

Department of Health and Human Services  
**Office of Inspector General**



Office of Audit Services

September 2025 | A-09-23-01002

# **California Met Some Requirements of the Projects for Assistance in Transition From Homelessness Program but Did Not Accurately Report Program Activities for Selected Providers**

# REPORT HIGHLIGHTS



September 2025 | A-09-23-01002

## California Met Some Requirements of the Projects for Assistance in Transition From Homelessness Program but Did Not Accurately Report Program Activities for Selected Providers

### Why OIG Did This Audit

- California has the largest homeless population in the United States, with 24 percent of the nationwide total of more than 771,000 homeless persons.
- This audit is the fourth in a series to ensure the integrity of grant funds awarded under SAMHSA's Projects for Assistance in Transition from Homelessness program (PATH). These funds assist States with providing services to individuals with serious mental illness experiencing homelessness.
- California was awarded approximately \$8.8 million, the largest PATH grant in the Nation, from July 1, 2020, through June 30, 2021. This audit assessed whether California complied with PATH program requirements.

### What OIG Found

California complied with PATH program requirements related to program costs, non-Federal contributions, and consumer eligibility for five selected providers. However, it did not fully comply with requirements to accurately report PATH program activities in its Annual Report to SAMHSA and to ensure providers adequately documented services provided.

- California included in its Annual Report: (1) an inaccurate number of consumers enrolled in the PATH program for one selected provider and (2) inaccurate total Federal and non-Federal contributions made for another selected provider to support its PATH program.
- California did not ensure that 1 selected provider documented the services provided to 10 of 20 selected consumers reviewed and contacts made with all 20 consumers.

### What OIG Recommends

We recommend that California work with relevant parties to provide guidance and training to PATH providers to accurately report data in the PATH Annual Report, and strengthen its oversight of the PATH program by validating that PATH providers adequately document services provided to and contacts made with consumers. California concurred with our recommendations and provided information about the actions that it plans to take to address our recommendations.

## TABLE OF CONTENTS

INTRODUCTION .....	1
Why We Did This Audit .....	1
Objective .....	1
Background .....	1
Projects for Assistance in Transition From Homelessness Program.....	1
California’s PATH Program.....	3
How We Conducted This Audit .....	3
FINDINGS.....	4
California Complied With PATH Requirements for Program Costs, Non-Federal Contributions, and Consumer Eligibility for All Five Selected Providers .....	5
California Did Not Accurately Report Program Activities for Two Selected Providers in Its PATH Annual Report.....	5
California Did Not Ensure That Services Provided to Consumers Were Adequately Documented by One Selected Provider.....	6
RECOMMENDATIONS .....	7
CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES COMMENTS.....	8
APPENDICES	
A: Audit Scope and Methodology .....	9
B: Related Office of Inspector General Reports.....	11
C: California Department of Health Care Services Comments .....	12

## INTRODUCTION

### WHY WE DID THIS AUDIT

California has the largest homeless population in the United States, with 24 percent of the nationwide total of more than 771,000 homeless persons.<sup>1</sup> To assist States with providing services to individuals with serious mental illness experiencing homelessness, the Substance Abuse and Mental Health Services Administration (SAMHSA) awarded States approximately \$62.6 million in grant funds for Federal fiscal year (FY) 2021 under its Projects for Assistance in Transition From Homelessness (PATH) program. California received approximately \$8.8 million, the largest PATH grant in the Nation, from July 1, 2020, through June 30, 2021.<sup>2</sup> This audit is the fourth in a series of audits by the Office of Inspector General (OIG) to ensure the integrity and proper stewardship of PATH grant funds aiming to reduce homelessness. (See Appendix B for a list of related OIG reports on State PATH programs.)

### OBJECTIVE

Our objective was to determine whether the California Department of Health Care Services (State agency) complied with PATH program requirements.

### BACKGROUND

#### Projects for Assistance in Transition From Homelessness Program

The Stewart B. McKinney Homeless Assistance Amendments Act of 1990 (Stewart B. McKinney Act) established the PATH program, which is administered at the Federal level by SAMHSA. SAMHSA awards PATH grants to States using a formula.<sup>3</sup> States use the grants to fund local public and nonprofit organizations, known as PATH providers.

#### *Eligibility for PATH Program Services*

The PATH program supports outreach and other services to individuals with serious mental illnesses and substance use disorders who are homeless or at imminent risk of becoming homeless.<sup>4</sup> To be eligible for PATH program services in California, individuals must be aged 18

---

<sup>1</sup> U.S. Department of Housing and Urban Development, [The 2024 Annual Homelessness Assessment Report to Congress](#). Accessed on May 22, 2025.

<sup>2</sup> The terms and conditions of the PATH grant award gave grantees 27 months from the beginning of the grant period to liquidate the grant funds. As a result, this was the most recent grant period we were able to review at the time we began our audit.

<sup>3</sup> P.L. No. 101-645 (Nov. 29, 1990).

<sup>4</sup> PATH services include substance abuse treatment, case management, and referrals for health, education, and housing services.

or older, suffering from serious mental illness, and homeless or at imminent risk of becoming homeless.<sup>5</sup> (We refer to these individuals as “consumers” throughout this report.) SAMHSA requires States, as part of their applications for PATH funds, to develop their own operational definitions of the terms “individual experiencing homelessness,” “imminent risk of becoming homeless,” and “serious mental illness.”

### *Federal Requirements for State Recipients of PATH Funds*

States that are awarded PATH funds must enter into formal written agreements with grant subrecipients that address PATH program requirements.<sup>6</sup> Furthermore, States must meet cost-sharing obligations for non-Federal contributions toward their PATH programs.<sup>7</sup> Additionally, at the end of each grant period, State agencies are required to submit to SAMHSA a *PATH Statewide Annual Report* (Annual Report) that details their PATH program activities, including the types of services provided and the population served.<sup>8</sup> Finally, States must complete a financial closeout of their PATH grants to determine whether PATH program costs were allowable and properly allocated, and whether any unused funds should be returned to the Federal Government. As part of the financial closeout process, States must file a final Federal Financial Report that details the amount of Federal and non-Federal costs incurred for their PATH grants (45 CFR § 75.381(a)). Federal regulations require that costs be adequately documented to be allowable under Federal awards (45 CFR § 75.403(g)).

### *States’ Homeless Management Information Systems*

SAMHSA guidance says that States are to transition their PATH providers to using a Homeless Management Information System (HMIS) to generate annual reports that include the number of consumers and consumer-level data, such as demographic data and living situation, during each reporting period.<sup>9</sup> The U.S. Department of Housing and Urban Development (HUD) administers these data systems, which provide a platform for coordinating care and improving access to housing resources. Each HMIS is operated by a local group known as a Continuum of

---

<sup>5</sup> Stewart B. McKinney Act § 522(a).

<sup>6</sup> The HHS *Grants Policy Statement*, page II-78.

<sup>7</sup> States are required to contribute non-Federal funds of at least \$1 for every \$3 of Federal funds awarded toward the costs of providing PATH program services (Stewart B. McKinney Act § 523(a)).

<sup>8</sup> Stewart B. McKinney Act § 528(a).

<sup>9</sup> SAMHSA, *PATH Annual Report Manual*. For California, the reporting period is the same as the grant period.

Care, which is responsible for designing its HMIS in accordance with HUD requirements and working with HMIS software vendors.<sup>10</sup>

## California's PATH Program

California's PATH program is administered at the State level by the State agency. For the grant period we reviewed (July 1, 2020, through June 30, 2021), SAMHSA awarded California approximately \$8.8 million in PATH grant funds, and the State agency withdrew approximately \$8.2 million. The State agency distributed these funds to 39 providers to deliver PATH services to approximately 9,400 enrolled consumers.<sup>11, 12</sup> PATH providers have used the HMIS to collect and report PATH data since 2016; however, the State agency does not have access to the HMIS and relies on data submitted by PATH providers. The State agency reviews and approves the PATH data before submitting its Annual Report to SAMHSA.

### California's PATH Program Definitions

In its grant application for the grant period, the State agency defined *individuals experiencing homelessness* as individuals who lacked housing, regardless of whether they were a member of a family. This group included individuals whose primary residence at night was a facility that provided temporary living accommodations and transitional housing. Individuals were considered at *imminent risk of becoming homeless* if they lived in a condemned building without a place to move, or in temporary or transitional housing; were being discharged from a health care or criminal justice institution without a place to live; had received an eviction notice without a place to move; and/or maintained a "doubled-up" living arrangement in which the individual's name was not on the lease. Individuals were considered as having a *serious mental illness* if they were suffering from a severe and persistent mental disorder that may cause behavioral functioning interfering with the primary activities of daily living.

## HOW WE CONDUCTED THIS AUDIT

From the 39 providers that received PATH funds from July 1, 2020, through June 30, 2021 (grant period), we selected a nonstatistical sample of 5 PATH providers for review (which we refer to as "selected providers").<sup>13</sup> Our audit covered approximately \$3.6 million that these providers received from the State agency for its PATH program during the grant period (from the \$8.2 million that the State agency withdrew for the period). We then selected a nonstatistical sample of 100 consumers, consisting of 20 consumers from each of the 5 selected

---

<sup>10</sup> A Continuum of Care is a HUD-funded group of representatives from organizations that coordinate homeless services and homelessness prevention activities across a specified geographical area. California has 44 Continuums of Care, and all 5 PATH providers we reviewed used the same HMIS software vendor for California's PATH program.

<sup>11</sup> Specifically, the State agency contracted with 39 local government agencies. Some local government agencies, in turn, contracted with nonprofit organizations.

<sup>12</sup> This was the number of enrolled consumers reported by the State agency in its FY 2021 PATH Annual Report.

<sup>13</sup> We selected five providers for review based on factors such as funds received and number of enrolled consumers reported in the Annual Report.

providers, and determined whether the 100 consumers were eligible for the PATH program.<sup>14</sup> We also selected and reviewed a nonstatistical sample of certain PATH program costs and non-Federal contributions for the five selected PATH providers.<sup>15</sup>

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.

## FINDINGS

The State agency complied with PATH program requirements related to program costs, non-Federal contributions, and consumer eligibility for five selected providers. However, the State agency did not fully comply with program requirements to accurately report PATH program activities in its Annual Report and to ensure that providers adequately documented services provided. Specifically, in the PATH Annual Report to SAMHSA, the State agency included: (1) an inaccurate number of consumers enrolled in the PATH program for one selected provider and (2) inaccurate total Federal and non-Federal contributions made for another selected provider to support its PATH program. In addition, 1 of the 5 selected providers did not have documentation to support the services provided to 10 of the 20 selected consumers reviewed and contacts made with all 20 consumers.<sup>16</sup>

The inaccurate reporting in the Annual Report occurred because the State agency did not provide adequate oversight to ensure that PATH providers reported accurate enrollment and “Total PATH Federal and Matching funds” data for the State agency’s Annual Report.<sup>17</sup> In addition, the State agency did not have adequate oversight to ensure that PATH providers maintained adequate documentation to support the services provided to and contacts made with consumers enrolled in the PATH program.

---

<sup>14</sup> Some of the factors we used to select consumers for review included their length of enrollment and type of services received.

<sup>15</sup> We reviewed certain PATH program costs that accounted for the majority of the grant funds used during the grant period, which included salaries and indirect costs. We also reviewed the non-Federal funds that the State agency was required to contribute toward its PATH program.

<sup>16</sup> A contact is an interaction between a PATH-funded worker and a consumer. Contacts may range from a brief conversation to a referral for a service. The PATH program’s *HMIS Manual* requires a PATH provider to record the date and current living situation for each contact with a consumer.

<sup>17</sup> The Annual Report refers to non-Federal contributions as “matching funds.”

## **CALIFORNIA COMPLIED WITH PATH REQUIREMENTS FOR PROGRAM COSTS, NON-FEDERAL CONTRIBUTIONS, AND CONSUMER ELIGIBILITY FOR ALL FIVE SELECTED PROVIDERS**

For each of the five selected providers, the selected employees' salaries and indirect costs were allowable, allocable, and reasonable (45 CFR §§ 75.403, 75.404, 75.405, and 75.430(b)). The State agency and the selected providers generally had adequate accounting systems and maintained effective internal controls to ensure that PATH grant funds were accounted for separately from funds for other State agency-administered programs and were used for PATH program activities (45 CFR § 75.303). Those controls included having appropriate segregation of duties for those individuals entering transactions into accounting systems and those providing oversight.

In addition, the five selected providers' non-Federal contributions met PATH program cost-sharing requirements. Specifically, the State agency reimbursed these providers nearly \$3.6 million for PATH program costs using grant funds, and the providers made \$5.7 million in non-Federal contributions toward the PATH program (\$4.5 million more than the required \$1.2 million).<sup>18</sup>

Finally, for the 5 selected providers, the 100 nonstatistically selected consumers met eligibility requirements for the PATH program. To be eligible for PATH program services in California, an individual must be aged 18 or older, suffering from a serious mental illness, and homeless or at imminent risk of becoming homeless.

## **CALIFORNIA DID NOT ACCURATELY REPORT PROGRAM ACTIVITIES FOR TWO SELECTED PROVIDERS IN ITS PATH ANNUAL REPORT**

Section 528(a) of the Stewart B. McKinney Act specifies that PATH payments must not be made to a State unless it agrees to prepare and submit to the Secretary an annual report that details each provider's use of PATH funding to determine whether these funds were expended appropriately.<sup>19</sup> SAMHSA guidance requires that States transition their PATH providers to using the HMIS to generate annual reports that include the number of consumers served through the PATH program during each reporting period.<sup>20</sup> The guidance also states that it is essential for each provider to include accurate information on the number of consumers receiving services. In addition, the guidance requires each provider to report the funds that it received for the reporting period, including Federal and non-Federal contributions, and states that these funds must be actual amounts received.

The State agency did not fully comply with PATH program requirements to accurately report PATH program activities in its Annual Report. California's FY 2021 Annual Report for the State

---

<sup>18</sup> For \$3.6 million in PATH funds received, \$1.2 million in non-Federal contributions is required. (See footnote 7.)

<sup>19</sup> Stewart B. McKinney Act.

<sup>20</sup> SAMHSA, *PATH Annual Report Manual*.



agency (July 2020 through June 2021) included: (1) an inaccurate number of consumers enrolled in the PATH program and (2) an inaccurate amount for total Federal and non-Federal contributions made to support its PATH program. Specifically:

- For 1 of the 5 selected providers, the Annual Report stated that 4,060 unique consumers were enrolled in the PATH program during FY 2021; however, supporting documentation furnished by the provider showed that only 41 unique consumers were enrolled that year. (The report overstated the total number of consumers by 4,019.) This overstatement occurred because the provider included all of the individuals it had reached out to, not only those individuals it had actually enrolled in its PATH program. The State agency accurately reported the number of consumers for the other 4 providers.
- For another selected provider, the Annual Report stated that the provider had received \$2,208,353 in total Federal and non-Federal contributions (“Total PATH Federal and Matching funds”). The provider’s supporting documentation showed that it should have reported \$976,467. The State agency accurately reported the total Federal and non-Federal contributions for the remaining 4 providers.

The State agency reported an inaccurate number of consumers and inaccurate total Federal and non-Federal contributions received because the State agency did not have adequate oversight to ensure that PATH providers reported accurate data for inclusion in the State agency’s Annual Reports. The State agency’s role is to provide oversight and ensure compliance with PATH reporting requirements; however, because it does not have access to the HMIS, the State agency, by itself, is unable to provide technical guidance and training to providers on the HMIS, such as guidance on how to correct an input error. Instead, the State agency relies on providers to enter the required data into the HMIS and directs providers to reach out directly to their local Continuums of Care and the HMIS administrators for training and technical assistance.

Ensuring that data are accurate in the Annual Reports is critical to maintaining PATH program accountability and assists in program monitoring. Inaccurate data may affect SAMHSA’s review of future PATH applications from States—for example, SAMHSA’s determination of whether States expended PATH funds appropriately.

#### **CALIFORNIA DID NOT ENSURE THAT SERVICES PROVIDED TO CONSUMERS WERE ADEQUATELY DOCUMENTED BY ONE SELECTED PROVIDER**

Federal regulations require that costs be adequately documented to be allowable under Federal awards (45 CFR § 75.403(g)). Federal guidance requires that PATH providers document certain data elements in the HMIS for all contacts made with consumers. In addition, the contract between the State agency and each PATH provider required that services be provided in accordance with all Federal statutes and regulations.

The State agency did not fully comply with PATH program requirements to ensure that providers adequately documented services provided to and contacts made with consumers. Specifically, although 1 selected provider had hardcopy documentation to support the services provided to 10 of the 20 selected consumers, it did not have documentation to support the services provided to the remaining 10 consumers.<sup>21</sup> These services could include substance use disorder treatment and referrals for healthcare. The provider also did not update the HMIS with the contacts made with all 20 consumers. According to the *HMIS Manual*, the provider was required to, at a minimum, document the dates of contacts with the consumer and the consumer's current living situation.

These issues occurred because State agency oversight was not adequate to ensure that PATH providers adequately documented the services provided to or contacts made with PATH consumers. The State agency said that it had not performed an onsite review of a PATH provider or any desk reviews of the PATH program since calendar year 2015. In addition, the past onsite reviews did not include reviews of documentation related to services provided or contacts made.

Without documentation of services provided to and contacts made with PATH consumers, consumer data are incomplete, which may affect the quality of SAMHSA's data on the PATH program. In addition, having complete and accurate consumer data is critical to maintaining program accountability and assists in program monitoring. Specifically, inaccurate data may affect SAMHSA's review of future PATH applications from the State—for example, SAMHSA's determination of whether States expended PATH funds appropriately. Furthermore, because of a lack of documentation, client history was lost for PATH consumers, which could affect future services.

## RECOMMENDATIONS

We recommend that the California Department of Health Care Services:

- work with relevant parties to provide guidance and training to PATH providers to accurately report data in the PATH Annual Report, especially the number of consumers enrolled in its PATH program and the total amount for Federal and non-Federal contributions; and
- strengthen its oversight of the PATH program by validating that PATH providers adequately document services provided to and contacts made with consumers (e.g., by periodically performing reviews of providers' case file documentation).

---

<sup>21</sup> We did not identify any documentation issues for the other four selected providers.

## **CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES COMMENTS**

In written comments on our draft report, the State agency concurred with our recommendations and provided information about the actions that it plans to take to address our recommendations.

For our first recommendation to work with relevant parties to provide guidance and training, the State agency stated that it will: (1) update the Annual Report instructional language in the application documents provided to counties to clearly reiterate the Federal and non-Federal requirements, including submitting actual amounts; (2) distribute the Annual Reporting instructional materials developed by SAMHSA to all counties via email before the reporting period; and (3) provide training and ongoing technical assistance to counties and agencies to ensure that counties are reporting actual amounts and not budgetary allocations.

For our second recommendation to strengthen its oversight, the State agency stated that it will: (1) improve PATH instructional documents related to client documentation and distribute these documents to counties and PATH providers, (2) ensure that regular, ongoing training and technical assistance are provided to counties so that they can effectively support PATH providers in maintaining accurate documentation in case files, and (3) actively review protocols to identify areas for improvement regarding oversight.

The State Agency's comments are included in their entirety as Appendix C.

## **APPENDIX A: AUDIT SCOPE AND METHODOLOGY**

### **SCOPE**

From the 39 providers that received PATH funds from July 1, 2020, through June 30, 2021 (grant period), we selected a nonstatistical sample of 5 PATH providers for review.<sup>22</sup> Our audit covered \$3,596,346 that these providers received from the State agency for its PATH program during the grant period (from the \$8,215,187 that the State agency withdrew for the period). We then selected a nonstatistical sample of 100 consumers, consisting of 20 consumers from each of the 5 selected providers, and determined whether the 100 consumers were eligible for the PATH program.<sup>23</sup> We also selected and reviewed a nonstatistical sample of certain PATH program costs and non-Federal contributions for the five selected providers.<sup>24</sup>

We limited our review of the State agency's internal controls to those applicable to its administration of the PATH program. Specifically, we reviewed the State agency's systems and procedures and SAMHSA's guidance to the State agency related to accounting for, reporting on, and monitoring PATH program funding.

We performed our audit from February 2023 through August 2025.

### **METHODOLOGY**

To accomplish our objective, we:

- reviewed applicable Federal and State requirements and guidance;
- reviewed the State agency's grant award notices, PATH applications, and reports submitted to SAMHSA;
- interviewed SAMHSA officials to gain an understanding of PATH program requirements;
- interviewed State agency officials to gain an understanding of the State agency's oversight of California's PATH program;
- assessed the State agency's internal controls over accounting for, reporting on, and monitoring PATH program funds and activities;
- reconciled the grant amount that the State agency received during the grant period with the disbursements made to PATH providers;

---

<sup>22</sup> See footnote 13.

<sup>23</sup> See footnote 14.

<sup>24</sup> See footnote 15.

- selected a nonstatistical sample of 5 PATH providers for review based on such factors as funds received and number of enrolled consumers reported;
- interviewed officials from the 5 selected providers to gain an understanding of their use of the HMIS to report PATH activities;
- for each selected provider, obtained data on consumers enrolled in the PATH program during the grant period;
- reconciled the number of consumers that the State agency reported for the 5 selected providers with the number of consumers that it included in its Annual Report for FY 2021;
- selected a nonstatistical sample of 100 consumers for review, consisting of 20 consumers from each selected provider;
- for each selected consumer, obtained and reviewed supporting documentation to determine whether the consumer was eligible for the PATH program;
- obtained supporting financial documentation from the 5 selected providers and selected a nonstatistical sample of certain program costs and non-Federal contributions to determine whether PATH funds were spent in accordance with PATH program requirements; and
- discussed our findings 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.

## APPENDIX B: RELATED OFFICE OF INSPECTOR GENERAL REPORTS

Report Title	Report Number	Date Issued
<i>Florida Did Not Ensure That Some Providers Complied With Requirements For Determining Eligibility for its Projects for Assistance in Transition From Homelessness Program</i>	<a href="#"><u>A-02-21-02008</u></a>	5/26/2023
<i>Texas Did Not Ensure Documentation Supported That Individuals Met Eligibility Requirements and That Its Annual Report Was Accurate Under Its Projects for Assistance in Transition From Homelessness Program</i>	<a href="#"><u>A-02-21-02001</u></a>	2/28/2022
<i>New York Provided Projects for Assistance in Transition From Homelessness Grant Services to Ineligible Individuals and Did Not Contribute Any Required Non-Federal Funds</i>	<a href="#"><u>A-02-19-02006</u></a>	12/4/2020

## APPENDIX C: CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES COMMENTS



September 8, 2025

*THIS LETTER SENT VIA EMAIL*

Jessica Yun Kim  
Regional Inspector General for Audit Services  
Office of Audit Services, Region IX  
U.S. Department of Health and Human Services  
90 – 7th Street, Suite 3-650  
San Francisco, CA 94103

DHCS' RESPONSE TO OFFICE OF INSPECTOR GENERAL'S DRAFT AUDIT  
REPORT A-09-23-01002

Dear Jessica Yun Kim:

The Department of Health Care Services (DHCS) hereby submits the enclosed response to the Office of the Inspector General's (OIG) draft audit report A-09-23-01002, titled "California Met Some Requirements of the Projects for Assistance in Transition From Homelessness Program but Did Not Accurately Report Program Activities for Selected Providers."

In the above draft audit report, OIG issued two recommendations for DHCS. DHCS has reviewed both recommendations and prepared responses describing the nature of the corrective actions planned.

DHCS welcomes the opportunity to strengthen administration and oversight of the Projects for Assistance in Transition from Homelessness (PATH) program, which provides invaluable services to some of California's most vulnerable populations.

DHCS appreciates the work performed by OIG and the opportunity to respond to the draft audit report. If you have any questions, please contact the DHCS Office of Compliance, Internal Audits at (916) 261-0346.

Sincerely,

Michelle Baass  
Director

Enclosure

---

**Director's Office**  
1501 Capitol Avenue, MS 0000  
Sacramento, CA 95899-7413  
Phone (916) 440-7400 | [www.dhcs.ca.gov](http://www.dhcs.ca.gov)

**State of California**  
Gavin Newsom, Governor 

California Health and Human Services Agency

Jessica Yun Kim  
Page 2  
September 8, 2025

cc:

Erika Sperbeck  
Chief Deputy Director  
Policy and Program Support  
Department of Health Care  
Services  
[Erika.Sperbeck@dhcs.ca.gov](mailto:Erika.Sperbeck@dhcs.ca.gov)

Tyler Sadwith  
State Medicaid Director and  
Chief Deputy Director  
Health Care Programs  
Department of Health Care  
Services  
[Tyler.Sadwith@dhcs.ca.gov](mailto:Tyler.Sadwith@dhcs.ca.gov)

Lindy Harrington  
Assistant State Medicaid Director  
Department of Health Care  
Services  
[Lindy.Harrington@dhcs.ca.gov](mailto:Lindy.Harrington@dhcs.ca.gov)

Saralyn Ang-Olson, JD, MPP  
Chief Compliance Officer  
Office of Compliance  
Department of Health Care  
Services  
[Saralyn.AngOlson@dhcs.ca.gov](mailto:Saralyn.AngOlson@dhcs.ca.gov)

Wendy Rasmussen, MPA  
Chief  
Internal Audits  
Department of Health Care  
Services  
[Wendy.Rasmussen@dhcs.ca.gov](mailto:Wendy.Rasmussen@dhcs.ca.gov)

Paula Wilhelm  
Deputy Director  
Behavioral Health  
Department of Health Care  
Services  
[Paula.Wilhelm@dhcs.ca.gov](mailto:Paula.Wilhelm@dhcs.ca.gov)





## Department of Health Care Services

**Report:** "California Met Some Requirements of The Projects for Assistance in Transition From Homelessness Program but Did Not Accurately Report Program Activities for Selected Providers"

**External Entity:** Office of the Inspector General (OIG)

**Report Number:** A-09-23-01002 (23-15) (PATH Program Audit)

**Response Type:** DHCS' Response to OIG's Draft Audit Report

---

### **Finding 1 California Did Not Accurately Report Program Activities For Two Selected Providers In Its Projects for Assistance Transition from Homelessness (PATH) Annual Report**

#### **Recommendation 1**

OIG recommends DHCS work with relevant parties to provide guidance and training to PATH providers to accurately report data in the PATH Annual Report, especially the number of consumers enrolled in its PATH program and the total amount for Federal and non-Federal contributions.

#### **What is DHCS' Response to the Recommendation? Concurrence**

**DHCS' Response:** DHCS will update the Annual Report instructional language in the application documents provided to counties to clearly reiterate the Federal and non-Federal requirements, including submitting actual amounts. Additionally, DHCS will distribute the Annual Reporting instructional materials developed by the Substance Abuse and Mental Health Services Administration to all counties via email prior to the Annual Reporting period. To further support accurate reporting, DHCS will provide training and ongoing technical assistance to counties/agencies, to ensure counties are reporting actual amounts and not budgetary allocations.

**Finding 2 California Did Not Ensure That Services Provided To Consumers Were Adequately Documented By One Selected Provider**

**Recommendation 2**

OIG recommends DHCS strengthen its oversight of the PATH program by validating that PATH providers adequately document services provided to and contacts made with consumers (e.g., by periodically performing reviews of providers' case file documentation).

**What is DHCS' Response to the Recommendation?** Concurrence

**DHCS' Response:** DHCS will improve PATH instructional documents related to client documentation and distribute to counties and PATH providers. DHCS will ensure that regular, ongoing training and technical assistance are provided to counties so they can effectively support PATH providers in maintaining accurate documentation in case files. DHCS is actively reviewing protocols to identify areas for improvement regarding oversight.

# 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.

# Stay In Touch

Follow HHS-OIG for up to date news and publications.



OIGatHHS



HHS Office of Inspector General

[Subscribe To Our Newsletter](#)

[OIG.HHS.GOV](https://oig.hhs.gov)

## Contact Us

For specific contact information, please [visit us online](#).

U.S. Department of Health and Human Services  
Office of Inspector General  
Public Affairs  
330 Independence Ave., SW  
Washington, DC 20201

Email: [Public.Affairs@oig.hhs.gov](mailto:Public.Affairs@oig.hhs.gov)