



Rick Scott
Governor

H. Frank Farmer, Jr., MD, PhD, FACP
State Surgeon General

December 6, 2011

Mr. Jeff Atwater
State of Florida Chief Financial Officer
Department of Financial Services
200 East Gaines Street
Tallahassee, Florida 32399-0301

Dear CFO Atwater:

We are pleased to respond to findings and recommendations concerning the Department of Financial Services review of *Selected Leon County Health Department (LCHD) grant agreements in effect on or after July 1, 2010 and related management activities*. Our response to the findings and recommendations are enclosed.

We appreciate the effort of you and your staff in assisting to improve our operations. If you have any questions, please contact our Director of Auditing, Michael J. Bennett by calling (850) 245-4444 extension 2150.

Sincerely,

A black rectangular redaction box covering the signature of H. Frank Farmer, Jr.

H. Frank Farmer, Jr., M.D., Ph.D., F.A.C.P.
State Surgeon General

HFF/kir

Attachment

cc: James D. Boyd, C.P.A., M.B.A.
Inspector General
Michael J. Bennett, C.I.A.
Director of Auditing

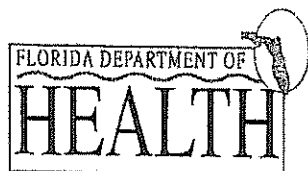
Corrective Action Plan



Report # TBD
Report Title: Selected Leon County Health Department (LCHD) grant agreements in effect on or after July 1, 2010 and related management activities
Report Date: TBD
Status As Of: December 6, 2011

Number	Finding	Recommendation	Corrective Action Plan	Status of Finding
1	Two grant agreements had conflicting terms. These agreements stated the providers must serve a minimum of 1,530 clients at \$125 per client. However, by applying the minimum requirement, the agreements would total \$191,250 each which is more than the total contracted amount of either agreement.	Please provide the Leon County Health Department's (LCHD) corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	These two contracts will be amended (LNQ15 and LNQ16) with the correct number of clients for the contract amount, which will be 1200 client visits per contract at \$125 per visit for a total of \$150,000 for each contract. In addition, the Leon County Health Department will institute procedures to ensure that contracts are properly reviewed to ensure the accuracy of the information and calculations. A) Two amendments will be written, one for each contract, correcting the number of clients required to be served during the contract period to 1200 for each agency. B) During the internal review of contracts, the LCHD Business manager will check the calculations for accuracy.	A) Anticipated completion date: December 31, 2011 B) Completed.
2	Two grant agreements did not clearly state the minimum number of clients to be served. For example, LNQ23 provided compensation in terms of quarter hours for personnel and medical services. Without defining the minimum number of clients to be served, it is possible for the providers to receive full compensation under the agreements; however serve very few clients.	Please provide the LCHD's corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	LCHD no longer has the mental health contracts (e.g., LNQ23, Apalachee) requested by the Leon County Board of Commissioners because they will now administer their own contracts of that nature. For other future contracts providing services, like LMP10 (Big Bend Cares), LCHD will specify the same minimum number of clients or services to be provided, in consultation with the Department of Health's (DOH) Bureau of HIV/AIDS, as is given on the 1122 form currently, to ensure federal regulations that govern the Ryan White funds are properly followed. LCHD will amend the remaining contract (LMP10, Big Bend Cares) to include the minimum number of clients or services to be provided to match the number on the current 1122 form (i.e., Florida Accounting Information Resource [FLAIR] Contract Information), which is 700.	Anticipated completion date: December 31, 2011
3	We noted two grant agreements where the providers included in their monthly invoices client services performed in prior months. LCHD processed these monthly invoices without a process for documenting verification that these services had not been previously paid on prior month invoices.	Please provide LCHD's corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	The LCHD has required Bond [LNQ15] and Neighborhood Health [LNQ16] to include with their invoices the eligibility face sheets for each client they wish to bill for in addition to the Medicaid ineligibility forms for each client. Bond has already begun to provide the additional documentation and NHS will begin to provide the new documentation with the November invoice. For Bond's mental health contract (LBM 15), LCHD agreed to accept a master list of all clients they have seen during the contract period to check for duplications for the remaining two months. The mental health contracts all ended September 30, 2011. Additional eligibility documentation is now required of the providers to accompany and support their monthly invoices. Random checks of client eligibility will continue to be made monthly before invoices are processed.	Completed.
4	Provider services for one grant agreement was invoiced to, and approved for payment by, LCHD without discernable detail or description of the services provided during the billing period.	Please provide LCHD's corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	LNP22, the Florida Agricultural and Mechanical University (FAMU) Pharmacy contract, will be amended to include additional documentation to accompany and support invoices. The FAMU pharmacist has begun submitting drug requisition forms and lists of drugs dispensed with the monthly invoices, as of the September 2011 invoice. LNP22, the FAMU Pharmacy contract, will be amended to include documentation required to accompany and support invoices. LCHD has begun requiring drug requisition forms and lists of drugs dispensed to be submitted with the monthly invoices (as of the September 2011 invoices).	Anticipated completion date: December 31, 2011

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Number	Finding	Recommendation	Corrective Action Plan	Status of Finding
5	The management files for six grant agreements did not include documentation to support the verification of client eligibility prior to approving invoices for payment. Our review disclosed that invoices for two agreements included clients that did not meet the eligibility requirements.	Please provide LCHD's corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	LCHD will require all providers to include with their invoices the eligibility face sheets for each client they wish to bill for in addition to the Medicaid ineligibility forms for each client. LCHD will continue to check random clients' eligibility each month before processing invoices. LCHD will confer with Department of Financial Services (DFS) and DOH's Contract Disbursement Division to ensure that the best way to proceed is to require the above documents. All contracts will be amended to reflect the new documentation requirement for invoices when both agency experts are satisfied.	Anticipated completion date: January 1, 2012
6	During the monitoring process, the LCHD did not document the number of clients served.	Please provide LCHD's corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	CODCC will be amended to include a minimum number of clients or services to be provided, in consultation with DOH Bureau of HIV/AIDS, which provides LCHD with the contract language for all HIV/AIDS contracts. LCHD will amend CODCC to include a minimum number of clients or services to be provided.	Anticipated completion date: December 31, 2011
7	The documentation of service delivery for three grant agreements consisted of provider generated reports. These agreements were not included in the yearly monitoring activities and LCHD relied on provider generated reports to document service delivery.	Please provide LCHD's corrective action plan which addresses how these deficiencies will be corrected for future grant agreements. This plan should include steps the LCHD will take to provide a system of quality control, training, periodic management review, and feedback to staff who develop and manage contracts and grants.	LCHD will review 10 case files once annually during monitoring and compare client case files with the provider-submitted documents, as well as expenditures with receipts. In addition, all LCHD contract managers will attend DFS's contract management classes as soon as possible in the coming year, as well as any pertinent new classes at DOH. LCHD contract managers will meet together with the LCHD administrator at least once annually to review contracts and one or two months of invoices and documentation. This will be on-going. LCHD contract managers will take advantage of DFS's offer to review the draft contracts to ensure they provide clear audit trails to ensure verification of the provision of services as needed. J. Page Jolly will coordinate all such interagency contact with DFS for LCHD contract managers. LCHD will also continue to work with DOH Contract Management staff closely.	Anticipated completion date: December 31, 2011