Report No. ACHA-2324-00005-A

December 2024

Office of Inspector General
Internal Audit

Online Licensure Renewal Process Audit

EXECUTIVE SUMMARY

As part of the Agency for Health Care Administration (AHCA) Office of Inspector General's Annual Audit Plan, Internal Audit conducted an audit of the Online Licensing Renewal Process. During the audit, we noted where improvements could strengthen controls in the following areas:

- The manual application entry process had a high error rate in VERSA Regulation (VERSA); and
- Statutory time requirements are not being met.

Additionally, our Office identified an opportunity for improvement:

- There were numerous duplicate renewal applications on the AppKeyDate[1] (AKD) report.

The Findings and Recommendations section provides details of the audit results. The opportunity for improvement is discussed in a separate section following the Findings and Recommendations.

Management responses are included in the Management Response Table on pages eight through nine.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this audit were to determine the efficiency and effectiveness of controls to ensure that manually entered data from licensure renewal applications into VERSA are correct and to determine the Agency's compliance in accordance with Section 408.806(3), Florida Statutes (F.S.). The scope of this audit included a review of renewal applications during the period of July 1, 2022, through June 30, 2023.

---

[1] The AKD report is a SQL report, which is the official licensure data compliance report for AHCA. The report is used by HFR staff during the life of the application process.

The methodology for this audit included the following:

- Review of relevant laws, rules, policies and procedures;
- Interviews with staff within the Bureau of Health Facility Regulation (HFR) and Central Services (CS);
- A walkthrough of the process when receiving a renewal paper application; and
- Review of reports, paper and online renewal applications, and entries within Laserfiche[2] and VERSA.

BACKGROUND

Florida Legislature created AHCA as a part of the Health Care Reform Act of 1992. One of AHCA's primary statutory duties is the overseeing of the licensure of the state's 50,500 plus health care facilities.

HFR, within the Office of Health Care Policy and Oversight, reviews and processes licensing applications within the timeframes established in Section 408.806(3), F.S. The unit's guidance is through the Health Care Licensing Protocol (Protocol).

HFR's Smart Goals are:

- Initiate change effectively and adapt to necessary changes in operations that eliminate duplication, close gaps, and improve efficiency across the Agency;
- Promote a consistent set of licensing requirements and streamlined licensure application processes through increased utilization of online licensure;
- Ensure that all applications are processed within statutory mandated timeframes while maintaining high quality decisions; and
- Promote intra-agency communication and cooperation.

FINDINGS AND RECOMMENDATIONS

Finding 1 – The manual application entry process had a high error rate in VERSA.

Data entry is a skill that requires accuracy and attention to detail. Verifying data entry (quality control) is essential to ensure the reliability and validity of the data.

When a provider submits a paper application, the analyst must review and manually update the necessary information into the Online System. The Online System feeds information into VERSA, the licensure database, which is the Agency's record of licenses. VERSA then updates the AKD report. The AKD report, which is a SQL report, is the official licensure data compliance report for AHCA. This report captures the timeline information and should be regularly updated and verified to maintain reliable data.

---

[2] Laserfiche is a document management system to centralize content, improve collaboration, and maintain security.

Once payments are received, CS should update the application date in VERSA to reflect payment receipt. However, the HFR analyst should also verify the date is accurate and manually update as necessary.

The list below shows which date fields are manually entered.

Manual entry:

- Application Date;
  - This date can be either automatically or manually entered depending upon whether the fee is received at the time the application is received or after the application has been received.
- Provider Documents Received (Omits Received Date);
- Clear for Survey Date (Field Operation Staff enter this date);
- Survey Status (Field Operation Staff enter this date); and
- Final Statement of Deficiency (Field Operation Staff enter this information).

The list below shows the automatically updated date fields. These date fields are updated based upon the manual entries mentioned above.

Automatic entry:

- First Contact;
- Survey Start Date;
- 60 Day Start (Date); and
- Decision Date.

If a manually entered date is incorrect, it can affect the automatically updated date fields, which creates additional inaccurate information.

We reviewed 50 paper renewal applications for data entry using Laserfiche and VERSA. We found 61 manual data entry errors. This is an average of 1.22 errors per application. Errors found included incorrect dates and missing information. Missing information is information requested on the application but not required and therefore not always updated in VERSA.

As of March 5, 2024, Rule 59A-35, Florida Administrative Code requires all renewal applications to be submitted using the Online System. This should resolve many errors by Agency staff as the provider will enter the information.

There is no documented quality control process to ensure manual data entries are correct. Additionally, there is no documented method for identifying staff whose error rates indicate a need for additional guidance.

The AKD report's value and the application process's timeliness are both affected by inaccurate data. Inaccurate data can also affect AHCA public websites, thereby providing

inaccurate information to the citizens of the State of Florida. Inaccurate data reduces the usefulness of the AKD report.

Recommendations

1. We recommend that HFR create and implement a written quality control process which should include a methodology for locating and correcting manual data entries.
2. We also recommend HFR create and implement a written re-training program that identifies when error rates require additional staff training and a methodology for providing additional training to identified staff as necessary.

Finding 2 –Statutory time requirements are not being met.

Section 408.806(3), F.S., requires AHCA to review the application and notify the applicant within 30 days of any errors or omissions and request any additional information. This section also requires AHCA to approve or deny the application within 60 days after the receipt of a complete application.

The Protocol reiterates the 30 and 60-day timelines outlined in Section 408.806(3), F.S. The Protocol also requires the HFR analyst to use VERSA to generate the omit letter detailing the omissions or errors.

The Protocol details that an application is complete when:
* All documentation is received from the applicant;
* All fees and fines (if applicable) are paid;
* All background screening results are determined "eligible"[3];
* Satisfactory survey results (if applicable) are available; and
* Any administrative legal action initiated against the licensee has been resolved.

Once the application meets the criteria listed above, the Protocol states the HFR analyst should enter the application completion date into VERSA.

Section 120.60, F.S., requires AHCA to approve or deny an application within 90 days after receipt of a complete application. Any applicant for licensure seeking to claim licensure by default under this subsection shall notify the Agency Clerk of the licensing agency, in writing, of the intent to rely upon the default license provision of this subsection and may not take any action based upon the default license until after receipt of such notice by the Agency Clerk.

We evaluated 339 renewal applications to determine if the applications were in compliance with statute. Date fields were not updated with the correct information which

---

[3] Eligible to work per AHCA website - Screening Information. Screening Information | Florida Agency for Health Care Administration (myflorida.com)

skewed the AppKeyDate report. Some noncompliance items would have shown as compliant if the date fields were updated correctly.[4]

In addition, there were examples where analysts' work was reassigned to other analysts, which may have caused non-compliant applications. One analyst was unaware there was an application reassigned to her. This caused a delay in contacting the provider after receipt of the application, placing this application out of compliance. When asked about the process to reassign applications, the response was each unit handles the reassignment of their applications as they deem fit.

The analysis indicated the AKD report was not used effectively by staff.

When licensure processes are correct, but the data in VERSA is incorrect, not correcting data entry errors skews the AKD report. Also, there is no consistent process bureau-wide for assigning and reassigning workloads and monitoring compliance with statutory requirements.

A completed application that goes beyond 90 days with no approval or denial (allowing for the application to be paused for any required surveys or process holds), may result in a default approval of the application.

Recommendations

1. We recommend that HFR develop a written and consistent process for reassigning applications across the units, taking into consideration the age of the application to ensure compliance with statutory date requirements.
2. We recommend HFR create and implement the development of a written training program for all staff who use the AKD report.
3. We recommend all supervisors and managers in HFR review the AKD report often for potential out of compliance applications and other anomalies, including written documentation of the results of reviews and corrective action plans, as necessary.

OPPORTUNITY FOR IMPROVEMENT

Opportunity for Improvement – There were numerous duplicate renewal applications on the AppKeyDate report.

There are no criteria to ensure non-duplication of applications, however, reason would presume there should be only one renewal application for each provider for each biennial renewal.

In conducting the analysis of statutory compliance, it was found that the AKD report used in tracking the application process included duplicate applications and inconsistencies in the data.

---

[4] See bulleted list for manual entries and automatic entries under Finding 1 listed above on pages 2-3.

Duplicate entries can be caused by various factors, such as surveys being linked incorrectly to the application, DataMart[5] issues, or a provider submitting both a paper application and an online application. The AKD report data is skewed due to the duplication of data and any differences in the data.

The AKD report was not reviewed properly by appropriate personnel for the duplicate anomalies. The AKD report should be reviewed more thoroughly to ensure accuracy and identify errors.

Once a duplicate application is noticed, it should be reported to the supervisor/manager for a review to locate the original application entry, correct the error, and then resolve the duplication issue.

Recommendations

1. We recommend supervisors and managers comprehensively review the AppKeyDate report not only for monitoring the compliance of statutorily required dates, but to monitor for anomalies (such as duplicate applications) and have them resolved.

ADDITIONAL COMMENTS

While in discussions with the Bureau Chief (BC) of HFR during fieldwork, it was mentioned that HFR has begun working on procedures to improve the efficiency and effectiveness of the AKD report and along with establishing a baseline training program for new employees.

Following the working exit conference, the BC of HFR relayed some items that relate to the findings and recommendations but do not fulfill the recommendations made.

- Collaboration with CS and HFR to standardize training for the onboarding of employees with program specific training being handled by each unit.
- HFR is assessing the performance review process to increase the quality of work and reduce the number of errors.
- Conversations are currently being conducted to evaluate what improvements could be made to provide better tools for the staff.

---

[5] DataMart is defined as a data storage system that contains information specific to an organization's business unit. It contains a small and selected part of the data that the company stores in a larger storage system.

ACKNOWLEDGEMENT

The Office of Inspector General Internal Audit staff would like to thank management and staff of the Agency's Bureaus of Health Facility Regulation and Central Services for their assistance and cooperation extended to our Office during this engagement.

PROJECT TEAM

The audit was conducted and supervised by:

- Pamela Rodda, Senior Management Analyst II;
- Jeremiah Carter, FCCM, Senior Management Analyst II;
- Joann Hartmann, MAT, CIGA, Senior Management Analyst Supervisor;
- Karen Preacher, CIA, CFE, CIG, CIGA, Audit Director; and
- Brian Langston, CIG, CIGA, CIGI, Inspector General.

Agency for Health Care Administration　　　　　　　　　　　　　**Management Response Table**
Office of Inspector General – Internal Audit
Report Title: Online Licensure Renewal Process Audit
Report #: AHCA-2324-00005-A, issued December 10, 2024

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
1	The manual application entry process had a high error rate in VERSA.	1. We recommend that HFR create and implement a written quality control process which should include a methodology for locating and correcting manual data entries.	Each unit currently has its own QA process which will be reviewed. A bureau-wide process will be implemented. The Bureau of HFR will also work with the Bureau of Central Services on the possibility of automating the QA process.	Anticipated Completion Date: June 1, 2025 Contact(s): Bernard E. Hudson
		2. We also recommend HFR create and implement a written re-training program that identifies when error rates require additional staff training and a methodology for providing additional training to identified staff as necessary.	A Versa basics class is available for all Bureau staff from Systems Management Unit. HFR will work to identify and establish standards for re-training in collaboration with Central Services. Additionally, more training shall be designed for use to address identified deficiencies.	Anticipated Completion Date: June 1, 2025 Contact(s): Bernard E. Hudson
2.	Statutory time requirements are not being met.	1. We recommend that HFR develop a written and consistent process for reassigning applications across the units, taking into consideration the age of the application to ensure compliance with statutory date requirements.	HFR will work to establish a consistent process for re-assignment of applications. This process will take into consideration the age of the application being re-assigned and workload of the re-assignee.	Anticipated Completion Date: June 1, 2025 Contact(s): Bernard E. Hudson

Agency for Health Care Administration
Office of Inspector General – Internal Audit
Report Title: Online Licensure Renewal Process Audit
Report #: AHCA-2324-00005-A, issued December 10, 2024

Management Response Table

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
		2. We recommend HFR create and implement the development of a written training program for all staff who use the AKD report.	HFR will work with the Bureau of Central Services and the Division Coordination Unit to streamline and improve the AKD report. Additionally, a consistent process will be developed to facilitate staff's understanding for effective use of the report.	Anticipated Completion Date: June 1, 2025 Contact(s): Bernard E. Hudson
		3. We recommend all supervisors and managers in HFR review the AKD report often for potential out of compliance applications and other anomalies, including written documentation of the results of reviews and correction action plans, as necessary.	The Bureau of HFR will work on a consistent process for the effective use of the AKD report by both analysts and supervisors.	Anticipated Completion Date: June 1, 2025 Contact(s): Bernard E. Hudson