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Indiana Did Not Fully Comply With Federal Waiver and State Health, Safety, and Administrative Requirements at 30 Residential Settings

REPORT HIGHLIGHTS



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Indiana Did Not Fully Comply With Federal Waiver and State Health, Safety, and Administrative Requirements at 30 Residential Settings

Why OIG Did This Audit

- OIG conducts health and safety audits of supported living services, adult day care, foster care homes, and regulated child care facilities.
- Previous audits identified multiple health and safety issues that put children and people with special health care needs at risk.
- This audit examined whether Indiana provided oversight of Home and Community-Based Services (HCBS) residential providers serving Medicaid enrollees with developmental disabilities to ensure they complied with Federal and State health and safety requirements.

What OIG Found

- Indiana did not fully comply with Federal waiver and State requirements in overseeing residential providers that serve individuals with developmental disabilities who received supported living services through the HCBS program.
- Of the 20 residential providers and 30 residential settings we reviewed, we found 246 instances of provider noncompliance with administrative, health, safety, and residential records requirements. Specifically, we identified:
 - 15 residential providers that did not comply with 1 or more administrative requirements, resulting in 46 instances of provider noncompliance, and
 - 29 residential settings that were not in compliance with 1 or more health, safety, and residential records requirements, resulting in 200 instances of provider noncompliance.

What OIG Recommends

We made three recommendations to Indiana, including that it work with residential providers to correct the 246 instances of provider noncompliance we identified; improve its oversight and monitoring of residential providers; and work with the residential providers to improve internal controls for health and safety, maintenance of records, and training.

Indiana did not indicate concurrence or nonconcurrence with our recommendations. However, it detailed steps it has taken or plans to take in response to our recommendations.

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INTRODUCTION

WHY WE DID THIS AUDIT

State agencies operate Home and Community-Based Services (HCBS) waiver programs, including programs that provide services to individuals with developmental disabilities, under a section 1915(c) waiver to their Medicaid State plans. To receive approval for a waiver, State agencies must ensure the health and welfare of the recipients they serve. A prior Office of Inspector General audit found that Missouri could improve its oversight of HCBS providers to protect the vulnerable recipients in their care.¹ Based on the result of the prior audit, the Office of Inspector General is conducting a series of health and safety audits examining supported living services provided to individuals with developmental disabilities.

OBJECTIVE

Our objective was to determine whether the Indiana Family and Social Services Administration (State agency) provided oversight of HCBS residential providers serving Medicaid enrollees with developmental disabilities to ensure they complied with Federal and State health and safety requirements.

BACKGROUND

The Medicaid program provides medical assistance to low-income individuals and individuals with disabilities. The Federal and State Governments jointly fund and administer the Medicaid program. At the Federal level, the Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program. In Indiana, the State agency administers the Medicaid program in accordance with a CMS-approved State plan. The State plan establishes which services the Medicaid program will cover.

Section 1915(c) of the Social Security Act authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements so that a State may offer HCBS to a State-specified target group of Medicaid beneficiaries who need a level of institutional care that is provided under the Medicaid State plan.

Before the enactment of section 1915(c), the Medicaid program provided limited coverage for long-term services and support in noninstitutional settings but offered full or partial coverage of institutional care. Section 1915(c) was enacted to enable States to address the needs of individuals who would otherwise receive costly institutional care by furnishing cost-effective services that allow them to remain in their households and communities.

¹ The first report in the series, [*Missouri's Oversight of Certified Individualized Supported Living Provider Health and Safety Could Be Improved in Some Areas \(A-07-21-03247\)*](#), was issued Mar. 21, 2023.

Federal regulations for section 1915(c) waivers require States to provide assurances that they will implement safeguards, including adequate standards for provider participation, to protect the health and welfare of individuals served under the waiver and to assure financial accountability for funds expended for those services (42 CFR § 441.302).

As part of the waiver, the State agency must also provide assurances that State requirements are met for services or for individuals furnishing services that are provided under the waiver (42 CFR § 441.302(a)(2)).

Indiana Home and Community-Based Services Waiver Program

The State agency administers and operates the program under a 1915(c) waiver to its Medicaid State plan. The program funds HCBS for individuals who choose to remain in their home as an alternative to receiving services in an institution. The program is intended to assist a person to be as independent as possible and live in the least restrictive environment possible while maintaining safety in the home.

Indiana Residential Habilitation and Support Services for Individuals With Developmental Disabilities

Under Indiana's Community Integration and Habilitation (CIH) waiver program, the State agency provides services enabling individuals with developmental disabilities to remain in their homes or community-based settings and assists individuals who are transitioning from State-operated facilities or other institutions into community settings.² The CIH waiver program allows flexibility in providing the supports necessary to help individuals gain and maintain optimum levels of self-determination and community integration. These services are intended to supplement rather than replace services received from other programs or from natural supports, including families, neighbors, or community organizations. The State agency contracts with public and private entities to provide CIH services. The State agency regularly monitors these providers to ensure quality of services. When enrolling in the CIH waiver program, applicants choose from a list of available providers in their area.

CIH services include residential habilitation and support, providing up to a full day of services designed to ensure the health, safety, and welfare of participants and assist with skills to support participants living in their homes.³ The supported living service arrangements provide

² In its waiver, the State agency assures that the necessary safeguards have been taken to protect the health and welfare of individuals receiving services under the waiver. These safeguards include compliance with applicable State agency service standards, guidelines, policies, and manuals.

³ In this audit report, we refer to Medicaid enrollees as participants.

residential services to no more than four unrelated participants in any one setting (residential setting).⁴

Residential habilitation and support services are provided by HCBS providers (residential providers) and include direct supervision, monitoring, and training to implement the individualized support plan (ISP) outcomes for the participants. Services include assistance with personal care, meals, shopping, errands, chores, leisure activities, and transportation. Additional services include the coordination and facilitation of medical and non-medical services to meet healthcare needs, including physician consults, medications, and development and oversight of the participant's health plan.

HOW WE CONDUCTED THIS AUDIT

We used paid claim data provided by the State agency for the quarter ended December 31, 2023, to identify 255 residential providers in Indiana. We selected a nonstatistical sample of 20 residential providers for review based on various factors, including geographic location and number of participants in a residential setting. For the 20 residential providers, we selected a nonstatistical sample of 1 or more supported living settings where residential services were provided, for a total of 30 residential settings. To evaluate the State agency's oversight of the residential providers, we conducted unannounced site visits accompanied by staff from the State agency at the 20 selected residential provider offices and the 30 selected residential locations between October 7 and November 22, 2024, and we discussed with State officials how the State agency monitors its residential providers and settings.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Appendix A contains the details of our audit scope and methodology. Appendix B contains Federal and State requirements related to health, safety, residential records, and administration.

⁴ Indiana Code (IC) 12-11-1.1-1(e)(2). However, a program that was in existence on January 1, 2013, as a supervised group living program described within IC 12-11-1.1-1(e)(1) and that had more than four participants residing as part of that program was allowed to convert to a supported living service arrangement and continue to provide services to up to the same number of participants in the supported living setting.

FINDINGS

The State agency did not fully comply with Federal and State health and safety requirements in overseeing residential providers that serve participants with developmental disabilities who received supported living services through the program. Of the 20 residential providers and 30 residential settings we reviewed, we found 246 instances of provider noncompliance with administrative, health, safety, and residential records requirements. Specifically, we identified:

- 15 residential providers that did not comply with 1 or more administrative requirements, resulting in 46 instances of provider noncompliance and
- 29 residential settings that were not in compliance with 1 or more health, safety, and residential records requirements, resulting in 200 instances of provider noncompliance.

Residential providers did not always meet the needs of program participants or maintain compliance with State requirements, and the State agency's inspections of the residential settings were insufficient to ensure a safe environment. As a result, participants with developmental disabilities who received supported living services were at risk (see Appendix C).

FIFTEEN RESIDENTIAL PROVIDERS DID NOT COMPLY WITH ONE OR MORE ADMINISTRATIVE REQUIREMENTS

Residential providers are required to ensure that services provided to a participant are provided by qualified personnel, meet the needs of the individual, and conform with the individual's ISP.⁵ Additionally, residential providers are required to maintain documentation, including a personnel file for each employee, that employees meet requirements for providing services.⁶ For example, residential providers must ensure employees have a criminal history check, cardiopulmonary resuscitation certification, and relevant training for providing services to participants.⁷ In addition, employees who transport participants must have a valid driver's license and automobile insurance.⁸ Residential providers must have policies and procedures to ensure the health and safety of participants.⁹ Examples of required policies include policies for tornado, fire, behavioral incident, elopement, and snow.

⁵ 460 Indiana Administrative Code (IAC) 6-14-2.

⁶ 460 IAC 6-14-3 and 460 IAC 6-15-2.

⁷ 460 IAC 6-10-5, 460 IAC 6-14-4, and 460 IAC 6-15-2.

⁸ 460 IAC 6-13-2.

⁹ 460 IAC 6-29-5.

Of the 20 residential providers we reviewed, 15 did not fully comply with 1 or more State administrative requirements. We found 46 instances of provider noncompliance with State administrative requirements. Among other things, we found that nine residential providers failed to meet transportation requirements. For example, we found that the residential providers did not have proof of insurance for some of the staff transporting the participants or did not maintain vehicle maintenance records in accordance with State requirements.¹⁰ We also found that four residential providers did not obtain or maintain the required criminal history check documentation for some of the staff providing direct care to participants.¹¹

Six residential providers did not have relevant training for providing services to participants. For example, some staff did not receive the relevant trainings required by the ISP. We also found that five residential providers did not maintain written safety and security policies and procedures to be followed in an emergency or crisis situation, such as tornado, fire, and missing persons.

TWENTY-NINE RESIDENTIAL SETTINGS WERE NOT IN COMPLIANCE WITH ONE OR MORE RESIDENTIAL SETTING REQUIREMENTS

Of the 30 residential settings reviewed, 29 were not in compliance with 1 or more State health, safety, and residential records requirements. Specifically, we found 200 instances of provider noncompliance, including:¹²

- 116 instances of noncompliance with health and safety requirements associated with 27 residential settings and
- 84 instances of noncompliance with residential records requirements associated with 18 residential settings.

Residential Settings Were Not in Compliance With Health and Safety Requirements

Residential providers are required to provide services in a safe environment, including maintaining a residence that is in good repair and free from combustible debris, accumulated waste material, offensive odors, and rodent and insect infestations.¹³ Additionally, a residential

¹⁰ 460 IAC 6-13-2.

¹¹ 460 IAC 6-10-5(c).

¹² Within this report, the instances of noncompliance at residential settings were categorized as health and safety or residential records requirements findings. Therefore, we could have identified findings in both categories at the same residential setting.

¹³ 460 IAC 6-29-2.

setting must meet State and local building requirements for single or multiple family dwellings, as applicable.¹⁴

For the 116 instances of noncompliance with health and safety requirements at 27 residential settings, among other things, we found that: 13 residential settings had ceilings, walls, and floors that were not in safe condition, unclean, or had water damage or mold (Photographs 1 and 2); 10 residential settings had bathrooms that were not in safe condition or unclean (Photographs 3 and 4); 13 residential settings did not have fire extinguishers or did not have current inspections (Photograph 5); 11 residential settings had interior surfaces with peeling, chipped, or cracked paint (Photograph 6); 8 residential settings had rooms that did not contain permanent light fixtures (Photograph 7); 1 residential setting had a medicine cabinet that was unlocked and contained a controlled substance (Photograph 8); 2 residential settings had bodily fluids that were improperly contained (Photographs 9 and 10), and 2 residential settings had fire hazards (Photograph 11 and 12). (See Appendix D for additional photographs of noncompliance.)



Photograph 1: Water damage and mold on ceiling and wall

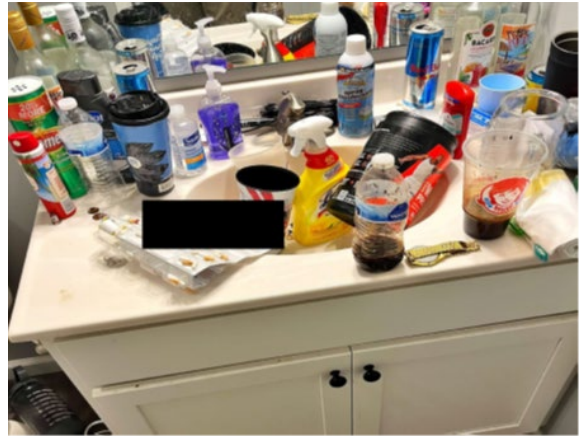


Photograph 2: Wall damage

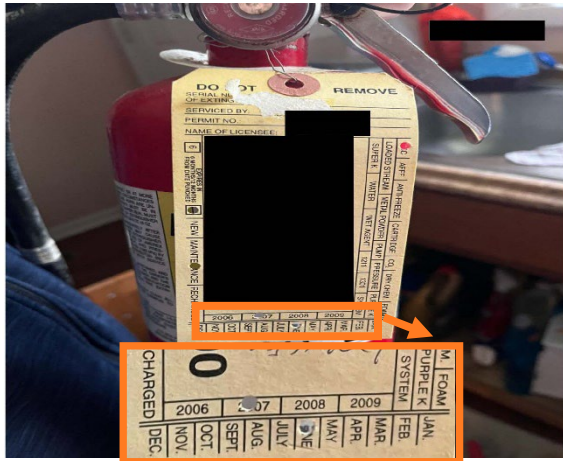
¹⁴ 460 IAC 6-29-4.



Photograph 3: Missing toilet seat and mold in toilet



Photograph 4: Unclean bathroom



Photograph 5: Fire extinguisher last inspected in June 2007



Photograph 6: Peeling paint on ceiling



Photograph 7: Light fixture with no lighting



Photograph 8: Unlocked medicine cabinet containing a controlled substance



Photograph 9: Used bedside urinals left in sink



Photograph 10: Used diapers in trash can with no lid



Photograph 11: Debris surrounding water heater containing open flame



Photograph 12: Heavy grate blocking bedroom emergency exit from basement

Residential Settings Were Not in Compliance With Record Requirements

The State agency requires a provider specified in the individual's ISP to maintain the participant's personal file at the primary location where services are provided, including their residential setting.¹⁵ The personal file shall include specific records containing information used to provide treatment to the participant. For example, the records should include a copy of the participant's current ISP, a photo of the participant if specified by the participant's ISP, and consent for emergency treatment.¹⁶

For the 84 instances of noncompliance with residential records requirements associated with 15 residential settings, among other things, we found that personal files did not contain the participant's current ISP at 6 residential settings. In addition, we found that personal files did not contain a photo of the participant as specified by the participant's ISP at 10 residential settings or did not contain consent for emergency treatment at 7 residential settings.

¹⁵ 460 IAC 6-17-3.

¹⁶ If applicable, the ISP should contain a risk plan for the participant (Division of Disability and Rehabilitative Services (DDRS) Policy Manual, Bureau of Developmental Disabilities Services (BDDS) Policy No. 460 0228 015). The risk plan contains identified risks for the participant. An example of a risk for one participant was a risk of falling. The risk plan identified interventions for staff to take to mitigate the risk.

CAUSES OF NONCOMPLIANCE WITH FEDERAL WAIVER AND STATE REQUIREMENTS

The State agency did not fully comply with Federal and State health and safety requirements for overseeing and monitoring the health and safety of participants receiving services under the CIH waiver program because of incorrect interpretation of policies related to maintenance of records, the need for additional guidance to clarify State requirements, and inadequate training.

According to the State agency, residential settings must comply with health and welfare requirements. To oversee and monitor the residential setting, the State uses contracted case managers to conduct site visits. The case managers monitor the residential setting by conducting quarterly meetings with the participant and annual unannounced visits to the residential setting. The case manager documents these visits using the State agency's environmental inspection checklist.¹⁷ The State agency's environmental inspection checklist includes the requirement of verifying the residential provider is maintaining the proper documentation. These inspections failed to ensure that participants resided in a safe setting because the case managers incorrectly interpreted policies related to site visits and the maintenance of records, may need additional guidance to clarify State requirements, or had inadequate training.

CONCLUSION

For the residential providers and settings we reviewed, we determined that some residential providers did not meet the needs of participants or comply with Federal waiver and State requirements. The State agency's oversight and monitoring did not detect instances of noncompliance. Specifically, the State cited inadequate staff training, incorrect interpretation of policies including the maintenance of records, and the need for additional guidance to clarify State requirements as factors of noncompliance. As a result, the health and safety of vulnerable recipients were put at risk.

Although the State agency did not fully comply with Federal waiver and State requirements, the State agency officials worked directly with OIG to address the areas of noncompliance identified during the site visits. OIG held calls with State agency officials during the fieldwork to discuss areas of noncompliance. In addition, State agency staff accompanied OIG auditors on the site visits at the 20 residential providers and 30 residential locations. In some instances, State agency staff addressed areas of noncompliance prior to leaving the residential setting. For example, the fire hazard identified at one residential setting (Photograph 12) was addressed prior to leaving the residential site.

Since the OIG site visits, the State agency indicated the residential providers have corrected 77 of the 246 instances of noncompliance. The State agency has conducted meetings to educate residential providers and case managers on State requirements to ensure appropriate

¹⁷ The State's environmental checklist is separate and distinct from the OIG audit-created checklist used during OIG site visits.

oversight, including maintenance of required documentation, health and safety physical environment protections, and provider documentation compliance.

RECOMMENDATIONS

We recommend that the Indiana Family and Social Services Administration:

- work with residential providers to correct the 246 instances of provider noncompliance identified in this report;
- improve its oversight and monitoring of residential providers; and
- work with the residential providers to improve internal controls for health and safety at residential settings, maintenance of records, and training.

STATE AGENCY COMMENTS

In written comments on our draft report, the State agency did not indicate concurrence or nonconcurrence with our recommendations. However, it detailed steps it has taken or plans to take in response to our recommendations.

In response to our first recommendation, the State agency indicated it has implemented corrective actions across multiple areas to resolve most of the 246 instances of noncompliance. Specifically, the State agency has coordinated with residential providers to address the site-level concerns. Instances of noncompliance not requiring physical correction have been resolved through clarification of existing policies and communication with State agency staff, case managers, and residential providers. As a result of our audit, the State agency also initiated several complaint investigations resulting in corrective action plans for several residential sites, closure of a residential site, and termination of a residential provider staff member.

In response to our second recommendation, the State agency detailed how it monitors residential providers' compliance and quality through a multi-pronged approach. In addition, the State agency described plans to improve its oversight and monitoring of residential providers through ongoing education and training opportunities for case managers and residential providers. The State agency also stated that it is conducting an internal review of its current staff training requirements, administrative code, and policies and procedures to identify areas where additional clarification and training is needed. Finally, the State agency stated that it is designing and developing a Direct Support Professional (DSP) Training and DSP Registry that will standardize foundational training and tracking of training.

For the third recommendation, the State agency stated that it will collaborate closely with residential providers to strengthen internal controls related to health and safety practices in a variety of ways. Specifically, the State agency will continue utilizing the State agency

Leadership Training Series, provide technical assistance, collaborate with Individualized Support Teams, and conduct quality onsite reviews of residential providers. Additionally, the State agency's district staff and case managers have received additional trainings on the necessity to review the environment that the individual is living in to ensure their health and safety as well as to determine the information that should be included in onsite records.

The State agency's comments are included in their entirety as Appendix E.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We used Medicaid paid claim data provided by the State agency to identify residential providers. We identified 255 residential providers that provided residential services on behalf of 8,118 participants, totaling approximately \$233 million in Medicaid reimbursement for the quarter ended December 31, 2023. From the 255 residential providers, we selected a nonstatistical sample of 20 residential providers for review. We selected these residential providers based on various factors, including geographic location and number of participants in a residential setting. For the 20 residential providers, we selected a nonstatistical sample of 1 or more supported living settings where residential services were provided, for a total of 30 residential settings.

To evaluate the State agency's oversight of residential settings, we conducted unannounced site visits at the 20 residential providers and 30 residential locations from October 7 through November 22, 2024. We conducted fieldwork in the Indiana cities of Batesville, Bristol, Carmel, Clarksville, Crown Point, Decatur, Elkhart, Evansville, Fort Wayne, Greenfield, Indianapolis, Jeffersonville, Kendallville, La Porte, Merrillville, Michigan City, Mishawaka, Osceola, Portage, South Bend, and Valparaiso.

During our audit, we did not review the overall internal control structure of the State agency or the Medicaid program. Rather, we reviewed only the internal controls that pertained directly to our objective. We specifically examined the State agency's residential provider requirements and how it monitored these residential providers to ensure compliance. However, our audit may not have identified all material weaknesses in the State agency's internal controls.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal and State requirements for residential providers and settings;
- discussed with State agency officials how the State agency monitors its residential providers and settings to gain an understanding of the State's health and safety requirements;
- assessed the design, implementation, and operating effectiveness of the State agency's: (1) control activities, (2) information and communication, and (3) monitoring of residential providers and settings;
- obtained the Medicaid paid claim data for the CIH waiver program from the State agency for the quarter ended December 31, 2023;

- validated the Medicaid paid claim data from the State agency to the Transformed Medicaid Statistical Information System data (T-MSIS),¹⁸ using identifiable information from the residential providers and participants;
- developed an administrative, health, safety and residential record requirement checklist, using State requirements, as a guide for conducting site visits;
- obtained a list of previous audits and reviews performed by the State agency;¹⁹
- selected a nonstatistical sample of 20 residential providers and 30 residential locations;
- conducted unannounced site visits at the 20 selected residential provider administrative offices and 30 residential locations;
- evaluated residential provider compliance using the administrative, health, safety, and residential record requirement checklist; and
- discussed the results of the audit with State agency officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

¹⁸ T-MSIS collects Medicaid data from States, territories, and the District of Columbia into the largest national resource of beneficiary information.

¹⁹ We did not review residential providers that had been through a recent quality onsite provider review.

APPENDIX B: FEDERAL AND STATE REQUIREMENTS

FEDERAL REQUIREMENTS

Section 1915(c) of the Social Security Act authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements so that a State may offer HCBS to a State-specified target group of Medicaid beneficiaries who need a level of institutional care that is provided under the Medicaid State plan.

Prior to the enactment of section 1915(c), the Medicaid program provided limited coverage for long-term services and support in noninstitutional settings but offered full or partial coverage of institutional care. Section 1915(c) was enacted to enable States to address the needs of individuals who would otherwise receive costly institutional care by furnishing cost-effective services while the individuals remain in their households and communities.

Federal regulations for section 1915(c) waivers require States to provide assurance that necessary safeguards will be taken, including adequate standards for provider participation, to protect the health and welfare of individuals serviced under the waiver and to assure financial accountability for funds expended for those services (42 CFR § 441.302).

As part of the waiver, the State agency must also provide assurances that State requirements are met for services or for individuals furnishing services that are provided under the waiver. (42 CFR § 441.302(a)(2); 1915(c) waiver). In addition, waiver services must be furnished under a written person-centered service plan (also called plan of care) that is based on a person-centered approach and is subject to approval by the Medicaid agency (42 CFR § 441.301(b)(1)(i)).

STATE REQUIREMENTS

The State agency administers and operates the HBCS program under a 1915(c) waiver to its Medicaid State plan, which includes CIH. CIH is operated by DDRS, a division under the State agency.

The Indiana Administrative Code (IAC) identifies requirements for providers of residential services provided under CIH.

460 IAC 6-10-4

A provider shall comply with the provisions of:

- (1) the state Medicaid plan; and
- (2) any Medicaid waiver applicable to the provider's services.

460 IAC 6-10-5

(a) A provider shall obtain a limited criminal history from the Indiana central repository for criminal history information from each employee, officer, or agent involved in the management, administration, or provision of services.

(b) The limited criminal history shall verify that the employee, officer, or agent has not been convicted of the following:

- (1) A sex crime (IC 35-42-4).
- (2) Exploitation of an endangered adult (IC 35-46-1-12).
- (3) Failure to report:
 - (A) battery, neglect, or exploitation of an endangered adult (IC 35-46-1-13); or
 - (B) abuse or neglect of a child (IC 31-33-22-1).
- (4) Theft (IC 35-43-4), if the person's conviction for theft occurred less than ten (10) years before the person's employment application date, except as provided in IC 16-27-2-5(a)(5).
- (5) Murder (IC 35-42-1-1).
- (6) Voluntary manslaughter (IC 35-42-1-3).
- (7) Involuntary manslaughter (IC 35-42-1-4).
- (8) Felony battery.
- (9) A felony offense relating to a controlled substance.

(c) A provider shall also obtain a criminal history check from each county in which an employee, officer, or agent involved in the management, administration, or provision of services has resided during the three (3) years before the criminal history check is requested from the county.

(d) A provider shall have a report from the state nurse aid registry of the Indiana state department of health verifying that each direct care staff has not had a finding entered into the state nurse aide registry.

460 IAC 6-10-6

A provider shall maintain a current organizational chart, including parent organizations and subsidiary organizations.

460 IAC 6-13-2

A provider that transports an individual receiving services in a motor vehicle shall:

- (1) maintain the vehicle in good repair;
- (2) properly register with the Indiana bureau of motor vehicles or in the state in which the owner of the vehicle resides; and
- (3) insure the vehicle as required under Indiana law.

460 IAC 6-14-2

A provider shall ensure that services provided to an individual:

- (1) meet the needs of the individual;
- (2) conform to the individual's ISP; and
- (3) are provided by qualified personnel as required under this article.

460 IAC 6-14-3

A provider shall maintain documentation that:

- (1) the provider meets the requirements for providing services under this article; and
- (2) the provider's employees or agents meet the requirements for providing services under this article.

460 IAC 6-14-4

(a) A provider shall train the provider's employees or agents in the protection of an individual's rights, including how to:

- (1) respect the dignity of an individual;
- (2) protect an individual from abuse, neglect, and exploitation;
- (3) implement person centered planning and an individual's ISP; and
- (4) communicate successfully with an individual.

(b) A provider that develops training outcomes and objectives for an individual shall train the provider's employees or agents in:

- (1) selecting specific objectives;
- (2) completing task analysis;
- (3) appropriate locations for instruction; and
- (4) appropriate documentation of an individual's progress on outcomes and objectives.

(c) A provider shall train direct care staff in providing a healthy and safe environment for an individual, including how to:

- (1) administer medication, monitor side effects, and recognize and prevent dangerous medication interactions;
- (2) administer first aid;
- (3) administer cardiopulmonary resuscitation;
- (4) practice infection control;
- (5) practice universal precautions;
- (6) manage individual-specific treatments and interventions, including management of an individual's:
 - (A) seizures;
 - (B) behavior;
 - (C) medication side effects;
 - (D) diet and nutrition;
 - (E) swallowing difficulties;
 - (F) emotional and physical crises; and
 - (G) significant health concerns; and

(7) conduct and participate in emergency drills and evacuations.

(d) Applicable training as required in this section shall be completed prior to any person working with an individual.

460 IAC 6-15-2

(a) A provider shall maintain in the provider's office files for each employee or agent of the provider.

(b) The provider's files for each employee or agent shall contain the following:

- (1) A negative tuberculosis screening prior to providing services and updated in accordance with recommendations of Centers for Disease Control.
- (2) Cardiopulmonary resuscitation certification and recertification, updated every two years, for each employee or agent who works with individuals.
- (3) Auto insurance information, updated when it is due to expire, if the employee or agent will be transporting an individual in the employee's or agent's personal vehicle.
- (4) Limited criminal history information that meets the requirements of 460 IAC 6-10-5 with the information updated at least every three (3) years.
- (5) Professional licensure, certification, or registration, including renewals, as applicable.
- (6) A copy of the employee's or agent's driver's license, updated when the driver's license is due to expire.
- (7) Copies of:
 - (A) the employee's time records; or
 - (B) the agent's invoices for services.
- (8) Copies of the agenda for each training session attended by the employee or agent, including the following:
 - (A) Subject matter included in each training session.
 - (B) The date and time of each training session.
 - (C) The name of the person or persons conducting each training session.
 - (D) Documentation of the employee's or agent's attendance at each training session, signed by:
 - (i) the employee or agent; and
 - (ii) the trainer.

460 IAC 6-16-3

- (a) A provider shall:
 - (1) adopt and maintain a written training procedure;
 - (2) review and update the training procedure as appropriate; and
 - (3) distribute the training procedure to the provider's employees or agents.
- (b) The written training procedure required by subsection (a) shall include at least the following:
 - (1) Mandatory orientation for each new employee or agent to assure the employee's or agent's understanding of, and compliance with:
 - (A) the mission, goals, organization, and practices of the provider; and
 - (B) the applicable requirements of this article.
 - (2) A system for documenting the training for each employee or agent, including:
 - (A) the type of training provided;
 - (B) the name and qualifications of the trainer;
 - (C) the duration of training;
 - (D) the date or dates of training;
 - (E) the signature of the trainer, verifying the satisfactory completion of training by the employee or agent; and
 - (F) the signature of the employee or agent.

- (3) A system for ensuring that a trainer has sufficient education, expertise, and knowledge of the subject to achieve listed outcomes required under the system.
- (4) A system for providing annual in-service training to improve the competence of employees or agents in the following areas:
 - (A) Protection of individual rights, including protection against abuse, neglect, or exploitation.
 - (B) Incident reporting.
 - (C) Medication administration if the provider administers medication to an individual.

460 IAC 6-17-3

- (a) A provider specified in the individual's ISP as being responsible for maintaining the individual's personal file shall maintain a personal file for the individual at:
 - (1) the individual's residence; or
 - (2) the primary location where the individual receives services.
- (b) The individual's personal file shall contain at least the following information:
 - (1) The individual's full name.
 - (2) Telephone numbers for emergency services that may be required by the individual.
 - (3) A current sheet with a brief summary regarding:
 - (A) the individual's diagnosis or diagnoses;
 - (B) the individual's treatment protocols, current medications, and other health information specified by the individual's ISP;
 - (C) behavioral information about the individual;
 - (D) likes and dislikes of the individual that have been identified in the individual's ISP; and
 - (E) other information relevant to working with the individual.
 - (4) The individual's history of allergies, if applicable.
 - (5) Consent by the individual or the individual's legal representative for emergency treatment for the individual.
 - (6) A photograph of the individual, if:
 - (A) a photograph is available; and
 - (B) inclusion of a photograph in the individual's file is specified by the individual's ISP.
 - (7) A copy of the individual's current ISP.
 - (8) A copy of the individual's behavioral support plan, if applicable.
 - (9) Documentation of:
 - (A) changes in the individual's physical condition or mental status during the last sixty (60) days;
 - (B) an unusual event such as vomiting, choking, falling, disorientation or confusion, behavioral problems, or seizures occurring during the last sixty (60) days; and
 - (C) the response of each provider to the observed change or unusual event.
 - (10) If an individual's outcomes include bill paying and other financial matters, the individual's file shall contain:

- (A) the individual's checkbook with clear documentation that the checkbook has been balanced; and
- (B) bank statements with clear documentation that the bank statements and the individual's checkbook have been reconciled.
- (11) All environmental assessments conducted during the last sixty (60) days, with the signature of the person or persons conducting the assessment on the assessment.
- (12) All medication administration documentation for the last sixty (60) days.
- (13) All seizure management documentation for the last sixty (60) days.
- (14) Health-related incident management documentation for the last sixty (60) days.
- (15) All nutritional counseling services documentation for the last sixty (60) days.
- (16) All behavioral support services documentation for the last sixty (60) days.
- (17) All outcome directed documentation for the last sixty (60) days.

460 IAC 6-17-4

- (a) A provider specified in the individual's ISP as being responsible for maintaining the individual's personal file shall maintain a personal file for an individual at the provider's office.
- (b) The individual's personal file shall contain documentation of the following:
 - (1) A change in an individual's physical condition or mental status.
 - (2) An unusual event for the individual.
 - (3) All health and medical services provided to an individual.
 - (4) An individual's training outcomes.
- (c) A change or unusual event referred to in subsection (b) shall include the following:
 - (1) Vomiting.
 - (2) Choking.
 - (3) Falling.
 - (4) Disorientation or confusion.
 - (5) Patterns of behavior.
 - (6) A seizure.
- (d) The documentation of a change or an event referred to in subsections (b) and (c) shall include the following:
 - (1) The date, time, and duration of the change or event.
 - (2) A description of the response of the provider, or the provider's employees or agents to the change or event.
 - (3) The signature of the provider or the provider's employees or agents observing the change or event.
- (e) The documentation of all health and medical services provided to the individual shall:
 - (1) be kept chronologically; and
 - (2) include the following:
 - (A) Date of services provided to the individual.
 - (B) A description of services provided.
 - (C) The signature of the health care professional providing the services.
- (f) The individual's training file shall include documentation regarding the individual's training goals required by 460 IAC 6-24-1.

460 IAC 6-24-3

(a) This section applies to:

- (1) an individual's residential living allowance management services provider; or
- (2) the provider identified in an individual's individualized support plan as being responsible for an individual's property or financial resources.

(b) The provider shall assist an individual to:

- (1) obtain, possess, and maintain financial assets, property, and economic resources; and
- (2) obtain insurance at the individual's expense to protect the individual's assets and property.

(c) If the provider is responsible for management of an individual's funds, the provider shall do the following:

- (1) Maintain separate accounts for each individual.
- (2) Provide monthly account balances and records of transactions to the individual and, if applicable, the individual's legal representative.
- (3) Inform the individual or the individual's legal representative, if applicable, that the payee is required by law to spend the individual's funds only for the needs of the individual.

460 IAC 6-29-1

A provider designated in the individual's ISP as responsible for providing environmental and living arrangement support for the individual shall ensure that an individual's physical environment conforms to the requirements of:

- (1) the individual's ISP; and
- (2) this rule.

460 IAC 6-29-2

(a) A provider designated in the individual's ISP as responsible for providing environmental and living arrangement support shall provide services in a safe environment that is:

- (1) maintained in good repair, inside and out; and
- (2) free from:
 - (A) combustible debris;
 - (B) accumulated waste material;
 - (C) offensive odors; and
 - (D) rodent or insect infestation.

(b) The provider shall ensure that:

- (1) an assessment of the individual's environment is conducted every ninety (90) days; and
- (2) the results of the assessment are documented.

(c) If an environmental assessment determines that an environment is unsafe for an individual, the provider shall take the appropriate steps to ensure that the individual is safe, including the following, when appropriate:

- (1) Filing an incident report.

- (2) Working with the individual and the support team to resolve physical environmental issues.

460 IAC 6-29-3

The provider designated in an individual's ISP as responsible for providing environmental and living arrangement support shall ensure that appropriate devices or home modifications, or both:

- (1) are provided to the individual in accordance with the individual's ISP; and
- (2) satisfy the federal Americans with Disabilities Act requirements and guidelines.

460 IAC 6-29-4

(a) A provider designated in an individual's ISP as responsible for providing environmental and living arrangement support shall ensure that an individual's living areas comply with the requirements of this section.

(b) An individual's living areas shall meet Indiana Code and local building requirements for single family dwellings or multiple family dwellings as applicable.

(c) An individual's living areas shall contain a working smoke detector or smoke detectors that are:

- (1) tested at least once a month; and
- (2) located in areas considered appropriate by the local fire marshal.

(d) An individual's living areas shall contain a working fire extinguisher or extinguishers that are inspected annually.

(e) An individual's living area shall, if required by the individual's ISP:

- (1) contain operable antiscald devices; or
- (2) have hot water temperature no higher than one hundred ten (110) degrees Fahrenheit.

460 IAC 6-29-5

(a) A provider designated in an individual's ISP as responsible for providing environmental and living arrangement support for the individual shall:

- (1) maintain specific written safety and security policies and procedures for an individual; and
- (2) train all employees or agents in implementing the policies and procedures.

(b) The policies and procedures prescribed in subsection (a) shall include at least the following:

- (1) When and how to notify law enforcement agencies in an emergency or crisis.
- (2) Scheduling and completion of evacuation drills.
- (3) Adopting procedures that shall be followed in an emergency or crisis, such as a tornado, fire, behavioral incident, elopement, or snow.

460 IAC 6-29-8

(a) A provider designated in an individual's ISP as responsible for providing environmental and living arrangement support shall ensure that an emergency telephone number list is located:

- (1) in an area visible from the telephone used by an individual; or
 - (2) as indicated in the individual's ISP.
- (b) The emergency telephone list shall include the following:
- (1) Information given to the individual by the individual's provider of case management services.
 - (2) The local emergency number, for example, 911.
 - (3) The telephone number of the individual's legal representative or advocate, if applicable.
 - (4) Any telephone numbers specified in the individual's ISP, including telephone numbers for the following:
 - (A) The local BDDS office.
 - (B) The provider of case management services to the individual.
 - (C) Adult protective services or child protection services as applicable.
 - (D) The developmental disabilities waiver ombudsman.
 - (E) Any other service provider identified in the individual's ISP.

460 IAC 6-34-1

A provider of transportation services shall ensure that an individual is transported only by a person who has a valid Indiana:

- (1) operator's license;
- (2) chauffeur's license;
- (3) public passenger chauffeur's license; or
- (4) commercial driver's license;

issued to the person by the Indiana bureau of motor vehicles to drive the type of motor vehicle for which the license was issued.

460 IAC 6-34-2

A provider of transportation services shall ensure that an individual is transported only in a vehicle:

- (1) maintained in good repair;
- (2) properly registered with the Indiana bureau of motor vehicles; and
- (3) insured as required under Indiana law.

IC 12-11-1.1-1(e)(1) and (2)

- (1) Supervised group living programs, which serve at least four (4) individuals and not more than eight (8) individuals, are funded by Medicaid, and are licensed by the division.
- (2) Supported living service arrangements to meet the unique needs of the individuals in integrated settings. Supported living service arrangements providing residential services may not serve more than four (4) unrelated individuals in any one (1) setting. However, a program that:
 - (A) is in existence on January 1, 2013, as a supervised group living program described in subdivision (1); and
 - (B) has more than four (4) individuals residing as part of the program; may convert to a supported living service arrangement under this subdivision and continue to

provide services to up to the same number of individuals in the supported living setting.

State agency 1915(c) HCBS Waiver No. IN.0378.R04.07 (effective July 1, 2023), Appendix C
The provider must comply with applicable State agency service standards, guidelines, policies, and/or manuals.

DDRS Policy Manual, Bureau of Developmental Disabilities Services (BDDS) Policy No. 460 0228 015

1. The Provider specified in the Individual's ISP as being responsible for maintaining the Individual's personal information shall maintain information for the Individual at:
 - a. the Individual's residence; or
 - b. the primary location where the Individual receives services.
2. This information must be kept in compliance with HIPAA and all other Federal and State privacy statutes.
3. The Individual's personal information shall include at minimum:
 - a. The Individual's current ISP.
 - b. A photograph of the Individual.
 - c. Telephone numbers for emergency services that may be required by the Individual to include at minimum:
 - i. The local emergency number, for example, 911.
 - ii. The Individual's Legal representative, if applicable.
 - iii. The local BDDS office.
 - iv. The Individual's Case Manager.
 - v. Adult Protective Services or Child Protection Services as applicable.
 - vi. The developmental disabilities waiver ombudsman.
 - vii. Other service Providers as identified by the Individualized Support Team (IST) and documented in the Individual's ISP.
 - viii. Any other telephone number identified for inclusion by the Individual or the Individual's Legal representative.
 - d. Consent by the Individual or the Individual's Legal representative for emergency treatment for the Individual.
 - e. Systems outlined in the Health Care Coordination policy, as indicated for the Individual.
 - f. The Individual's history of allergies, if applicable.
 - g. Copies of medical, dental and vision services summary documentation to include:
 - i. The most current medical, dental and vision consults and summary documentation, regardless of date of visit or service; and
 - ii. All medical, dental and vision consults and summary documentation for visits or services during the previous two months.
 - h. A copy of the Individual's risk plans, if applicable
 - i. All risk plan documentation for the past 60 days.
 - j. All medication administration recording forms for the previous two months.
 - k. Documentation of:

- i. changes in the Individual's physical condition or mental status during the last two months;
 - ii. an unusual event such as vomiting, choking, falling, disorientation or confusion, behavioral problems, or seizures occurring during the last two months; and
 - iii. the response of each Provider to the observed change or unusual event.
 - l. A copy of the Individual's Behavioral Support Plan (BSP), if applicable.
 - m. All Behavioral Support Services documentation for the previous two months.
 - n. If an Individual's outcomes include bill paying and other financial matters and the provider is the residential provider or the representative payee:
 - i. the Individual's checkbook with clear documentation that the checkbook has been balanced; and
 - ii. bank statements with clear documentation that the bank statements and the Individual's checkbook has been reconciled.
 - o. All ISP outcome directed documentation for the previous two months.
 - p. A listing of all adaptive equipment used by the Individual that includes contact information for the person or Entity responsible for replacement or repair of each piece of adaptive equipment.
 - q. All environmental assessments conducted during the previous two months, with the signature of the person or persons conducting the assessment on the assessment.
4. Personal information as described in this section shall be maintained by the Provider in a manner that allows for review at the time a verbal or written request is made by the Family and Social Services Administration (FSSA), the Division of Disability and Rehabilitative Services (DDRS), the Office of Medicaid Policy and Planning (OMPP) or their agents or contractor.

BDDS Policy No. 2022-08-R-001

A. The provider's emergency policies and procedures shall include, but is not limited to, the following:

- 1. All relevant types of emergencies impacting service delivery and business operations. At a minimum it must include natural disasters, public health emergency, and critical staff shortages.
- 2. Operational tiers defined for each type of emergency and are reflective of the severity of the emergency. At a minimum, tiers must be defined for natural disasters, public health emergency, and critical staff shortages, and include, but are not limited to, the following:
 - i. Characteristics for each tier;
 - ii. Response criteria for each tier;
 - iii. Short-term plans;
 - iv. Long-term plans;
 - v. Plan for staff shortages for each type of emergency;
 - vi. Critical functions;
 - vii. Non-critical functions; and
 - viii. Acknowledgement of the potential use and implementation of state-approved flexibilities as the need arises.

BDDS Policy No. 460 1216 039

Safety and Security

1. A Provider designated in an Individual's ISP as responsible for providing environmental and living arrangement support for the Individual shall:
 - a. maintain specific written safety and security policies and procedures for an Individual in:
 - i. the Provider's office; and
 - ii. the Individual's home; and
 - b. train all owners, directors, officers, employees, contractors, subcontractors, or agents performing any management, administrative or direct service to an Individual on behalf of a Provider company in implementing the policies and procedures.
2. The policies and procedures prescribed by subsection (a) shall include at minimum the following:
 - a. Biohazard disposal
 - b. When and how to notify law enforcement agencies in an emergency or crisis.
 - c. Scheduling and completion of evacuation drills.
 - d. Written policies and procedures that shall be followed in an emergency or crisis requiring extraordinary efforts to ensure health, safety and welfare such as:
 - i. tornado;
 - ii. fire;
 - iii. missing person;
 - iv. snow or other winter hazard;
 - v. flood;
 - vi. bomb threat;
 - vii. workplace violence;
 - viii. residential violence;
 - ix. a major natural disaster, such as a pandemic, which severely limits the Provider's ability to provide services.

BDDS Environmental Inspection Checklist

The State agency BDDS environmental inspection checklist includes requirements for areas such as the building exterior and interior, kitchen, bathrooms, and bedrooms. These items help ensure a clean, safe, and accessible home environment.

**APPENDIX C: INSTANCES OF NONCOMPLIANCE WITH
ADMINISTRATIVE AND RESIDENTIAL SETTING REQUIREMENTS**

Table 1: Residential Providers Instances of Noncompliance

Provider	Personnel Records	Staffing and Policies	Total
1	1	1	2
2	0	1	1
3	0	1	1
4	1	4	5
5	2	1	3
6	2	1	3
7	3	0	3
8	0	0	0
9	2	1	3
10	0	0	0
11	3	0	3
12	3	0	3
13	0	0	0
14	2	4	6
15	0	0	0
16	0	1	1
17	0	0	0
18	1	2	3
19	3	3	6
20	0	3	3
Totals	23	23	46

Table 2: Residential Settings Instances of Noncompliance

Residence	Residential Records	Health and Safety	Total
1	0	6	6
2	0	6	6
3	0	5	5
4	0	1	1
5	0	1	1
6	20	8	28
7	0	1	1
8	0	2	2
9	7	3	10
10	6	3	9
11	2	5	7
12	1	5	6
13	0	2	2
14	0	0	0
15	1	0	1
16	0	8	8
17	0	4	4
18	0	1	1
19	8	18	26
20	1	1	2
21	2	1	3
22	1	0	1
23	2	2	4
24	3	3	6
25	9	5	14
26	4	6	10
27	6	2	8
28	5	7	12
29	5	9	14
30	1	1	2
Total	84	116	200

APPENDIX D: ADDITIONAL PHOTOGRAPHS OF NONCOMPLIANCE



Photograph 13: Unclean bedroom



Photograph 14: Unclean bedroom



Photograph 15: Broken window



Photograph 16: Broken light switch



**Photograph 17: Missing smoke detector
with exposed wiring**

APPENDIX E: STATE AGENCY COMMENTS



Mike Braun, Governor
State of Indiana

Indiana Family and Social Services Administration
Division of Disability and Rehabilitative Services

402 W. WASHINGTON STREET, P.O. BOX 7083
INDIANAPOLIS, IN 46207-7083
800-545-7763
FAX:

August 14, 2025

Report Number: A-05-24-00013

US Department of Health and Human Services
Office of Inspector General
Office of Audit Services, Region V
233 North Michigan Avenue, Suite 802
Chicago, IL 60601

Following is Indiana Family and Social Services Administration, Division of Disability, Aging, and Rehabilitative Services, Bureau of Disabilities Services response to the draft report "Indiana Did Not Fully Comply with Federal Waiver and State Health, Safety, and Administrative Requirements at 30 Residential Settings."

Thank you,

/Holly J. Wimsatt/

Holly J. Wimsatt
Director, Bureau of Disabilities Services

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Equal Opportunity/Affirmative Action Employer



Indiana Family and Social Service Administration
Division of Disability, Aging, and Rehabilitative Services
Bureau of Disabilities Services

Response to OIG Recommendations

Recommendation 1: Work with residential providers to correct the 246 instances of provider noncompliance identified in the report

The Bureau of Disabilities Services (BDS) has implemented corrective actions across multiple areas in response to identified noncompliance issues. Collaboration with all 20 residential service providers resulted in the resolution of almost all of the 246 instances of noncompliance. While the majority of providers have successfully completed their corrective measures, BDS continues to work closely with two providers still addressing specific concerns at Sites 25, 26, and 29.

Ongoing Site-Level Coordination

- **Site 25:** Remaining tasks include wall repair/painting and complete replacement of the bathroom flooring due to persistent water damage. Although some painting has been completed and initial bathroom repairs attempted, the work was not durable. A new contractor has been selected, and flooring replacement will be scheduled upon confirmation of the payment. The provider submitted proof of payment on 7/25/25 and indicated the contractor is starting as soon as the check clears. The provider will provide BDS an update the first week of August. BDS will issue a formal deadline if not rectified by August 31, 2025. All other items at this site have been addressed.
- **Site 26 and Site 29:** Both locations share a property management group that has posed challenges for timely resolution. Providers have documented these experiences to inform future housing decisions and are providing BDS with updates at least weekly. BDS will continue to monitor and determine if a complaint investigation is appropriate. Additionally, the individuals have been informed of their rights to explore new housing options as well as being supported in filing a complaint with the consumer protection division and/or the local housing authority.

- At **Site 26**, continued coordination with the landlord is underway to repair the kitchen ceiling and flooring. Additional painting and patchwork will follow the ceiling repair. The ceiling repair is currently in progress as previous attempts at repair did not hold up. The landlord has indicated that they will replace the flooring in Fall 25. All other corrective actions have been completed.
- At **Site 29**, mold remediation and exterior sealing have been completed. Bedroom painting, funded by the landlord, is scheduled for August 15, 2025. The exterior paintwork, deemed cosmetic, is planned for Spring 2026. All other issues have been resolved.

Policy Review and Clarifications

Instances of noncompliance not requiring physical correction have been resolved through clarification of existing policies and communication with BDS staff, case managers, and providers. Internal policy reviews are ongoing to determine necessary updates. Areas under review include:

- Bedroom door locks
- Biohazard disposal practices
- Fire extinguisher expiration protocols
- Consent procedures for emergency treatment
- Use of resident photographs
- Documentation updates (e.g., PCISP, BSP, HRP)
- TB testing requirements
- Personnel recordkeeping (e.g., driver's licenses, insurance)

Site-Specific Exceptions

- **Site 12:** The need for floor replacement was identified; however, the homeowner is a service recipient, and the cost presents a financial barrier. The team is exploring potential resources to assist.
- **Site 16:** The presence of extension cords in a resident's bedroom was raised as a safety concern. The individual worked with staff to clean up the cords to ensure that he had one power strip to connect to his TV and gaming systems and it was moved to ensure they are not a fall hazard. The other individual living in the home had a

personal preference of no toilet seat; however, he has since moved and agreed to a toilet seat since he is now sharing the bathroom with a housemate. Additionally, he is working with housemates and staff to ensure the bathroom stays clean.

Complaint Investigations and Regulatory Action

As a result of findings from the Office of the Inspector General (OIG), BDS initiated several complaint investigations:

- **Sites 1 & 2:** Formal corrective action plans were developed and implemented.
- **Site 3:** Environmental and restrictive issues prompted relocation of residents. Upon discovering continued restrictions at the new site, a complaint investigation was initiated, and formal corrective actions were developed and subsequently implemented.
- **Site 19:** Following multiple investigations and failure to complete corrective action plans, the provider's approval to deliver HCBS services under the CIH waiver was revoked. Residents transitioned to new providers, and BDS closed the provider in May 2025.
- **Site 28:** Due to concerns regarding a direct support staff member, the provider conducted an investigation and subsequently terminated the individual.

Recommendation 2: Improve its oversight and monitoring of residential providers

BDS monitors provider compliance and quality through a multi-pronged approach that includes at time of application and ongoing. BDS believes that providing support and education to provider at the onset and ongoing lends to greater outcomes for individuals in our home and community-based services.

Provider Enrollment

In January of 2024, BDS implemented new policies and procedures to enhance their provider enrollment processes to obtain and maintain quality providers. To become eligible to provide residential services within BDS, providers are required to complete an application where they must demonstrate their knowledge and recognition of their responsibilities as a residential provider. This includes but is not limited to, the submission of their policies and procedures that are in compliance with state and federal regulations and, demonstrate business solvency. Once a desk review of all required documentation is completed by BDS staff and deemed satisfactory, potential new providers are required to

attend, in person, an all-day training series to hear from BDS and state staff directly on state and federal requirements, policies, and vision for quality home and community-based services. Once participation is verified and desk review is complete the provider is approved if all documents and requirements have been achieved

Provider Reverification

The BDS provider reverification process occurs prior to the expiration of the residential providers first year of approval and then every three years. This process includes but is not limited to verification of required accreditation, a state desk review of the providers policies and procedures created or updated since its last review, financial solvency records, complaint investigations and incident reports, annual satisfaction survey completed and any current or planned efforts for improvement as a result, and company demographic changes or organizational changes since last review. During a provider's reverification, if BDS identifies compliance issues, BDS issues the provider a notification of citation(s) and/or sanction(s) that must be addressed prior to being re-verified as a provider of accredited services. If the provider fails to meet the requirements for reverification, the provider shall be subject to any citations and/or sanctions BDS is authorized to issue under Indiana Code 12-11-1.1.11.

BDS Quality On-Site Provider Reviews

These on-site provider reviews ensure the quality of the home and community-based (waiver) services individuals receive. The Quality On-Site Provider Review process includes a two-day, on-site review conducted by a quality reviewer. During the onsite reviews, the reviewer has conversations with individuals, support staff, supervisors and management. They also review key documents to ensure provider standards are met.

Incident reporting

BDS utilizes incident reporting, in part, to monitor providers and their service delivery. BDS requires that any event or occurrence characterized by risk or uncertainty resulting in or having the potential to result in significant harm or injury to an individual must be reported in the incident management system within 24 hours. In addition to the provider's mandatory reporting, any other person may submit an incident report associated with any reportable incident. Case Managers are required to submit necessary follow-up reports until incident is resolved.

Complaints

Another method BDS uses to monitor provider compliance is through complaint investigations. Complaint investigations may be conducted if there is an allegation that a provider has not followed state and/or federal rules or program requirements, particularly Indiana Administrative Code. If a violation is found, then it generally results in a formal corrective action plan. If the provider fails to complete a corrective action plan, then BDS may issue a sanction which could include a moratorium, fine, and/or termination.

Ongoing Education and Training

BDS has been steadfast in our commitment to working collaboratively with case managers and providers. Through that commitment, BDS began hosting monthly provider and case manager webinars in 2020 and continues to do so today. BDS hosts these webinars to provide information and updates from BDS monthly. Overall trends noted through the visits by OIG led BDS to provide additional education and reinforcement of requirements during these monthly provider and case manager webinars.

BDS has historically held additional webinar opportunities for providers on specific topics that are relevant to providing residential services. These trainings have covered topics such as risk management, the HCBS Final Rule, Informed Choice, etc. BDS will continue to focus on provider training opportunities to reinforce health and safety requirements and emphasize the effects of provider noncompliance.

In addition, BDS facilitates two semi-annual meetings per year for Case Management Organizations. BDS has discussed these findings with the case management organizations and will continue to discuss opportunities with case management companies on how to better monitor the delivery of waiver services and what to look for during the visits in the home.

Furthermore, BDS facilitates monthly training with internal staff and will continue to do so. This will act as a learning environment for new and veteran staff. Educating staff will prove consistency among staff and will assist with communication and education of residential providers.

BDS Policy and Regulatory Authority

Case managers are required to meet face-to-face with individuals every 90 days, with at least one of those visits being conducted in the home a minimum of one time per year. For individuals living in a provider owned or controlled setting, the case manager must make an additional unannounced visit yearly to the home. BDS is exploring best practices for the cadence and activities that should occur for visits in the home.

BDS is conducting an internal review of its current staff training requirements, administrative code, policies and procedures to identify areas where additional clarification and training is needed.

BDS is actively designing and developing a Direct Support Professional (DSP) Training and DSP Registry that will standardize foundational training and tracking of training. BDS will take this opportunity to identify additional ways to increase oversight of home and community-based services residential providers to ensure compliance with all applicable policies and procedures.

Technical Assistance

The BDS provider services, community supports, quality oversight teams work together to ensure that providers, case managers, individuals and families have the tools and resources they need to be successful and supports corrective action measures. These BDS teams will continue to educate, train, and provide technical assistance to new and existing residential providers, case managers, individuals and the support team when needed. The intent is to ensure guidance is provided that increases awareness and coordination of available resources and regulatory requirements that establish quality service delivery and corrective action remediation.

This also includes BDS attending team meetings and working directly with individuals and their families to empower the people BDS supports to advocate for themselves and live their best life.

In addition, BDS does and will continue to collaborate with state systems to provide a holistic and person-centered approach to services, including residential services with a focus on person centered planning and community integration. This includes partnering with individuals with disabilities and interested stakeholders to develop policies, best practices, and procedures to analyze data from waiver providers to improve service quality.

Finally, BDS will continue to explore methods for improved data analysis and collection to support best practices, outcomes, and services throughout Indiana.

Recommendation 3: Work with the residential providers to improve internal controls for health and safety at residential settings, maintenance of records, and training

In alignment with our commitment to ensuring that individuals are supported to be healthy and safe while also supporting them to realize their good life, we will collaborate closely with residential providers to strengthen internal controls related to health and safety practices. This will be completed in a variety of ways including, but not limited to:

- The continuation of the BDS Leadership Training Series which new/prospective providers must attend in person and the agency's leadership must be in attendance. This series includes information and training on Charting the LifeCourse, Home and Community-Based Settings Rule, Quality Assurance which includes incident reporting, complaint investigations, mortality reviews, and Quality On-Site Provider Reviews. Additionally, this series provides information on BDS' systems, Provider Reverification and Accreditation, Ethics and Conflict of Interest, as well as a variety of other resources.
- BDS Monthly Provider and Case Manager Webinars. As BDS' commitment to working collaboratively with case managers and providers, BDS hosts these webinars to provide information and updates from BDS.
- The provider services team will maintain the commitment to educating and training not only the new residential providers, but also to providing technical assistance to existing providers.
- The community supports team collaborates extensively with Individualized Support Teams, including residential providers, to deliver personalized guidance and assistance tailored to each individual's unique needs. This integrated approach fosters the development of constructive relationships that encourage open communication, promote ongoing support, and facilitate timely clarification of service-related matters.
- BDS is conducting an internal evaluation of its existing administrative code, as well as our policies and procedures to identify areas where additional clarification and targeted training may be warranted; as well as any updates, with the goal of ensuring alignment with best practices and regulatory standards.
- BDS continues with the Quality On-Site Provider Reviews in order to evaluate residential services and ensure that individuals are receiving person-centered quality services. As part of this process, a wrap-up meeting occurs where the provider is given targeted technical assistance as well as the opportunity to receive additional TA as requested.
- Case Managers, as well as district staff, have received additional trainings on the necessity to review the environment that the individual is living in to ensure health and safety as well as what should be included in on-site records.

Report Fraud, Waste, and Abuse

OIG Hotline Operations accepts tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement in HHS programs. Hotline tips are incredibly valuable, and we appreciate your efforts to help us stamp out fraud, waste, and abuse.



TIPS.HHS.GOV

Phone: 1-800-447-8477

TTY: 1-800-377-4950

Who Can Report?

Anyone who suspects fraud, waste, and abuse should report their concerns to the OIG Hotline. OIG addresses complaints about misconduct and mismanagement in HHS programs, fraudulent claims submitted to Federal health care programs such as Medicare, abuse or neglect in nursing homes, and many more. [Learn more about complaints OIG investigates.](#)

How Does It Help?

Every complaint helps OIG carry out its mission of overseeing HHS programs and protecting the individuals they serve. By reporting your concerns to the OIG Hotline, you help us safeguard taxpayer dollars and ensure the success of our oversight efforts.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act of 1978, and other applicable laws protect complainants. The Inspector General Act states that the Inspector General shall not disclose the identity of an HHS employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the investigation. By law, Federal employees may not take or threaten to take a personnel action because of [whistleblowing](#) or the exercise of a lawful appeal, complaint, or grievance right. Non-HHS employees who report allegations may also specifically request confidentiality.

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