

To Honorable County Council
Honorable Steve Ehlmann, County Executive

November 28, 2018

The Public Health - Division of Health Services examination opened June 4, 2018 has been completed, and the final report is being issued today. The scope of the review covered January 1, 2016 – May 31, 2018. Fieldwork for the review was completed on September 13, 2018, and our report reflects the results of work performed through that date. Responses were requested for by October 12 and received on November 28, 2018.

The objectives of the review were to determine whether internal controls were adequate and effective, operations and records were in compliance with established standards, regulations, policies and procedures, and resources were being used efficiently.

The examination covered vital records, passports, immunizations, lab services, the WIC Program, health education, disease management, public health reports, emergency preparedness, the Prescription Drug Monitoring Program, records management/HIPAA compliance, media/public information, grants/contracts, and accounting/billing. We reviewed the internal control environment surrounding those activities, as well as performed an evaluation of the effectiveness and efficiency with which department objectives are being achieved. In addition, reviews for compliance with the County Charter and Ordinances, Missouri Statutes, and internal policies and procedures were performed.

This audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*, and consisted of examining, on a test basis, sufficient evidence to afford a reasonable basis, for our opinion.

In our opinion, except for the opportunities included in this report, internal controls were adequate and effective, and operations and records were in compliance with established standards.

The issuance of this report completes the formal examination process. However, if you wish to discuss any aspects of the audit or report, please contact me.

Brent Statler

Brent R. Statler, CPA, CGAP
County Auditor

Attachment

Copy to Hope Woodson, Director of Public Health
Sara Evers, Division Director Health Services
Joann Leykam, Director of Administration



**Public Health - Division of Health Services
Examination Report
Opened June 4, 2018**

Scope: January 1, 2016 – May 31, 2018

Table of Contents

I. Background and Introduction	1
Authority and Activity.....	1
Funding.....	2
Staffing.....	3
II. Status Board.....	4
III. Executive Summary.....	9
IV. Detailed Findings.....	10
Control Opportunities.....	10
Interdepartmental Opportunities.....	15

BACKGROUND AND INTRODUCTION

The Public Health Department's Health Services Division provides services designed to improve the health and well-being of the citizens of St. Charles County. The Division consists of several functions, including Vital Records, Passports, a Health Clinic (Communicable Disease, Epidemiology, STD, and Chronic Disease), WIC (Women, Infants, Children) Nutrition Services, Immunization Services, Health Education, Emergency Preparedness, and a Prescription Drug Monitoring Program.

Vital Records processes official birth and death certificates for the State and provides certified copies of the documents to the public via walk-up, mail, and online sales. Starting in 2016, the Division started to process applications for passport books or cards the Federal Government, including photos, if requested.

The Health Clinic offers testing and treatment for chronic diseases and STDs. Nurses also search for, investigate, and document cases of contagious diseases in the County, obtaining specimens from infected individuals for testing.

The WIC Program provides eligible mothers and/or children with proper nutrition and education for raising children. WIC clients visit the clinic for check-ups, educational programs, and to receive checks (vouchers) for specified products that provide nutritional requirements that expectant or breastfeeding mothers, infants, and young children need to properly develop.

The Immunization Services Clinic provides immunizations to the public. Children can receive vaccination shots needed to attend school and businesses can send employees to the clinic for shots necessary for employment (E.g. restaurant workers).

The Health Education Program travels to local schools and organizations to educate citizens and promote healthy lifestyles and health-related services available in the County, including nutrition and substance abuse programs.

The Office of Emergency Preparedness maintains the Department's Emergency Response which details how the County will respond during a catastrophic health emergency to ensure that necessary medication is distributed to the public.

The Prescription Drug Monitoring Program coordinates with the St. Louis County Health Department to provide a system for reporting and tracking the prescribing and dispensing of Schedule I-V controlled substances. St. Louis County provides the quarterly reports to the County Health Department.

The Division of Health Services' program mission as stated in the 2018 budget is as follows:

The St. Charles County Health Department is committed to protect and enhance the quality of life for all members of this community through health education prevention services. And promotion of health care and environmental health services. 2018 budget, pg. 65.

Funding:

The primary funding for the Division of Health Services is provided by the general revenue fund. The historical funding for the Division of Health Services is presented below.

Public Health - Division of Health Services† General Revenue Fund – Expenditures Fiscal Years 2013-2018								
Fiscal Year	Salaries & Benefits	% Increase	Operating Expenditures	% Increase	Capital Expenditures‡	% Increase	Total Expenditures	% Increase
2013	\$1,789,802	N/A	\$157,980	N/A	\$16,660	N/A	\$1,964,442	N/A
2014	\$1,864,157	4.2%	\$133,833	-15.3%	\$3,083	-81.5%	\$2,001,073	1.9%
2015	\$1,837,034	-1.5%	\$122,042	-8.8%	\$3,187	3.4%	\$1,962,263	-1.9%
2016	\$2,083,506	13.4%	\$138,403	13.4%	\$3,916	22.9%	\$2,225,825	13.4%
2017	\$2,125,902	2.0%	\$130,288	-5.9%	\$31,273	698.6%	\$2,287,463	2.8%
2018*	\$2,256,692	6.2%	\$144,347	10.8%	\$26,260	-16.0%	\$2,427,299	6.1%

Revenues generated by the Division of Health Services are deposited in the general revenue fund. The historical funding is presented below:

Public Health - Division of Health Services† General Revenue Fund – Revenues Fiscal Years 2013-2018					
Fiscal Year	Health Services Fees	Grants	Bio-Terrorism Grant	Total Revenue	Fees Collected by Health Services as a Percentage of Expenditures
2013	\$508,529	\$1,005,502	\$322,937	\$1,836,968	93.5%
2014	\$469,772	\$720,126	\$296,680	\$1,486,578	74.3%
2015	\$514,106	\$844,987	\$257,000	\$1,616,093	82.4%
2016	\$554,605	\$992,096	\$302,951	\$1,849,652	83.1%
2017	\$592,953	\$867,320	\$347,164	\$1,807,437	79.0%
2018*	\$559,080	\$847,649	\$313,175	\$1,719,904	70.9%

† Includes expenditures for the Health Services (2610) and Preparedness & CRI Grants (2620) Divisions.

‡ Includes expenditures from the Capital Projects Fund (301).

* These are the approved budget amounts from the 2018 budget.

Staffing:

The number of full-time equivalent authorized positions for the Division of Health Services increased (26.9%) from 26.0 full-time positions in 2013 to a total of 33.0 full-time budgeted employees in 2018.

Note: These amounts include employees from the Health Services (2610) and Preparedness & CRI Grants (2620) Divisions. The Preparedness & CRI Division added 4.0 full-time employees in 2015.

II. STATUS BOARD

The status board provides a summary of the Division of Health Services’ functions and processes. Each cell located under a function represents an activity that is to be completed to ensure that the process is performed in an effective and efficient manner. The color of the cells represents the assessment regarding completion of the activity. The legend below gives a description of the definition of each color.

- Red indicates management's immediate attention is required.
- Yellow indicates an opportunity for improvement exists.
- Green indicates there is no action necessary at this time.
- Blue indicates a process that was not included in the scope of the review.
- Grey indicates a County issue that should be addressed by management but is not necessarily a direct responsibility of the audited department/office.

Vital Records	Passports	Immunizations	Health Clinic/Lab Services	Health Education Program	WIC Program
Citizens can purchase a copy of a birth or death certificate in person, via mail, or online.	Citizens can apply for a passport at the Vital Records & Passports Counter.	Patients come to the Immunizations Clinic to receive shots recommended or required by a school or employer.	Patients coming to the Clinic for testing/treatment must schedule an appointment, tracked by Fusion Centricity EMR.	Nurses and a health educator are available to make presentations to schools, civic groups, and other organizations in the County.	The WIC Program is available for eligible pre and post-natal women and children up to age 5.
Certificates are only issued to immediate family members. Funeral homes may also receive copies of death certificates.	They must provide a completed application, evidence of citizenship, a current photo ID, and a 2"x2" color photo.	Clinic appointments are scheduled through Fusion Centricity EMR and reminder calls are made 1-2 days prior to an appointment.	Patients complete a background and HIPAA form and pay any exam/testing fees.	Presentations can include child nutrition, heart health, stress reduction, STD prevention, and smoking cessation.	Clients must meet income and nutrition guidelines.
In-person applicants complete a form at the Vital Records Counter and present a valid form of ID.	A picture can be taken at the Counter for an additional \$10 fee.	Patients at the Clinic sign-in and complete a privacy and consent/background information forms.	A Nurse examines the patient, collects any necessary specimen samples, and updates the patient’s electronic file.	Organizations contact the Division to schedule a presentation.	New patients register for the first year and the data is entered into MOWINS, a State database.
The State’s PROD system is used to locate the record and it is verified against the application.	Applicants write 2 checks: one to the U. S. Dept. of State for the application fee and one to the County for the execution fee (and picture, if applicable).	Nurses review medical records and/or documents provided to determine what shots are necessary.	Collected specimens are taken by a contracted lab for testing.	Nurses also distribute brochures and other materials to inform the public of health info and available services.	Patients meet with a Nutritionist to determine their benefits.

Vital Records	Passports	Immunizations	Health Clinic/Lab Services	Health Education Program	WIC Program
Certificates are printed from a dedicated printer on State-provided pre-numbered stock.	All fees, other than the picture fee, are regulated by the U.S. Dept of State.	After each visit, patient files are updated, and info is entered into Show Me Vax, a State database.	Patients are notified of test results and any follow-up appointments are scheduled for treatment.	CPR/AED/Basic First Aid classes are also available at a cost of \$50. The Admin Asst. sends out invoices to organizations scheduling a class.	Checks printed on a special printer for the amount of food recommended by the Nutritionist.
The birth certificate fee is \$15 each and death certificate is \$13 for the first copy and \$10 for each additional copy.	An entry on a passport transmittal form is completed by the Clerk for each passport issued, with copies kept at the Counter for at least 2 years.	Patients pay for the shots (if necessary) and receive a reminder card about future shots needed. Medicaid is billed through Fusion Centricity EMR for covered patients.	Fees collected are receipted in MUNIS and the collections and a batch report are given to the Admin. Asst. to deposit with the Finance Dept.	Attendance at all programs is tracked by the Education Staff Nurses on a spreadsheet and the totals are reported for grant purposes.	Clients must be re-evaluated monthly by a Nutritionist to remain in the program.
Cash, check, money orders, and credit cards are accepted as payment. A convenience fee is charged for credit cards.	Applications, transmittal forms, and passport fee payments are mailed to the U.S. Dept. of State.	Fees are receipted in MUNIS and a receipt is given to the customer.			Participants can also register to vote as part of the WIC program.
Mailed applications must be notarized with checks being the only form of payment accepted.	The execution and photo fee payments are receipted in MUNIS.	Fees and daily batch reports are given to the Admin. Asst. to deposit with the Finance Dept.			The State performs annual program monitoring.
Online applications are processed through the VitalChek website. An \$11.25 fee is charged for online processing.	The batch report and daily collections are given to the Admin. Asst. to be deposited with the Finance Dept. (A2)	Vaccines (color coded by program) are stored in 1 of 3 freezers/cooler in the Clinic.			
Online sales can also pay an extra \$19 to have certificates sent overnight.	All passport transactions are logged into a spreadsheet.	Nurses reconcile beg./ending inventory in Show Me Vax to hand count of inventory.			
Clerks monitor the VitalChek website throughout the day to look for requests to process.		State vaccines are ordered through Show Me Vax, with private stock ordered as needed.			

Vital Records	Passports	Immunizations	Health Clinic/Lab Services	Health Education Program	WIC Program
<p>Transactions are receipted in MUNIS and daily collections and reports are given to the Administrative Assistant to be deposited (A3).</p>					
<p>All certificates issued are tracked in a log noting the number, name, and transaction date.</p>					

Communicable Disease Control	Emergency Preparedness	Prescription Drug Monitoring	Care Trak Program	Grants	Medicaid Billing	Administrative
Disease reports come in to the Division from hospitals, schools, doctor offices, labs, etc.	Per grant requirements, the Public Health Dept. maintains a Local Public Health Emergency Response Plan.	The program collects data from dispensers on schedule II-IV controlled substances to identify and prevent misuse and abuse.	The Care Trak Program provides means for tracking citizens with memory issues or certain other disabilities.	Public Health receives funding from multiple grants, including: WIC, Maternal Child Health Services, (cont.)	Medicaid billings are sent to one of four companies based on patient data and services provided.	Payroll
Nurses follow up on reports by calling facilities and gathering additional information.	The plan details actions to respond to a catastrophic health emergency.	The County works with the St. Louis County Department of Public Health to promote the program to potential registered users (prescribers).	Citizens (or their guardian) complete an application which is reviewed by a Health Services Div. employee to determine program eligibility.	Child, Care Health Consultation, CORE Public Health, Childhood Immunization Program, City Readiness Initiative, (cont.)	Patient information is entered in Fusion Centricity EMR to determine eligibility.	Purchasing
Reports are recorded in Fusion Centricity EMR and a monthly report of cases is created and given to the Epidemiologist for reporting purposes.	The plan, originally approved by the County and State, is updated as needed to reflect changes. The CDC reviews the plan annually.	An Epidemiologist educates local medical professionals about the program.	Approved applicants pay a registration fee and receive a monitoring kit with tracker.	Public Health Emergency Preparedness, and other 1-year grants like MO Foundation for Health, and the Capacity Building Award (NACCHO).	Fusion Centricity EMR electronically bills the appropriate insurance company daily.	A/R Invoicing and Tracking (A4)
	The plan is overseen by the Regional Response Planner(s) and is distributed to all County departments and emergency responders.	Local medical professionals (prescribers) voluntary register.	The tracker allows emergency responders to locate missing participants.	Health Services Div. enters object codes into MUNIS for all payroll and expenditures indicating the program/grant.	If Medicaid rejects a claim, it may be resubmitted with additional information provided.	Petty Cash and Change Funds (B1)
	Training exercises are held regularly to test the plan, with at least one training exercise required per year.	Dispensers send data to St. Louis County electronically, which compiles and distributes the information quarterly.	Participants return to the Public Health Dept. every 2 months to replace the tracker battery for a small fee.	The Finance Dept. Grant Administrator tracks financial data for the grants and submits funding requests.	Fusion Centricity EMR patient files are updated w/ notification of payment. Payments are wired or received by check and received by the Finance Dept into MUNIS.	Media Communications: website, newsletters, press releases, and social media.

Communicable Disease Control	Emergency Preparedness	Prescription Drug Monitoring	Care Trak Program	Grants	Medicaid Billing	Administrative
			All fees collected are receipted in MUNIS and deposited with the Finance Dept or mailed to third-party vendor.	Depending on the grant, Health Services Div. employees may also track financial and program data for submission and reporting.		HIPAA Compliance
				Reports of program data and results are submitted to various State agencies based on grant requirements.		Centricity Fusion Electronic Health Record Application (A1)
						Budgeting (A5)

Auditor's Note: The Division of Health Services has been implementing an electronic health record application and is experiencing difficulties regarding full use of the system and issue resolution. This review was conducted with the understanding that additional controls and processes will be added as implementation continues and issues are resolved.

III. EXECUTIVE SUMMARY

Following is a summary of opportunities for improvement which were noted during our review of the Division of Health Services:

A. Control Opportunities

1. Electronic Medical Records System Passwords: The Division has not implemented the security feature that requires employees to periodically change their passwords.
2. Passport Fee Reconciliation: During a review of passport transactions, the following was noted: 1) Passport transmittal sheets record the transaction by name of person receiving the passport, while the MUNIS receipt is based upon the person paying the fee; 2) Passport transmittal sheets can include transactions covering multiple deposits with no indication of the sales cut-off to aid in daily reconciliation; and 3) Daily deposit reconciliations performed by a separate employee are done with the MUNIS batch activity rather than source documents.
3. Vital Record Fee Reconciliation: During a review of transactions, the following was noted: 1) Transactions are receipted into MUNIS when time allows and not at the time of the transaction; 2) Daily deposit reconciliations performed by the independent party are done using MUNIS batch activity and not certificates issued; and 3) Funds are not secured until the daily deposit is prepared.
4. Collection and Write-Off Policy: The Health Services Division does not have a formal, documented policy for following up on past-due accounts and/or writing off bad accounts.
5. Performance Measure Reporting: Supporting documentation could not be reconciled to reported amounts for eight (61.5%) out of thirteen Health Services Division performance measures.

B. Interdepartmental Opportunities

1. Change Fund Balance: Finance Department records show a total of \$430.00 for all Health Services Division petty cash and change funds; however, the Division's funds total \$260.00.

Control – Electronic Medical Record System Passwords

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>The Heath Services Division is in the process of implementing a new Electronic Medical Records (EMR) software. The Division assigns user IDs, passwords, and access rights to the software.</p>	<p>The Division has not implemented the security feature that requires employees to periodically change their passwords.</p> <p><u>Note:</u> Currently, employees are using the initial assigned password.</p>	<p>Increased risk of unauthorized access.</p>	<p>The Division should turn on the software control to require employees to change their passwords on a periodic basis.</p>	<p>The setting to turn on this feature was not something we could control internally. Our IS Department is working with Fusion to set the password following the County IS policy. Once completed, the password change requirement will be implemented and follow our county wide policy for frequent change.</p>

Control – Passport Fee Reconciliation

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>The Health Services Division processes U.S. Department of State passport applications. Passport transactions are tracked on a spreadsheet and an official U.S. Department of State transmittal sheet. Transactions are receipted through MUNIS.</p>	<p>During a review of passport transactions, the following was noted:</p> <ol style="list-style-type: none"> 1) Passport transmittal sheets record the transaction by name of person receiving the passport, while the MUNIS receipt is based upon the person paying the fee; 2) Passport transmittal sheets can include transactions covering multiple deposits with no indication of the sales cut-off to aid in daily reconciliation; and 3) Daily deposit reconciliations performed by a separate employee are done with the MUNIS batch activity rather than source documents. 	<p>Opportunity for improved documentation and reconciliation of revenue to activity.</p>	<p>The Health Services Division should:</p> <ol style="list-style-type: none"> 1) Denote the daily sales cut-off on records; and 2) Reconcile daily receipts to source activity on a periodic basis. 	<p>Sales cut off will be manually recorded on daily MUNIS batch forms.</p> <p>Passport services will include the name of the applicant and payer for all daily receipts.</p>

Control – Vital Records Reconciliation

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>Citizens seeking a birth or death certificate can visit the Health Services Division's Vital Records Counter. Payments for certificates are receipted in MUNIS. Vital Records issues pre-numbered birth and death certificates through State application. Vital Records maintains a handwritten log of dates and certificate number ranges and the applicable MUNIS receipt batch.</p>	<p>During a review of transactions, the following was noted:</p> <ol style="list-style-type: none"> 1) Transactions are receipted into MUNIS when time allows and not at the time of the transaction; 2) Daily deposit reconciliations performed by the independent party are done using MUNIS batch activity and not certificates issued; and 3) Funds are not secured until the daily deposit is prepared. 	<p>Opportunity for improved documentation and reconciliation of revenue to activity.</p>	<p>The Health Services Division should:</p> <ol style="list-style-type: none"> 1) Review procedures for tracking and birth/death certificates and passports issued (including voids/reversals) to ensure that all activity is properly documented and reconciled to revenue receipted in MUNIS; and 2) Funds should be secured upon receipt. 	<p>The Auditor’s office has created a new spreadsheet for staff to implement starting October 1st, which will manually track voids and will reconcile with MUNIS as the transaction is completed.</p> <p>Cash and checks collected will be secured in a locked drawer until the end of the day deposit is completed.</p>

Control – Collection and Write-Off Policy

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>The Health Services Division will invoice a patient and/or company for services provided. Those services are supported by service authorization, contracts, etc. and are billed within thirty days. A past-due invoice is sent if payment has not been received after two weeks.</p>	<p>The Health Services Division does not have a formal, documented policy for following up on past-due accounts and/or writing off bad accounts.</p>	<p>Opportunity for establishing effective collection procedures.</p>	<p>The Health Services Division should establish a formal procedure for handling past-due accounts and bad accounts.</p>	<p>County collection processes will be researched to determine the best way to collect past due accounts and permissions to write-off bad accounts. Procedures will be developed along with establishing the EMR billing capabilities.</p>

Control - Performance Measure Reporting

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>All County Departments and Offices provide performance measures to the Finance Department for inclusion in the County's Annual Budget. Performance measures allow the public and/or County Council to measure the department/offices' workload or effectiveness.</p>	<p>Supporting documentation could not be reconciled to reported amounts for eight (61.5%) out of thirteen Health Services Division performance measures.</p>	<p>Opportunity for improved documentation and more accurate public reporting.</p>	<p>The Health Services Division should ensure that information provided to the public is accurate, consistent, reliable, and documented.</p>	<p>Our goal was to pull all performance measure data out of our EMR. To date we have not been able to pull adequate and accurate data reports from this system, causing us to create multiple different tracking methods. IS is working with Fusion to develop new reports in the EMR for Immunizations, Communicable Disease and Health Services client data. Furthermore, we are creating a new database outside of our EMR to better track health education data, emergency vaccine data and outbreak data.</p> <p>It was noted during our audit meeting that Finance will now begin asking for updated performance measure to reflect actual numbers.</p>

Interdepartmental – Change Fund Balance

Discussion and Background	Cause	Risk/Effect	Recommendation	Management Response
<p>The Health Services Division maintains change and petty cash funds to provide change for cash transactions and to pay for minor purchases (postage, parking, etc.). Change funds are used by the Immunizations, Vital Services, Lab Services, and Passport Units.</p> <p>The petty cash and change fund balances are established with the Finance Department and are reported in the County's annual financial statements.</p>	<p>Finance Department records show a total of \$430.00 for all Health Services Division petty cash and change funds; however, the Division's funds total \$260.00.</p> <p><u>Note 1:</u> The Finance Department's balances include change funds for the St. Charles and Wentzville Family Planning Units, both of which were eliminated several years ago.</p> <p><u>Note 2:</u> The Passport Unit change fund (\$20.00) was taken out of the Division's petty cash fund.</p> <p><u>Note 3:</u> This is a repeat observation from the previous Health Services Division review.</p>	<p>Opportunity for improved financial statement reporting and accountability.</p>	<p>The Health Services Division should work with the Finance Department to correctly set the balances for all petty cash and change funds. The funds should then be balanced to the set amounts with any overages turned over to the Finance Department, if applicable.</p>	<p>430.00 reflects two account no longer represented by the division since 2011. The correct amount for the Division is \$260.00.</p> <p>Health Clinic/STD: \$40 Vital Reports: \$40 Immunization: \$30 Passports: \$20 Petty Cash: \$130</p> <p>We will reach out to Finance to update their records.</p>