

Audit Highlights



Highlights of performance audit report on the Bureau of Health Care Quality and Compliance issued on March 1, 2019.

Legislative Auditor report # LA20-03.

Background

The Bureau of Health Care Quality and Compliance (Bureau) is under the Division of Public and Behavioral Health (Division), which is part of the Department of Health and Human Services. The mission of the Bureau is to promote the safety and welfare of the public through regulation, licensing, enforcement, and education. The three main programs the Bureau oversees, and the focus of this audit, are the licensing of health care facilities, medical laboratories, and child care facilities. The Bureau's oversight of these processes includes conducting periodic inspections of the facilities it licenses and conducting complaint investigations related to facilities and individuals it licenses.

As of June 2018, the Bureau had 119 approved, full-time positions.

Purpose of Audit

The purpose of this audit was to: (1) determine if controls related to the protection of sensitive information were adequate; and (2) evaluate the adequacy of certain administrative controls related to complaint investigations, facility reported incident reviews, personnel management, and inspection timeliness tracking. The scope of our audit focused on the Bureau's regulatory and financial activities for calendar year 2017 and inspection activities through fiscal year 2018.

Audit Recommendations

This audit report contains three recommendations to improve the protection of sensitive information and five recommendations to improve controls over complaint investigations, facility reported incident reviews, personnel management, and inspection timeliness tracking.

The Bureau accepted the eight recommendations.

Recommendation Status

The Bureau's 60-day plan for corrective action is due on May 24, 2019. In addition, the six-month report on the status of audit recommendations is due on November 24, 2019.

Bureau of Health Care Quality and Compliance

Division of Public and Behavioral Health

Summary

The Bureau's controls related to the protection of criminal history record information (CHRI) and personally identifiable information need improvement. Some CHRI was unprotected and accessible by all Division employees. Additionally, the Bureau did not ensure Social Security numbers and other personal information it received was restricted to appropriate employees. By not properly securing sensitive personal information, the Bureau is leaving individuals vulnerable to their personal information being misused or disseminated without their consent.

The Bureau's controls related to oversight of certain regulatory activities need strengthening. For instance, some of the Bureau's complaint investigation procedures were not conducted timely and not all investigative notifications were sent in accordance with policies. In addition, the Bureau's process to review facility reported incidents needs improvement, including creating additional internal controls to ensure reviews are timely and documented appropriately. Additionally, the Bureau did not follow the Division's performance evaluation policies and record keeping standards related to out-stationed staff that work remotely. Finally, the Bureau needs to continue its efforts to reduce its backlog of periodic inspections.

Key Findings

The Bureau did not adequately protect CHRI stored on shared network drives. We found 7,269 child care facility employee background check files were maintained on a shared network drive, with the information accessible by all 1,457 employees within the Division. We reviewed 100 of the 7,269 child care facility employee background check files, and found 7% contained the full background check report including CHRI, 98% contained the applicant's Social Security number, and 87% contained only a determination of employment eligibility, and not the full CHRI. (page 5)

The Bureau needs to improve its practices of electronic document storage for personally identifiable and sensitive information. The Bureau maintained documents related to facility reported incidents on a shared network drive that contained sensitive information such as Social Security numbers and health information. These files were accessible by all Bureau employees. We tested 75 incident files and found 46 (61%) contained a Social Security number. (page 7)

The Bureau was not in compliance with its policies related to timeliness in conducting complaint investigations, timeliness in notifying the facilities of complaint results, and sending the complainant notices related to the investigation. We tested 75 complaints and found that of the 62 cases that required an on-site investigation, 21 (34%) were not investigated timely. We also found the Bureau was unaware of 21 (2%) complaints that had not been investigated. (page 9)

The Bureau did not conduct reviews of facility reported incidents in a timely manner, did not adhere to policies and procedures outlining oversight of facility reported incidents, and did not have appropriate internal controls for ensuring facility reported incidents are reviewed timely and are not overlooked. We tested 75 facility reported incidents received during calendar year 2017 and found 59 (79%) were not reviewed timely. (page 13)

The Bureau is not in compliance with Division policies and procedures relating to its out-stationed employees who work remotely. We found 19 of the 26 employees (73%) did not have a current performance evaluation within the prior 12 months, 8 employees (31%) did not receive a performance evaluation prior to starting their out-stationed assignment, and 5 employees (19%) did not have a signed out-stationed agreement on file for 2017. (page 16)

During the December 2017 Interim Finance Committee (IFC) meeting, the Bureau reported an inspection backlog of 300 health care facilities. In April 2018, the Bureau reported the backlog was reduced to 249 facilities. After analyzing the Bureau's backlog tracking process, we can provide reasonable assurance the reported information is accurate and reliable. However, the Bureau needs to continue its efforts to reduce the backlog of health care facility inspections. (page 17)