Review: 4385
Statewide Single Audit
Year Ended June 30, 2011
Department of Public Health

FINDINGS/RECOMMENDATIONS – 6
Repeated – 4

Accepted – 4
Implemented - 2

11-50. The auditors recommend IDPH review its monitoring procedures for providers of Immunization Grants Program and implement changes necessary to ensure deficiencies identified are communicated and appropriate follow up procedures are performed. IDPH should also ensure enrollment forms are on file for all providers receiving vaccines under the Immunization Grants program.

Findings: IDPH is not adequately monitoring providers under the Immunization Grants program. IDPH receives the majority of its federal Immunization Grants program funding in the form of vaccines which are distributed to medical providers throughout the State.

During testwork over 45 providers, auditors noted four providers (receiving vaccines valued at $142,158) for which IDPH performed on-site monitoring reviews of immunization records had deficiencies identified in the patient records which were not formally communicated to the provider. As a result, corrective action plans were not obtained from these providers and required follow-up procedures were not performed by IDPH. Additionally, IDPH could not provide a completed enrollment form for three providers (receiving vaccines valued at $120,119).

According to federal regulations, a record of vaccine administered shall be made in each person's permanent medical record.

In discussing these conditions with IDPH officials, they stated that an unfilled position that was responsible for monitoring submission of enrollment forms prior to providers receiving vaccines resulted in the deficiency. In addition, lack of adequate staff education resulted in the reporting problems noted in the finding.

Updated Response: Accepted. During late calendar year 2012, CDC strengthened provider-based vaccine management practices that can help identify occurrences of fraud and abuse of VFC vaccine. All IDPH staff involved with VFC provider compliance will review policies, program protocol changes, and site visit documentation in early 2013. Key IDPH staff will develop and deliver regional training workshops in early 2013 to selected local health departments performing VFC compliance visits to assure improved consistency in performance of provider compliance visits, provider messaging and follow-up education and monitoring of sites with identified deficiencies.

11-51. The auditors recommend IDPH establish procedures to ensure all subrecipients receiving federal funds have audits performed in accordance with OMB Circular A-133. Additionally, desk reviews of A-133 audit reports should be formally documented using the A-133 desk review checklist, which includes procedures to determine whether the audit reports meet the requirements of OMB Circular A-133, federal funds reported in the schedule of expenditures of federal awards reconcile to IDPH records, and Type A programs are audited at least once every three years. (Repeated-2005)

Findings: IDPH does not have an adequate process for ensuring subrecipients of the Public Health Emergency Preparedness (PHEP), CDC Investigations and Technical Assistance, and HIV Care Formula Grants programs have complied with OMB Circular A-133 audit requirements.

During testwork over 58 subrecipients (25 for PHEP, 25 for CDC Investigations and Technical Assistance and eight for HIV Care Formula Grants), auditors noted the following:

- For one subrecipient of the PHEP program (with expenditures totaling $1,311,363), and three subrecipients of CDC Investigations and Technical Assistance program (with expenditures totaling $1,014,392), A-133 audit reports were not obtained within the required nine months. There was no evidence of follow up procedures to obtain reports performed by IDPH and the reports had not been obtained as of the testwork which was performed December 15, 2011.
- For two subrecipients of CDC Investigations and Technical Assistance program (with expenditures totaling $207,535), the date report was received was not noted/stamped on the subrecipients audit report, and auditors were unable to determine if they were received within the required nine months or reviewed in a timely manner.
- For two subrecipients of the PHEP program (with expenditures totaling $4,778,526), two subrecipients of CDC Investigations and Technical Assistance program (with expenditures totaling $284,189), and one subrecipient of the HIV Care Formula Grants program (with expenditures totaling $646,267), the A-133 reports were received between 13 and 154 days after the nine-month requirement.

Additionally, a standard checklist was not used to document the review of subrecipient A-133 reports received from subrecipients of the Public Health Emergency Preparedness, CDC Investigations and Technical Assistance, and the HIV Care Formula Grants programs.

Subrecipient expenditures under the federal programs for the year ended June 30, 2011 were as follows:

Program	Total Fiscal Year 2011 Subrecipient Expenditures	Total Fiscal Year 2011 Program Expenditures	Percentage
Public Health Emergency Preparedness	$20,806,000	$31,742,000	65.5%
CDC Investigations and Technical Assistance Program	$ 6,933,000	$12,841,000	54.0%
HIV Care Formula Grants	$28,558,000	$33,277,000	8.6%

In discussing these conditions with IDPH officials, they stated that staffing shortages have limited their ability to completely meet these requirements.

Updated Response: Accepted. The Department continues to review audit reports for A-133 compliance and program staff continues to be notified when specific program findings are identified in order to seek corrective action plans and/or follow-up. The department will monitor receipt of audit reports from its subrecipients and continue sending follow-up letters to obtain any missing reports. The department supports the consolidation of the A-133 audit review function across state agencies as recommended in P.A. 96-1141. This consolidation would provide resources and consistency across impacted state agencies. The department now has access to the CRV (Centralized Repository Vault) which is a new technology tool that is part of the streamlining legislation. The CRV will house audit reports from the subrecipients and department staff will be trained in accessing this tool to locate audit reports more easily.

11-52. The auditors recommend IDPH revise the on-site monitoring procedures to include procedures to review each applicable compliance requirement and the fiscal and administrative controls of its subrecipients. IDPH should also evaluate the current staffing of its monitoring department to ensure resources are adequate to complete reviews within prescribed timeframes. (Repeated-2010)

Findings: IDPH does not sufficiently perform on-site reviews of subrecipients receiving federal awards under the Public Health Emergency Preparedness (PHEP) program.

During testwork of 25 subrecipients of the PHEP program, auditors noted IDPH monitors subrecipients of the PHEP program by: (1) reviewing periodic expenditure reports, (2) examining single audit reports and findings, (3) performing on-site reviews of compliance with programmatic requirements on a periodic basis, and (4) periodic communication of program requirements. However, IDPH does not perform on-site monitoring procedures to review the fiscal and administrative capabilities and internal controls of any of its PHEP subrecipients. IDPH also has not established procedures to monitor the matching amounts reported by subrecipients to ensure the expenditures reported by the subrecipients meet general allowable cost requirements or PHEP program specific requirements.

In discussing these conditions with IDPH officials, they stated the inadequate monitoring of subrecipients was the result of a lack of staffing dedicated to performing on-site fiscal compliance monitoring.

Response: The Department concurs with this finding and recommendation. The administering office has developed on-site monitoring procedures to review each applicable compliance requirement and the fiscal and administrative controls of subrecipients. A fiscal staff member now allocates a portion of their time to perform on-site fiscal reviews. The on-site fiscal compliance monitoring program was implemented January 1, 2012.

Updated Response: Implemented. The administering office has developed on-site monitoring procedures to review each applicable compliance requirement and the fiscal and administrative controls of subrecipients. A fiscal staff member now allocates a portion of their time to perform on-site fiscal reviews. The on-site fiscal compliance monitoring program was implemented January 1, 2012. Staff has performed six on-site fiscal reviews for local health departments to date.

11-53. The auditors recommend IDPH revise the on-site monitoring procedures to include procedures to review the subrecipients' fiscal and administrative capabilities. (Repeated-2004)

Findings: IDPH is not adequately performing on-site monitoring of subrecipients receiving federal awards under the CDC Investigations and Technical Assistance and the HIV Formula Care Grants programs.

IDPH monitors subrecipients of the CDC Investigations and Technical Assistance program by: (1) reviewing periodic expenditure reports, (2) examining single audit reports and findings, (3) performing on-site reviews of compliance with programmatic requirements on a quarterly basis, and (4) periodic communication of program requirements. However, IDPH does not perform on-site monitoring procedures to review the fiscal and administrative capabilities and internal controls of any of the subrecipients.

Subrecipient expenditures under the federal programs for the year ended June 30, 2011 were as follows:

Program	Total Fiscal Year 2011 Subrecipient Expenditures	Total Fiscal Year 2011 Program Expenditures	Percentage
CDC Investigations and Technical Assistance Program	$ 6,933,000	$12,841,000	54.0%
HIV Care Formula Grants	$28,558,000	$33,277,000	85.8%

In discussing these conditions with IDPH officials, they stated that the agency did not have adequate staffing levels to be able to perform on-site fiscal compliance monitoring.

Updated Response: Implemented. Currently, Ryan White Part B (HIV Care Formula Grant Program) requires all subrecipients to submit quarterly fiscal/programmatic reports quarterly in order to receive any reimbursements for service deliverables. All quarterly reports are reviewed and signed off by program staff prior to submission to fiscal office for execution of payment. In addition, HIV Care staff conducts annual onsite audits of all grant subrecipients. All reports are submitted through the Part B database by subrecipients, which carry submission dates and approval process.

The Illinois Breast and Cervical Cancer Program (IBCCP) implemented an Internal Control and Review Questionnaire tool which poses a series of questions to assess the effectiveness of the fiscal and administrative capabilities and internal controls of the subrecipients. The subrecipients complete, certify and submit the review tool as a component of the Mid-Year Desk Audit. Per Centers for Disease Control and Prevention (CDC) guidance the IBCCP can conduct on-site program audits on a 3 year cycle. The IBCCP Quality Assurance Site Review is conducted every three years on a rotating basis to review all aspects of program implementation to insure adherence to the CDC and IBCCP directives.

11-54. The auditors recommend IDPH review its current process for investigating complaints received against Medicaid providers and consider changes necessary to ensure all complaints are investigated within the timeframes required by State law. (Repeated-2007)

Findings: IDPH did not investigate complaints received relative to providers of the Medicaid Cluster within required timeframes.

The Office of Health Care within IDPH is responsible for receiving and investigating complaints received against providers of the Medicaid Cluster. State laws require the Office of Health Care to investigate complaints within 30 days of receipt unless the complaint alleges abuse or neglect. Complaints of abuse or neglect are required to be investigated within seven days of receipt. As the timeframes for complaint investigations included in the State's laws are more stringent than those included in the federal Medicaid regulations, the State timeframes are required to be followed.

During testwork over 40 complaints filed against Medicaid providers during the year ended June 30, 2011, auditors identified twelve complaints that were not investigated within the timeframe required by State law. The delays in investigating these complaints ranged from 10 to 158 days in excess of required timeframes. Additionally, three complaints had not been investigated as of the date of testwork, ranging from 94 to 421 days in excess of required timeframes.

In discussing these conditions with IDPH officials, they stated at the time of the audit there were major staffing issues in one regional office. Due to this lack of staff, the 30-day timeframe for complaint investigations was not consistently met.

Updated Response: Accepted. The Department has implemented a plan to hire 88 additional Health Facility Surveillance Nurses (HFSNs) to comply with SB 326 (PA96-1372) in addition to the 60 positions already hired. There will be a minimum of one surveyor for every 300 licensed long term care beds. This increase in staffing will allow the department to comply with State and Federal Laws within the required timeframes.

11-55. The auditors recommend IDPH implement policies and procedures to verify providers have met the State licensing requirements directly with licensing agencies upon enrollment and on a periodic basis.

Findings: IDPH does not have adequate procedures to verify medical providers are properly licensed in accordance with applicable State laws.

During testwork over the licensing of 40 providers of the Medicaid Cluster program, auditors noted a license was not on file for one of the providers sampled. Upon further review with IDPH personnel, this provider was an end stage renal disease facility and IDPH stated this provider type was not required to be licensed. The CMS State Operations Manual for End Stage Renal Disease Facilities requires these facilities to be licensed if State law provides for the licensure of such facilities. Payments to this provider under the Medicaid Cluster totaled $479,840.

In discussing these conditions with IDPH officials, they stated that the rulemaking has been delayed due to staffing shortages and other competing priorities.

Updated Response: Accepted. The Department has been working with the End Stage Renal Disease (ESRD) Advisory Board Work Group to develop a draft set of regulations to implement the ESRD Licensing Act. The ESRD Advisory Board was to vote on the draft in December, but a recent change by federal government regarding off-site dialysis required the Work Group to review further and make changes. The revisions should be done in January and then there will be a full Board meeting in late January or early February. After the Board reviews and votes, the department will propose the rules in the Illinois Register for public comment.