



Office for People With Developmental Disabilities

ANDREW M. CUOMO
Governor

THEODORE KASTNER, MD, MS
Commissioner

VIA USPS CERTIFIED REGULAR MAIL & EMAIL

October 28, 2019

Brendon Davis, Executive Director
CAY Community Services Organization, Inc.
65 Maspeth Avenue
Plaza Building, 2nd Floor
Brooklyn, NY 11211

Alicia Davis, President, Board of Directors

Dear Mr. Davis and Ms. Davis:

The purpose of this letter is to formally notify you that CAY Community Services Organization, Inc. (Agency) was placed on Early Alert effective October 18, 2019 due to significant concerns over financial viability.

In order to ensure that individuals with developmental disabilities in New York State receive appropriate services and protections, the Office for People With Developmental Disabilities (OPWDD) has established an internal Early Alert Committee. The purpose of the Early Alert process is to monitor the performance of a provider that has been unable to sustain compliance with applicable laws and regulations and/or has significant fiscal issues that may affect the health and safety of individuals receiving services.

OPWDD has placed your agency on Early Alert due to the following concerns:

- The Agency is experiencing fiscal distress that includes (but is not limited to) the following:
 - The Agency has been unable to timely meet its payroll obligations. To avoid bounced payroll checks for its direct care staff, the Agency was forced to delay the issuance of payroll checks for its management staff.
 - The Agency is experiencing difficulty in paying its vendors that are critical to program services.
 - The Agency's lines of credit are exhausted; the amount drawn to date totals \$30,000.
 - The Agency has formally requested expedited Medicaid reimbursement from the State, a process only considered in emergency situations.

- Problems have been found during an audit being performed by OPWDD's Office of Audit Services including the following:
 - Every sampled billing record audited for Group Day Habilitation and Community Habilitation Waiver services failed to meet documentation requirements; errors were found in 335 claims totaling \$55,336 and 295 claims totaling \$33,542, respectively.
 - Little or no internal controls exist to ensure Agency billing practices comply with OPWDD standards.
 - The Agency's Board of Directors has not adequately monitored financial performance, lacking reviews of budgets, interim financial reports, and cash flow.

OPWDD will monitor the Agency's progress and will determine whether there is sufficient technical expertise in place and a tangible recovery plan with measurable benchmarks to remedy the deficient practices and sustain compliance going forward. While in Early Alert status, OPWDD will not consider any Agency requests for expansion of services and may suspend any expansion that is in process.

Representatives from OPWDD will meet with Agency directors and officers to further discuss the Early Alert process and OPWDD's expectations at **11:00 am on Friday, November 1, 2019 at 25 Beaver St, New York, NY.**

If you have any questions prior to the meeting, please contact Robert Borchers, Deputy Director of Audit Services, at (518) 402-4259.

Sincerely,



Leslie Fuld
Deputy Commissioner, Division of Quality Improvement



Richard Cicero
Director Office of Audit Services

cc: Board of Directors
Theodore Kastner, Commissioner
Roger Bearden, Executive Deputy Commissioner
Tammy Devine, Deputy Director, Division of Quality Improvement
Brian O'Donnell, Statewide Director, DQI, Bureau of Program Certification
Barbara VanVechten, Statewide Director, Incident Management and Continuous Quality Improvement
Karisa Capone, Director, Incident Management Unit

Robert Borchers, Deputy Director, Audit Services
Abiba Kindo, Deputy Commissioner, Service Delivery - Regional Offices
Jacquelyn Leigh Best, Regional Offices – Statewide Operations Director
Willow Baer, General Counsel
Joanne Howard, Director, Fiscal Reporting and Data Analysis
Martha Dalton, Associate Commissioner, Division of Enterprise Solutions
Earl Jefferson, Director, Central Operations
Delia Tucker, Deputy Director, Region 4
Josh Olsen, Deputy Counsel, Counsel's Office