



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

SHELLY EDGERTON
DIRECTOR

January 22, 2018

Carrie Parchmon
528 Superior
Niles, MI 49120

RE: License #: AF110348948
Investigation #: **2018A0578010**
Friendly Circle

Dear Ms. Parchmon:

Attached is the Special Investigation Report for the above referenced facility. Due to the violations identified in the report, a written corrective action plan is required. The corrective action plan is due 15 days from the date of this letter and must include the following:

- How compliance with each rule will be achieved.
- Who is directly responsible for implementing the corrective action for each violation.
- Specific time frames for each violation as to when the correction will be completed or implemented.
- How continuing compliance will be maintained once compliance is achieved.
- The signature of the responsible party and a date.

If you desire technical assistance in addressing these issues, please feel free to contact me. In any event, the corrective action plan is due within 15 days. Failure to submit an acceptable corrective action plan will result in disciplinary action.

Please review the enclosed documentation for accuracy and contact me with any questions. In the event that I am not available and you need to speak to someone immediately, please contact the local office at (616) 356-0183.

Sincerely,

A handwritten signature in black ink, appearing to read "Eli DeLeon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Eli DeLeon, Licensing Consultant
Bureau of Community and Health Systems
322 E. Stockbridge Ave
Kalamazoo, MI 49001
(517) 281-9913

enclosure

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMUNITY AND HEALTH SYSTEMS
SPECIAL INVESTIGATION REPORT**

I. IDENTIFYING INFORMATION

License #:	AF110348948
Investigation #:	2018A0578010
Complaint Receipt Date:	11/27/2017
Investigation Initiation Date:	11/27/2017
Report Due Date:	01/26/2018
Licensee Name:	Carrie Parchmon
Licensee Address:	528 Superior Niles, MI 49120
Licensee Telephone #:	(269) 684-1117
Administrator:	N/A
Licensee Designee:	N/A
Name of Facility:	Friendly Circle
Facility Address:	528 Superior Niles, MI 49120-
Facility Telephone #:	(269) 684-1117
Original Issuance Date:	03/03/2014
License Status:	REGULAR
Effective Date:	08/29/2016
Expiration Date:	08/28/2018
Capacity:	6
Program Type:	MENTALLY ILL

II. ALLEGATION(S)

	Violation Established?
The payee for Resident A overpaid for over a year due to not being informed of Resident A's discharge to a more independent setting.	Yes

III. METHODOLOGY

11/27/2017	Special Investigation Intake 2018A0578010
11/27/2017	Special Investigation Initiated - Telephone RRO Basil Scott
11/27/2018	APS Referral Completed
12/08/2017	Inspection Completed On-site
12/08/2017	Exit Conference -With the licensee
01/05/2018	Contact- Case Manager -Voicemail
01/19/2018	Contact-Complainant
01/19/2018	Contact-Licensee -Voicemail

ALLEGATION:

The payee for Resident A overpaid for over a year due to not being informed of Resident A's discharge to a more independent setting.

INVESTIGATION:

On 11/27/2017, I received this complaint through the BCAL on-line complaint system. It was alleged Resident A had moved to another home on the property and there was a change in rent. Complainant alleged rent was overpaid for more than a year before anyone noticed the discrepancy.

I reviewed the details of the allegations with Riverwood Mental Health Authority Recipient Rights Officer Basil Scott. Mr. Scott reported Resident A has a current lease with the licensee for over \$600 monthly at the property next door to her

licensed facility. Mr. Scott clarified the payee was not notified of the move and had continued to pay over \$800 monthly while Resident A was not receiving adult foster care. Mr. Scott reported the payee determined overpayment exceeded \$2000. Consequently, at the time of this investigation, Resident A was not living at Friendly Circle and had not for an extended period of time.

On 12/08/2017, I completed an unannounced investigation at this facility and met with the licensee, Ms. Carrie Parchmon. I reviewed the allegations with Ms. Parchmon, who stated Resident A had previously resided at Friendly Circle but had since moved into the home next door, which Ms. Parchmon also owns. Ms. Parchmon could not recall exactly what date Resident A had moved next door. Ms. Parchmon stated that when Resident A resided at this facility, she received payments from his payee in the amount of \$848 every month. Ms. Parchmon stated that when Resident A moved next door, she received payments of \$600 every month. Ms. Parchmon could not recall exactly what date this occurred. Ms. Parchmon denied being overpaid for Resident A, stating she was paid \$600 every month since Resident A had moved out of the facility and into the home next door. Ms. Parchmon was able to provide a lease agreement for Resident A, which indicated his monthly payments for 512 Superior St, Niles, MI 49120 are \$655 monthly. The lease agreement indicates it was received by Berrien County DHHS on 10/19/2017. Ms. Parchmon denied reporting the change of address directly to the payee, stating Resident A is his own guardian.

While at the home, I requested to see *Resident Funds Record Part 1* (BCAL-12318) and *Resident Funds Record Part 2* (BCAL-2319) for Resident A. Ms. Parchmon was unable to locate these documents but denied that the documents were not completed. Ms. Parchmon stated she needed more time to locate the forms associated with Resident A.

On 12/28/2017, I interviewed Resident A regarding the allegations. Resident A acknowledged he is his own guardian and agreed that he was a previous resident at Friendly Circle for approximately six years before moving into his current home next door to Friendly Circle. Resident A stated he has lived at this location for almost a year. Resident A agreed both properties were owned by the licensee, but could not identify how much he paid every month at the previous facility or what he paid now at his current address. Resident A stated his payee handled all of this for him. Resident A stated his current home is very independent and he prepares and cooks his own meals and administers his own medication. Resident A denied having any other concerns.

On 01/19/2018, I interviewed Complainant by phone regarding the allegations. Complainant stated the case manager for Resident A had contacted her regarding the amount of personal spending money Resident A was receiving. The case manager reported to Complainant this amount of personal spending should be more based on Resident A moving to another home and paying less. Complainant stated she was unaware of Resident A moving and has been paying the full amount of

\$800 instead of \$600 for the last two years. Complainant stated she contacted the licensee to determine how to correct the overpayment, which she estimated exceeded \$2000. Complainant was informed the licensee was meeting with Resident A and his case manager. Complainant stated she continued to contact the licensee regarding overpayment when she was informed by the Social Security Administration that a new payee was requested and changed in October 2017.

As of the date of this report, the licensee, Ms. Parchmon, has been unable to provide the requested documentation.

APPLICABLE RULE	
R 400.1421	Handling of resident funds and valuables.
	(11) A licensee shall provide a complete accounting of all resident funds and valuables held for safekeeping and in trust fund accounts or paid to the home, to the resident, or to his or her designated representative, on a quarterly basis. Receipt for resident expenditures shall be maintained by the licensee and shall be provided to the resident or designated representative upon request. The accounting of a resident's funds and valuables held for safekeeping or paid to the home shall also be provided, upon the resident's or designated representative's request, not later than 5 banking days following the request and at the time of the resident's discharge from the home.
ANALYSIS:	While the licensee provided a leasing agreement to Resident A and the local Department of Health and Human Services Office regarding his current monthly obligation of rent at the non-licensed property, the licensee was unable to provide a complete accounting of funds and valuables or receipts related to this monthly expense charged previous to his discharge from Friendly Circle. Consequently, a receipt of former Resident A's monthly fee was not able to be reviewed.
CONCLUSION:	VIOLATION ESTABLISHED

APPLICABLE RULE	
R 400.1422	Resident records
	(1) A licensee shall complete and maintain a separate record for each resident and shall provide record information as required by the department. A resident record shall include, at a minimum, all of the following information: (i) Resident funds and valuables record.

	(2) Resident records shall be kept on file in the home for 2 years after the date of a resident's discharge from a home.
ANALYSIS:	During the unannounced investigation, the licensee was unable to provide a record of resident funds and valuables for Resident A. Based on observations of the leasing agreement, Resident A was discharged from the home in October of 2016. Records for Resident A should be complete and maintained for 2 years after Resident A's discharge, meaning these records should not have been destroyed or misplaced until after October of 2018.
CONCLUSION:	VIOLATION ESTABLISHED

IV. RECOMMENDATION

Contingent upon receipt of an acceptable written plan of correction, it is recommended that this license continues on regular status.



01/22/2018

Eli DeLeon
Licensing Consultant

Date

Approved By:



01/22/2018

Dawn N. Timm
Area Manager

Date