the ARMS code chart. Regional Ombudsmen must utilize the reporting codes for purposes of requesting reimbursements and use the CARES Ombudsman tracking spreadsheet to report on expenditures and activities.

There will be two calendar periods for CARES Ombudsman monitoring – the preliminary and the final monitoring.

**1. The preliminary monitoring will cover a period from January 2021 through July 2021. Four AAAs will undergo preliminary monitoring.**

- a. One AAA will be randomly selected at a time and notified one month prior to monitoring.
- b. A monitoring report will be issued within a week of completion.
- c. If a corrective action response is required, it will be due to the Division two weeks after issuance of the corrective action letter.

**2. The final monitoring will cover a period from October 2021 through December 2021.**

- a. All AAAs will submit a final report by the end of October 2021 for the last funding quarter.
- b. The four AAAs will receive a final review in November 2021. The review, corrective action if necessary, and final reports will be completed no later than November 30, 2021.

Each preliminary or final review and report will include an examination of the following:

- A sample of monthly expenditures reported in the Ombudsman tracking spreadsheet to ensure accuracy of all funding entries
- Expenditure receipts
- Review of whether all expenditures comply with definitions as defined by the Administration for Community Living (ACL) and in CARES codes 990 through 995.

General Programmatic Ombudsman Monitoring:

DAAS monitoring of regional Ombudsmen will follow the traditional monitoring timeframe of February through May 2021. Per normal procedures, four agencies due for monitoring in 2021 will be monitored. In addition, one region scheduled for monitoring in 2020, but not monitored because of the pandemic, will be monitored. Monitoring will be accomplished using desk reviews, virtual monitoring, in-person visits, or a combination of methods to accommodate conditions.

## B. Senior Community Service Employment Program (Title V)

DAAS monitoring of Title V grantees that would have been completed in SFY 2020 has been rescheduled for SFY 2021.

## C. Planning and Administration Monitoring

The DAAS Planning and Systems Support team is responsible for monitoring the AAA's planning and administration areas. The Planning and Administration Monitoring tool will be used to address the following areas: discrimination, grievance, advocacy, regional advisory committees, and outreach to special populations.

Planning will also conduct a thorough assessment of the regions' data quality by administering a data quality assessment. The aim of a data quality assessment is to identify incorrect data, to implement corrective action, and help manage programs and contracts as part of monitoring.

A risk assessment will be used to determine which regions will be monitored, and high-risk AAAs will be monitored between February and May of 2021. Due to the current COVID-19 pandemic, monitoring will be conducted either in person or via desk reviews, whichever is safest.

## D. Fiscal Monitoring

DAAS fiscal monitoring of AAAs in SFY 21 will be conducted as indicated by a determination of risk. Only those organizations found to be at High Risk will be monitored. DAAS will also conduct a modified fiscal desk review of AAA COVID expenditures through May 30, 2021.

The annual AAA fiscal self-assessments due in December will continue as usual as part of the risk assessment process. DAAS will determine the type of review. On-site monitoring may be considered based on guidance received from NC DHHS. Based solely on restrictions imposed due to COVID-19, desk monitoring will take place in lieu of an on-site visit.

## E. Service Operations Monitoring

The topic of the Service Operations portion of the AAA Self-Assessment typically changes each year to allow focus on different programmatic monitoring issues. This year's topic will be limited in scope to the completion of a chart that identifies staff who will monitor specific programs in SFY 2021 and their level of monitoring experience.

When AAA risk evaluations are conducted in early January, they will incorporate consideration of criteria normally used in addition to responses on the Self-Assessment. These criteria typically include new staff in key positions, history of non-compliance, unresolved findings from previous years, and complaints.

Regarding the scope of monitoring for Service Operations, the focus in SFY 2021 will be on nutrition, in-home aide services, and adult day services, although other III-B and III-D services will likely be monitored along with III-E. However, AAAs not deemed high risk will not receive monitoring reviews unless there is a specific programmatic monitoring issue from prior years that requires follow-up.

Service Operations Monitoring of Direct Service AAAs: Per normal protocols, the Service Operations risk evaluations for any AAAs that have been approved for direct-service waivers will include consideration of the AAA as a provider of services. For SFY 2021, this will include completion of the regular agency risk matrix as well as the COVID risk matrix (see Attachment

A) to determine the monitoring plan for AAAs in direct service as community service providers. As above, AAAs not deemed high risk will not receive regular monitoring reviews for direct service programs unless there is a specific programmatic issue that requires follow-up. However, certain COVID monitoring requirements as described below (e.g., the desk review of non-unit COVID expenditures) will be part of DAAS monitoring of direct service AAAs. If AAAs have direct service waivers that include these non-unit codes, AAAs (like other service providers) must submit the monthly tracking spreadsheets to DAAS per requirements in Administrative Letter No. 20-16.

## **SECTION 2: AAA MONITORING OF COMMUNITY SERVICE PROVIDERS**

Under the special circumstances imposed by the COVID-19 public health emergency, normal monitoring expectations of AAAs for monitoring community service providers will be modified as outlined below to accommodate the special challenges of conducting reviews this year.

AAAs will be expected to assess risk and prepare monitoring plans for both regular OAA funding distributed annually, as well as the special COVID-19 pandemic response grants awarded under the Families First and CARES Act as applicable.

### **A. Fiscal Reviews**

AAAs must follow the same fiscal review process for COVID service providers as traditional providers according to Administrative Letter 19-09 and Sec. 308.2 C of the AAA Policies and Procedures Manual, which requires an annual fiscal review of all providers. The fiscal review must include:

1. A review of all provider audits and follow-up on any findings cited.
2. A completed Audit Review form for all providers required to have an Audit certifying the audit review and notation of any technical assistance and/or non-compliance issued cited.
3. A completed Internal Control Questionnaire (ICQ) for all Providers who are not required to have an audit.

### **B. Service Monitoring**

Information is provided below on risk-based flexibilities for monitoring regular OAA service funding as well as Families First/CARES Act grants during the special circumstances created by the COVID-19 pandemic.

For regular service funding under OAA Titles III-B, III-C, III-D, and III-E, AAAs will use the normal risk-based process for developing a monitoring plan outlined in Sec. 308 of the AAA Policies and Procedures Manual, except as modified by information in the chart below, and submit an updated Exhibit 14 Monitoring Plan to DAAS by Dec. 14.

For Families First/CARES Act grants, AAAs will use a special COVID risk evaluation matrix (see Attachment A) to develop a COVID Exhibit 14 Monitoring Plan (see Attachment B) and submit it to DAAS by Dec. 14. The core requirements for monitoring COVID grants can be summarized as follows:

1. All Families First/CARES Act service codes have been divided into two groups (see a listing in Attachment B instructions for completing the COVID Exhibit 14).
  - a. The first group is a set of service codes for reporting non-unit expenditures on the tracking spreadsheets for III-B, III-C, and III-E services. These codes track such expenditures as personal protective equipment, cleaning supplies and other

consumables, as well as building improvements and capital expenditures that support the COVID emergency response. To monitor these expenditures, AAAs will select a sample month and document that the ARMS reimbursement correlates with actual expenses reported in the spreadsheet and is supported by source documentation.

- b. All other service codes for Families First/CARES Act grants fall into the second group. Expenditures tracked under these codes will be subject to risk-based monitoring as outlined in the chart below.
2. All funded agencies judged to be high risk must receive a full programmatic monitoring for COVID-funded services as appropriate. Make a determination if all or just some of the services funded by the high-risk agency have to be scheduled for a full review. For agencies judged to be moderate risk, make a determination whether the agency needs to receive a full programmatic monitoring for any services funded by the FF or CARES Act grants.
  3. All services that do not receive full programmatic monitoring will be scheduled for fiscal verifications at a minimum. Unit verifications will be scheduled for unit-based services. Fiscal verifications will be scheduled for non-unit services (see guidance in row 6 below).

		REGULAR OAA GRANTS UNDER III-B (including Legal Services), III-C, III-D, AND III-E	COVID-19 PANDEMIC RESPONSE GRANTS UNDER FAMILIES FIRST/CARES ACT
1	Risk Assessments	AAAs will complete an agency risk evaluation per normal procedures.	AAAs will complete the COVID Risk Evaluation Matrix (see Attachment A)
2	Exhibit 14 Monitoring Plan	AAAs will complete the regular Exhibit 14 based on flexibilities described below.  Updates to the Exhibit 14 Monitoring Plan will be due to DAAS by Dec. 14.	AAAs will complete the COVID Exhibit 14 Monitoring Plan (see Attachment B) based on risk level as summarized above.  Updates to the COVID Exhibit 14 Monitoring Plan will be due to DAAS by Dec. 14.
3	AAA Monitoring of Subcontractors	AAAs will identify how subcontractors will be monitored per the instructions on Exhibit 14.	AAAs will identify how subcontractors will be monitored per the instructions on COVID Exhibit 14.
4	General Flexibilities for SFY 2021 Monitoring	For all providers/services not deemed high risk, the minimum monitoring requirements (every 3 years or sooner as indicated by a risk assessment) are waived retroactive to April 1, 2020, and applicable to monitoring in SFY 2021. Among other things, this alleviates the necessity to reschedule monitoring that was due in SFY 2020, but not conducted by the time the Governor issued stay-at-home orders effective March 30, 2020, at 5:00 p.m.	Unless providers/services are deemed high risk, the AAAs will not be required to conduct full programmatic monitoring.
5	Minimum monitoring requirements	Requirements to conduct unit verifications at least every other year are not waived in SFY 2021.	At a minimum, the following monitoring reviews will be conducted for <u>unit-based services</u> when a full programmatic monitoring is not

	for unit-based services		required based on risk: conduct unit verifications based on the sample size guidelines below.
6	Minimum monitoring requirements for non-unit services	Requirements to conduct fiscal verifications on non-unit services are not currently required outside of full programmatic monitoring. Therefore, there will be no new requirement to conduct fiscal verification on non-unit services during the COVID-19 public health emergency.	<p>At a minimum, the following monitoring reviews will be conducted for <u>non-unit services</u>:</p> <ol style="list-style-type: none"> <li>1. For all non-unit codes listed in COVID Exhibit 14 (Attachment B) as applicable to the monitoring scheduled in <u>Column E</u>, conduct a fiscal review of a sample month of expenditures for non-unit PPE and other items tracked and reported through the monthly tracking spreadsheets for III-B, III-C, and III-E.</li> <li>2. For the five non-unit codes (514, 871, 872, 944, and 962) listed in COVID Exhibit 14 (Attachment B) as applicable to the monitoring scheduled in <u>Column F</u>, follow these guidelines for minimum fiscal reviews of these services: <ul style="list-style-type: none"> <li>- 514 CDS Care Adviser does not currently require a fiscal review during monitoring of regular OAA funding and thus there will be no new requirement to conduct fiscal verification on this non-unit service if funded by the CARES grant.</li> <li>- For 871 FC Information and 872 FC Access, the monitor should review and verify that entries for 871 and 872 are accurate and current on ZGA-544 and/or ZGA547.</li> <li>- 944 HHI requires the monitor to select a sample month and a sample of clients to verify the project costs reimbursed in ARMS. Use Step #1 of Attachment C sampling guidelines for selecting a client sample.</li> </ul> </li> </ol>

			<ul style="list-style-type: none"> <li>- 962 Care Management requires the monitor to select a sample month (and a sample of clients for certain CM programs with budgets for service dollars) to verify the non-unit costs reimbursed in ARMS. Use Step #1 of Attachment C sampling guidelines for selecting a client sample.</li> </ul>
7	<p>Sample Size Flexibilities for SFY 2021 Monitoring</p>	<p>See Attachment C for detailed instructions.</p> <p>Client sample sizes should be adjusted in the following ways:</p> <ul style="list-style-type: none"> <li>- Base samples as outlined in Sec. 308 of the AAA Policies and Procedures Manual will be employed for the review of <u>services funded only by regular III-B, III-C, III-D, or III-E funding.</u></li> <li>- When a service is <u>funded by both regular III-B, III-C, III-D, or III-E funding and the COVID grants,</u> the # clients in the sample should be divided proportionally between regular grant funding and COVID grant funding.</li> </ul> <p>The number of units sampled per client should be adjusted in the following way:</p> <ul style="list-style-type: none"> <li>- For each random sample of clients identified above for each grant, the monitor should select a sample month for review and pick 25% of units in that month to trace back to source documentation for each client served.</li> <li>- If 10% of units are found to be ineligible, the monitor must expand the review to all units in the sample month.</li> <li>- If 10% of units in the sample month are found to be ineligible, the monitor must expand the</li> </ul>	<p>See Attachment C for detailed instructions.</p> <p>Client sample sizes should be adjusted in the following ways:</p> <ul style="list-style-type: none"> <li>- Base samples as outlined in Sec. 308 of the AAA Policies and Procedures Manual will be employed for the review of <u>services funded only by COVID grants.</u></li> <li>- When a service is <u>funded by both regular III-B, III-C, III-D, or III-E funding and the COVID grants,</u> the # clients in the sample should be divided proportionally between regular grant funding and COVID grant funding.</li> </ul> <p>The number of units sampled per client should be adjusted in the following way:</p> <ul style="list-style-type: none"> <li>- For each random sample of clients identified above for each grant, the monitor should select a sample month for review and pick 25% of units in that month to trace back to source documentation for each client served.</li> <li>- If 10% of units are found to be ineligible, the monitor must expand the review to all units in the sample month.</li> <li>- If 10% of units in the sample month are found to be ineligible, the monitor must expand the</li> </ul>

		review to additional clients and a different month, per Sec. 308.2 B.	review to additional clients and a different month, per Sec. 308.2 B.
8	Timeframe for Monitoring	Sept. 1, 2020 – June 1, 2021 The usual timeframe for monitoring regular grants is extended by one month. This timeframe allows for monitoring reports to be issued by June 30 and for any disallowed costs to be adjusted in ARMS prior to the annual close-out date in mid-July.	Jan. 1, 2021 – July 31, 2021 This timeframe allows for monitoring reports to be issued by Aug. 31, 2021 and for any disallowed costs to be adjusted in ARMS no later than Sept. 30, 2021.
9	Scheduling Monitoring Reviews and the Provision of Documentation	<p>AAAs may arrange for and schedule monitoring by alternate means, including any combination of methods that will promote safety during a pandemic. These methods may include desk reviews, virtual interviews, tech-enabled communications, contactless site visits, etc.</p> <p>When scheduling, AAAs will work with service providers to determine how the required records and/or digital documentation will be provided for review through a secure process.</p> <p>AAAs have the option to schedule multiple phases or stages of monitoring within the required timeframe in order to cover all funded services for a service provider.</p> <p>If it is advantageous, efficient, and feasible, AAAs may schedule the monitoring of services funded by multiple funding sources within the same review(s) so long as separate reports are issued.</p> <p>The requirement in Sec. 308.3 to provide written confirmation of the date of the review(s) at least 30 days prior to monitoring is waived in SFY 2021 so long as AAAs provide written notification prior to the date(s).</p>	
10	Monitoring Reports	<p>AAAs will issue separate monitoring reports for regular grant funding and COVID grant funding.</p> <p>Normal requirements to issue a monitoring report within 30 days of a site visit will apply, but the timing begins when the last component of a multistage monitoring process has been completed in order to combine all components into a single monitoring report.</p> <p>NOTE: Non-compliance/corrective action that affects the health or safety of clients must be addressed when identified, regardless of the planned issuance of a monitoring report.</p>	
11	Subcontractor Performance Evaluations	Providers with annual subcontracts are given the flexibility to waive this DAAS requirement during SFY 2021, but may carry out reviews and monitoring as required by local policies for contract management.	SPEs are not required for COVID grants in which the provider outsources certain grant requirements for COVID service delivery. Any monitoring review conducted will assure compliance whether carried out by the provider or the subcontractor.
12	Consumer contributions monitoring	Per ACL guidance, this is still a requirement of the Older Americans Act even during the COVID-19 pandemic, and thus normal consumer contributions policies apply. Per the Required/Recommended Documentation Chart (Appendix G of the Toolkit for New Monitors), AAA monitors are not required	

		<p>to carry out consumer contributions monitoring unless full programmatic monitoring is scheduled.</p> <p>The consumer contributions monitoring tool has been modified to allow the monitor to check whether the service being monitored is the regularly funded service or the COVID-funded service or both. This is the only adaptation in the tool.</p>
--	--	---

Buildings/offices closed by the pandemic response – AAAs must respect local decisions that prohibit non-employees from entering buildings/offices closed by the pandemic. DAAS encourages AAAs and providers to seek accommodations for safety, including workspaces with adequate square footage for the social distancing of staff and adequate ventilation. The Division will accept additional requests for consideration of monitoring flexibilities where special circumstances present barriers to monitoring that are beyond the AAA's control.

For additional guidance on the contents of this administrative letter, please contact the relevant DAAS Program Consultant or Section Chief.

HB/pg

ATTACHMENT A:

**NC DIVISION OF AGING AND ADULT SERVICES  
MONITORING SERVICES DURING COVID-19 PANDEMIC:  
FAMILIES FIRST/CARES ACT RISK EVALUATION MATRIX**

**Subrecipient Name:** \_\_\_\_\_

Criteria	Risk Level						Evaluation Score
	Low Risk		Moderate Risk		High Risk		
	Description	Rank	Description	Rank	Description	Rank	
<b>1. Experience with Service Delivery under HCCBG or FCSP Service Standards Prior to FF/CARES Grants</b>							
Prior Experience with Same Service under Different Funding	Provider is currently funded in FY 21 for the same HCCBG or FCSP service(s) as funded by FF/CARES.	1	Provider was previously funded by HCCBG or FCSP for a service that is now funded by FF/CARES, but is not currently funded for the same HCCBG/FCSP service in FY 21.	2	New provider has never been funded by HCCBG or FCSP for a service that is being funded in FY 21 by FF/CARES.	3	
<b>2. History of Recent Risk Assessments under HCCBG or FCSP Funding Prior to FF/CARES Grants</b>							
New Provider Risk or Most Recent Risk Assessment for HCCBG or FCSP Grants	Provider has been assessed as Low Risk for HCCBG/FCSP in most recent risk assessment.	1	Provider has been assessed as Moderate Risk for HCCBG/FCSP in most recent risk assessment.	2	New provider for FF/CARES and not funded for same service by HCCBG or FCSP or provider has been assessed as High Risk for HCCBG/FCSP in most recent risk assessment.	3	
<b>3. Staff Qualifications for Reassignments and Responsibilities under COVID Grants</b>							
Staff Qualifications	Staff in key positions have the necessary knowledge, skills, and abilities to perform the job duties.	1	Staff in key positions have some but not all necessary knowledge, skills, and abilities to perform the job duties.	2	Staff in key positions lack the necessary knowledge, skills, and abilities to perform the job duties.	3	

<p>Evaluation Score Key:                      Low Risk = 3- 4                      Moderate Risk = 5 - 6                      High Risk = 7 - 9</p>
---

Completed by: \_\_\_\_\_

Date: \_\_\_\_\_



## Instructions for the COVID EXHIBIT 14 Provider Monitoring Plan for Families First/CARES Act Grants

Columns A – D: Insert information that identifies each service provider (by provider code and name) and funded service codes/services by counties served for the Families First and CAREAS Act grants. Identify who is responsible for monitoring each provider and subcontractor(s) if applicable.

Column E: Insert a check mark in Column E beside every service code for non-unit services that are reported on the III-B, III-C, and III-E monthly tracking spreadsheets. This check mark indicates mandatory fiscal reviews for a sample month of expenditures traced back to source documentation, as compared to the reimbursement reported in ARMS. The monitor will document that reimbursement correlates with actual expenses reported in the spreadsheet.

List of COVID service codes to which Column E applies:

All non-unit: 171, 254, 290, 516, 870, 873, 874, 875, 900, 901, 902, 903, 921, 932, 933, 940, 941, 943, 957, 958, 961, 997

Column F: For any other COVID service code/service, complete the FAMILIES FIRST/CARES ACT RISK EVALUATION MATRIX for each agency funded for that service and insert the risk level in Column F.

List of service codes to which Column F applies:

Unit-based: 025, 026, 028, 185, 186, 187, 188, 251, 253, 255, 256, 257, 513, 515, 909, 920, 930, 931, 935, 936, 937, 938, 955, 956, 996

Non-unit: 514, 871, 872, 944, 962.

Column G: For any agency that scored high risk, insert a check mark next to the services that will receive a full programmatic monitoring. Make a determination if all or just some of the services funded by high risk agencies have to be scheduled for a full review. For agencies judged to be moderate risk, make a determination whether the agency needs to receive a full programmatic monitoring for any services funded by the FF or CARES Act grants.

Columns H & I: For moderate risk providers not scheduled for full programmatic monitoring and low risk providers, at a minimum schedule either a unit verification for unit-based services or a fiscal verification for non-unit services per the guidance in this administrative letter.

Column J: Insert a check mark to indicate the scheduling of a fiscal review per normal requirements outlined in Sec. 308.2 C and Administrative Letter No. 19-09.

## ATTACHMENT C:

### COVID Flexibilities for Sample Size Guidelines in Sec. 308.2 B of the AAA Policies & Procedures Manual

#### 1. Client Sample Size:

- a. For services that are funded only by regular HCCBG/FCSP funding or COVID funding, follow Sec. 308 guidelines to select an appropriate number of clients for the sample and proceed to Step #2.
- b. For services that are funded by both regular HCCBG/FCSP funding and COVID funding, the needed sample size can be split between the two grants in a prorated manner.
  - i. Determine the total sample size needed for both grants per Sec. 308 by adding the # of clients reported on the ZGA-542 for regular HCCBG/FCSP funding and the ZGA-542 for COVID funding. The monitor may but is not required to unduplicate the two clients lists to get a total # served by both grants.
  - ii. Apply the % in the sample size guidelines chart in Sec. 308 to the total # served by both grants. This will be the needed total sample size.
  - iii. Prorate how many clients will come from each client list by first calculating what percent of service funding is from each allocation. To do this, add the two allocations together to get total \$ and then divide each allocation by that total to get a % for each allocation.
  - iv. Apply each percentage to the total sample size to get the sample size # for each grant.
  - v. Select a random sample of clients from each ZGS-542 client list based on the sample size indicated for each grant.
  - vi. Note: These guidelines clearly apply to unit-based services. However, please note that there are 5 non-unit codes to which Col. F of COVID Exhibit 14 applies and thus will be subject to risk-based monitoring: 514, 871, 872, 944, and 962. Please note that these sampling guidelines will not apply to codes 514, 871, and 872. For two of these non-unit codes (944 and 962), client names are entered in ARMS. This means that Step #1 of Attachment C sample size guidelines will apply to the samples drawn for code 944 HHI. For 962 Care Management, the monitor will select a sample month (and a sample of clients for certain CM programs with budgets for service dollars) to verify the non-unit costs reimbursed in ARMS. If applicable, use Step #1 of Attachment C sampling guidelines for selecting a client sample. Step #2 will not apply to any of the five non-unit codes.
- c. Examples:
  - i. If there are 800 total clients served by both grants, Sec. 308 client sample size guidelines indicate a sample size of 6% or 48. Total \$ for both grants = \$700,000. BG \$ = \$525,000 (75%) and CARES \$ = \$175,000 (25%). Proportional client samples = 36 BG clients (75% of 48) and 12 CARES clients (25% of 48).
  - ii. If there are 120 clients served by both grants, Sec. 308 guidelines indicate a sample size of 10% or 12. Total \$ for both grants = \$215,000. BG \$ = \$86,000 (40%) and CARES \$ = \$129,000 (60%). Proportional client samples = 4.8 rounded up to 5 BG clients (40% of 12) and 7.2 rounded down to 7 CARES clients (60% of 12).

2. Number of Units Sampled Per Client – For each grant in SFY 2021, AAAs will select a sample month of YTD units to review and then may select an initial sample of 25% of units for that month to review source documentation for each grant.
  - a. For the random sample of clients identified above for each grant, pick a sample month to review.
  - b. Use the # units reported on the ZGA-542 for each client as the basis for calculating 25% of units for the initial sample. This is the # units that will be traced back to source documentation for verification.
  - c. If 10% of the units in the initial sample are found to be ineligible or if deemed appropriate by the monitor, the number of units sampled per client must be expanded to review 100% of the units for the month sampled.
  - d. If 10% of units for the month sampled are found to be ineligible, then the monitor must expand the client sample and review a different month per Sec. 308 guidance.
  - e. Examples:
    - i. Monitor reviews 25% of units for each client in a sample size of 36 HCCBG nutrition clients. Total units in the sample month for these 36 clients = 720 congregate meals. Initial sample = 25% or 180 meals. If 18 or more meals (10% of initial sample) are not verified through the source documentation, then the initial sample will have to be widened to a review of the other 75% of meals in the sample month for these 36 nutrition clients.
    - ii. Monitor reviews 25% of units for each client in a sample size of 7 CARES IHA clients. Total units in the sample month for these 7 clients = 112 hours of IHA service. Initial sample size = 25% or 28 hours (spread out across 7 clients as appropriate for the # hours in their care plans). If 3 hours of service (10% of initial sample) are not verified through source documentation, then the initial sample will have to be widened to a review of the other 75% of hours in the sample month for these 12 clients.