



Office of Inspector General
Internal Audit

Report No. AHCA-2324-00008-A
January 2025

Agency for Health Care Administration Audit of Laserfiche Records Retention and Storage

EXECUTIVE SUMMARY

As part of the Agency for Health Care Administration (Agency) Office of Inspector General's (Office) Annual Audit Plan for Fiscal Year (FY) 2023-24, Internal Audit conducted an audit of Laserfiche Records Retention and Storage. During the audit, we noted where improvements could strengthen controls in the following areas:

- Agency processes related to notification of applicable Records Custodians¹ for new active legal holds need improvement;
- Formalized Agency-wide procedures are needed for preservation of electronic records during active legal holds;²
- Agency timeliness in destroying (deleting) electronic records stored in Laserfiche needs improvement;
- Specific process instructions for the destruction (deletion) of electronic records will help improve clarity within Agency Policy/Procedure 4004, *Records Management*;
- Elimination of all unnecessary duplicate copies of electronic records from Laserfiche storage will help reduce storage costs; and
- Laserfiche system improvements related to separation of duties and change management processes will help facilitate improved user experiences and system owner inputs.

Additionally, we noted satisfactory performance related to ensuring that adequate retention existed for electronic records in Laserfiche, including documentation requiring

¹ Agency Policy/Procedure 4004, *Records Management*, specifies each Bureau Chief or equivalent shall serve as the Records Custodian for all records created or received by his/her respective bureau or unit. Additionally, the *Legal Hold Procedure for Electronically Stored Documents* states that Records Custodians (usually the applicable Bureau Chiefs) shall be contacted by the Litigation Unit if an active legal hold is determined.

² *Legal Hold Procedure for Electronically Stored Documents* provides examples of notices that may trigger legal holds which include, but are not limited to, a lawsuit in which the Agency has been identified as a party, any notice with indication that the Agency could reasonably expect litigation involving the Agency to incur in the future and investigations concerning matters under the Agency's purview by other agencies, state or federal partners.

permanent retention and documentation with set timeframes, based on retention schedules.³

The Findings and Recommendations section provides details of the audit results.

Management responses are included in the Management Response Table on pages 15 through 23.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of this audit were to determine the efficiency and effectiveness of controls in place for the retention processes related to electronic records stored in the Laserfiche system. The scope of this audit included the period of January 1, 2018, through September 30, 2024, and included review of agency processes related to storage and disposal of electronic records in the Laserfiche system. Specifically, processes and documentation were reviewed with a focus on, but not limited to, storage and disposal actions in the Laserfiche system.

This audit was conducted between July 11, 2024, and September 30, 2024.

The methodology for this audit included the following:

- Reviewed applicable laws, rules, regulations, policies, and procedures;
- Reviewed management responses to a survey administered by our Office regarding storage and retention of electronic documentation in Laserfiche;
- Reviewed the following documentation in evaluating controls related to retention and deletion of electronic documentation, as well as efficiency and Laserfiche system documentation:
 - Division and Agency plans;
 - Forms;
 - Manual log data;
 - Meeting summaries;
 - System-generated evidence from Laserfiche;
 - Responses of confirmation and clarification;
- Interacted with the Laserfiche system and inspected forms including Record Disposition Documents (RDDs), evidence sourced from other Agency systems, and storage folders and document file records to verify the effectiveness of controls in place through comparison to manual log data. Specifically, we:
 - Verified electronic records requiring permanent retention were appropriately retained, including the 114 Final Orders issued by the Agency Clerk's Office during January 2019;

³ Agency Policy/Procedure 4004, *Records Management* defines a retention schedule as the period of time in which a record series is required to be retained before being scheduled for disposal.

- Verified electronic records were adequately retained based on State⁴ and Agency⁵ records schedules:
 - For 55 licensed Nursing Home facilities surveyed or inspected by the Bureau of Field Operations during the 2018 calendar year;
 - For 31 Ambulatory Surgery Center applications processed by the Bureau of Health Facility Regulation with an application decision date during the 2018 calendar year;
 - For 110 Protected Health Information (PHI) requests processed and responded to by the Health Insurance Portability and Accountability Act (HIPAA) Compliance Office during the 2018 calendar year;
- Verified electronic records past retention periods⁶ defined in State⁷ and Agency⁸ records schedules were timely deleted:
 - For selected Confidential Survey information documents stored by each of the 11 Field Offices related to survey activity during the 2009 calendar year, within the Bureau of Field Operations;
 - For Application document data related to applications processed by the Bureau of Health Facility Regulation during the 2009 calendar year by four selected units within this Bureau;
- Verified duplicate copies of electronic documentation were not retained as a result of fulfillment of responses to public records requests by five document files for the Bureau of Field Operations and two document files for the Bureau of Health Facility Regulation during the 2020 calendar year;
- Reviewed manual log data related to active legal holds to verify the effectiveness of controls in place related to notification of Bureau Chiefs or designees and identification of affected records requiring retention. Specifically, we:
 - Verified notification of legal holds was timely communicated to parties responsible for custody of related records for the 18 active legal holds in place of July 15, 2024, that were initiated on or after July 1, 2018;
 - Verified Laserfiche functionality was effectively used to ensure retention of electronic records subject to legal holds for three selected active legal holds as of July 15, 2024, involving Bureaus storing records electronically that had also periodically deleted records past retention based on audit inquiries;
- Interviewed appropriate staff and management to obtain an understanding of:
 - Processes ensuring effective retention of electronic documentation;
 - Processes ensuring efficient use of storage resources and disposal of electronic documentation;
 - Delegation of authority to facilitate efficient use of storage resources; and
 - Documentation and updates related to system software.

⁴ Rule 1B-24.003(1)(a), Florida Administrative Code (State of Florida General Records Schedule GS1-SL).

⁵ *Agency Internal Records Schedule*.

⁶ Agency Policy/Procedure 4004, *Records Management* defines a retention schedule as the period of time in which a record series is required to be retained before being scheduled for disposal.

⁷ Rule 1B-24.003(1)(a), Florida Administrative Code (State of Florida General Records Schedule GS1 SL).

⁸ *Agency Internal Records Schedule*.

BACKGROUND

Laserfiche is an Electronic Document Management System employed by the Agency and has been utilized for over 15 years. The Laserfiche platform is primarily utilized by the Division of Health Care Policy and Oversight (HCPO) business area and supporting functions provided to this area by other divisions within the Agency. However, the scope of the Laserfiche system has become enterprise-wide, as many Agency areas outside HCPO now utilize Laserfiche and store various types of electronic records within the system. While the Laserfiche system was initially administered by the HCPO Bureau of Central Services, the Division of Information Technology (IT) now plays a major role in administration of the system.

Risk Assessment and Initial Inquiries

Our Office conducted its annual Enterprise-wide Risk Assessment in April through June 2023. The primary concern identified related to Laserfiche was Agency staff were not deleting documents that have met retention requirements. Subsequent inquiry interviews with Agency staff revealed concerns about increasing Laserfiche storage requirements and inconsistencies regarding the frequency of deletion operations and awareness of related processes.

Areas selected for Agency-Wide Inquiry

Based on the above information, our Office prepared an Agency-wide survey. This survey was submitted electronically to management at the Bureau Chief level to verify the areas utilizing Laserfiche for document storage and to identify the scope of storage. For areas that were utilizing the Laserfiche system for document storage, we also inquired regarding whether documentation was being periodically deleted from Laserfiche storage, as well as whether measures were in place to ensure documentation was not prematurely deleted, including documentation subject to known legal holds. Based on responses to this survey, as well as consideration of system documentation provided by IT, we determined our Agency-wide audit would include the following areas, with a primary focus on timely deletion and removal of Laserfiche documentation no longer requiring retention, as well as ensuring documentation requiring continued retention is retained as required:

- HCPO Bureau of Central Services;
- HCPO Bureau of Health Facility Regulation;
- HCPO Bureau of Field Operations;
- Bureau of Human Resources;
- Bureau of Financial Services;
- Bureau of Medicaid Program Finance;
- Office of General Counsel, Agency Clerk's Office;
- HIPAA Compliance Office; and
- Division of Information Technology (IT).

FINDINGS AND RECOMMENDATIONS

Finding 1 – Our Office identified needed improvements to processes related to notification of applicable Records Custodians for new active legal holds.

HCPO created a procedure, *Legal Hold Procedure for Electronically Stored Documents*, which establishes a process for identifying electronic documentation stored in Laserfiche and placing a freeze action on this documentation. Based on our review of this procedure and related processes, the Litigation Unit within the Agency Office of the General Counsel is responsible for reviewing any notice forwarded from other Agency areas where the Agency may need to invoke a legal hold on records. Following review, the Litigation Unit is responsible for determining whether the matter should be considered an active legal hold, and updating the Current Legal Hold list for any such matters. The Litigation Unit is also responsible for contacting Records Custodians (usually the applicable Bureau Chiefs) with a declaration that the related matter should be treated as a legal hold, and information regarding the scope of the legal hold.⁹

As part of our audit, we reviewed the Current Legal Hold list maintained by the Office of General Counsel. As of our review, this list was last updated on the Agency portal on July 15, 2024. However, prior to this date, the most recent update took place on October 26, 2023. It was also noted that while this list of active legal holds was updated on a regular basis on this Agency SharePoint site, as of July 15, 2024, this was only done on an annual basis.

Additionally, based on review of 18 active legal holds on Current Legal Hold list as of July 15, 2024, we also noted that no available evidence existed that Records Custodians were notified with instructions to treat a matter as a legal hold for 2 of these 18 active legal holds.

In response to our audit inquiry, Agency staff indicated as of September 11, 2024, that beginning around the time of the departure of the past general counsel, turnover and staffing shortages have resulted in only a single annual update being made to the Current (Active) Legal Hold list on the Agency portal. The Current (Active) Legal Hold list was previously updated as legal holds were placed, and the intent exists to return to updating this list at placement of each legal hold. Additionally, Agency staff indicated Records Custodians may not have been timely notified with instructions regarding the two new active legal holds noted above due to staffing turnover.

Timely updating the Current Legal Hold list will help facilitate timely notification of legal holds in accordance with the HCPO *Legal Hold Procedure for Electronically Stored Documents*. Additionally, notifying Records Custodians of active legal holds will help ensure appropriate records preservation.

⁹ *Legal Hold Procedure for Electronically Stored Documents*, page 1.

Recommendations

We recommend the Office of General Counsel Litigation Unit timely update the Current (Active) Legal Hold list on the Agency portal at the time each new active legal hold is determined. Additionally, we recommend that timely notification and instructions to treat a matter as a legal hold be provided to all applicable Agency Records Custodians at the time each new active legal hold is determined.

Finding 2 – Our Office identified a needed improvement related to formalization of Agency wide procedures for preservation of electronic records during an active legal hold.

When a State agency is notified or can reasonably anticipate that a potential cause of action is pending or underway, the agency is required to immediately place a hold on disposition of any and all records related to the cause or potential cause.¹⁰ The HCPO *Legal Hold Procedure for Electronically Stored Documents* provides instructions for preservation of electronically-stored documents in the Laserfiche system. Specifically, Agency Records Custodians are required to assign subject matter experts to make a reasonable determination regarding what records should be held, and then follow a set of directions for placing a freeze action on any electronically stored documents in Laserfiche.¹¹

As part of our audit, we performed analysis of the primary Agency Laserfiche storage repository as of October 8, 2024, and found that only the Bureau of Field Operations and the Bureau of Health Facility Regulation appeared to be utilizing the records retention functionality by freezing records as described in the *Legal Hold Procedure for Electronically Stored Documents*. Although Agency staff indicated the *Legal Hold Procedure for Electronically Stored Documents* procedure had an Agency-wide scope, awareness of this procedure may have been limited. Formalizing the *Legal Hold Procedure for Electronically Stored Documents* as an approved procedure and defining its scope can improve effectiveness in processes related to preservation of electronic documentation stored in Laserfiche and subject to active legal holds.

Recommendations

In order to facilitate awareness and compliance with requirements related to preservation of records related to legal holds, we recommend the Office of General Counsel formalize the Process section of the *Legal Hold Procedure for Electronically Stored Documents* as an approved Agency procedure and distribute this procedure to all areas of the Agency.

Finding 3 – Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche.

¹⁰ Rule 1B-24.003(1)(a), Florida Administrative Code. (State of Florida General Records Schedule GS1-SL Section VII. A.)

¹¹ *Legal Hold Procedure for Electronically Stored Documents*, page 1.

Agency policy¹² requires each bureau to systematically dispose of public records¹³ that have met their retention requirements and are no longer needed. Specifically, the Bureau Chief or equivalent serves as Records Custodian for all records created by his/her respective bureau or unit, and is responsible for ensuring the proper destruction of records meeting their retention schedule. Additionally, prior to records disposition, State agencies must also ensure that all retention requirements have been satisfied. For each record series being disposed of, agencies shall identify and document the records retention schedule number, item number, record series title, inclusive dates of records, and disposition dates.¹⁴

As part of our audit, we made Agency-wide inquiries with applicable areas regarding timely destruction of electronic records. Our inquiries found that multiple Agency areas acknowledged they had not timely destroyed documentation stored electronically in the Laserfiche system. We identified seven areas that had not destroyed specific documentation, as described in the following paragraphs.

The Bureau of Central Services did not timely destroy the following documentation due to oversight:

- Hospital Financial Statements stored in Laserfiche by the Financial Analysis Unit within this Bureau as of July 24, 2024;
- Documentation in subfolders marked “Z Items to be Deleted” for all other folders within this Bureau other than the System Management Unit folder as of July 30, 2024; and
- Selected documentation stored in the Systems Management Unit folder and subfolders as of July 30, 2024.

As of August 8, 2024, the Bureau of Field Operations did not timely destroy the following documentation due to IT locking the primary Laserfiche storage volume for this Bureau in 2022, preventing deletion without IT involvement, and also due to uncertainty about possible existing legal holds applicable to records older than the eight-year retention period¹⁵ for these records that may not be known to this Bureau.

- Facility Survey documentation and related Statement of Deficiency documentation; and
- Residential Treatment Center Incident Reports and Federal Incident Reports stored by the Complaint Administration Unit.

¹² Agency Policy/Procedure 4004, *Records Management*, Section 5.0 Procedures.

¹³ Agency Policy/Procedure 4004, *Records Management*, references Section 119.011(12), Florida Statutes, which defines public records as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.

¹⁴ Rule 1B-24.003 (9)(d), Florida Administrative Code.

¹⁵ *Agency Internal Records Schedule* 000123-0001a.

As of August 8, 2024, the Bureau of Field Operations also indicated it had not destroyed the following documentation since 2022 due to IT locking the primary Laserfiche storage volume for this Bureau. Also, for other volumes, destruction has not occurred due to time constraints and limited permissions in Laserfiche for some staff.

- Documentation in subfolders marked “Z Items to be deleted” subfolder for each HCPO Field Office and the HCPO Survey Certification and Support Branch; and
- Response documentation for Public Records requests responses older than its retention period of one fiscal year¹⁶ for these records.

As of August 28, 2024, the Bureau of Health Facility Regulation indicated it had not destroyed application documentation since 2018, based on its eight-year retention period for these records.¹⁷ This was due to IT locking the primary Laserfiche storage volume for this Bureau in 2022, preventing deletion without IT involvement. Additionally, during the above 2018 deletion operation, the Health Care Clinic Unit, Lab and In-Home Services Unit, and Long-Term Care Services Unit did not want their application documentation destroyed due to concern about the loss of records requiring permanent retention because some documentation was known to be misplaced or stored in mislabeled subfolders.

As of August 28, 2024, the Bureau of Health Facility Regulation also indicated it had not consistently destroyed response documentation for Public Records requests responses older than its one-year retention period¹⁸ for these records, due to the quality assurance workload involved in ensuring only document copies are deleted and any permanent records are retained, and due to the lack of a Bureau-wide deletion schedule. Additionally, in some cases, the Bureau of Health Facility Regulation units had not consistently destroyed documentation in subfolders marked “Z Items to be deleted.” This is a manual process and is the responsibility of respective unit management. However, destruction of all such documentation stored in the primary Laserfiche storage volume for this Bureau without IT involvement has also been prevented since 2022 due to IT locking this volume.

As of August 4, 2024, the Bureau of Financial Services indicated it had not destroyed any Laserfiche documentation of cash receipts and deposits during our audit period or since the implementation of Laserfiche. Management responded this was due to instructions to obtain approval from the Office of General Counsel due partly to the potential need for deposit documentation by Medicaid Provider Integrity. Management also indicated its attempts to move documentation to its subfolders marked “Z Items to be Deleted” for deletion actions frequently resulted in timeouts by the Laserfiche application as well as the saving of duplicate files.

¹⁶ *General Records Schedule GS1-SL for State and Local Government Agencies*, Item #23 Information Request Records.

¹⁷ *Agency Internal Records Schedule 000128-0001a*.

¹⁸ *General Records Schedule GS1-SL for State and Local Government Agencies*, Item #23 Information Request Records.

As of August 8, 2024, the Bureau of Medicaid Program Finance indicated it had not destroyed any Laserfiche documentation older than its retention period of ten fiscal years for these records¹⁹ during our audit period or since Laserfiche implementation, because it had not yet implemented a records management program for Laserfiche, due in part to recent leadership changes and vacancies. Management also indicated it needed contact information to assist with records deletion in Laserfiche.

As of August 15, 2024, the Bureau of Human Resources indicated that although documentation from its subfolder marked “Z Delete” was destroyed on a monthly basis, most of the documents presently in this subfolder to date had not been deleted due to IT locking the primary Laserfiche storage volume for this Bureau, preventing deletion without IT involvement.

The Office of HIPAA Compliance regularly performs destruction of its stored documentation over seven years old in Laserfiche. However, as of September 19, 2024, documentation of requests for PHI, authorizations, and related response documentation were not destroyed for the 2015 and 2016 calendar years. Agency management indicated destruction was delayed pending office modernization to include revision of related desk procedures and business unit processes.

Timely deleting electronic records will reduce unnecessary data storage costs, as well as the costs of responding to public records requests for records past retention periods.

Recommendations

In accordance with Agency policy,²⁰ we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.²¹

¹⁹ *Agency Internal Records Schedule* 000118-0001-a.

²⁰ *Agency Policy/Procedure* 4004, *Records Management*, Section 5.0 Procedures.

²¹ *Agency Policy/Procedure* 4004, *Records Management*, Section 5.0 V. B. references RDDs should be completed and signed.

OPPORTUNITIES FOR IMPROVEMENT

Opportunity for Improvement 1 – Our Office identified an opportunity for improvement related to adding specific instructions for the destruction of Electronic Records to the Agency Policy/Procedure addressing Records Management.

State agencies are required to destroy public records only in accordance with retention schedules established by the Department of State Division of Library and Information Services (Division). General Records schedules established by the Division are incorporated by reference into Rule 1B-24.003(1)(a), Florida Administrative Code.²² Prior to records disposition, State agencies must also ensure that all retention requirements have been satisfied. For each record series being disposed of, agencies shall identify and document the records retention schedule number, item number, record series title, inclusive dates of records, indication that any applicable records are in electronic form, and disposition dates.²³

As part of our audit, we reviewed Agency Policy/Procedure 4004, *Records Management*, and found that this policy required destruction of electronic records that had reached a document-specific age based on retention schedules, and specified the parties responsible. However, Agency Policy/Procedure 4004 did not contain specific process instructions related to destruction/deletion of electronic records and the documentation of related authorizations. Our review further revealed that Agency Policy/Procedure 4004 had not been updated since June 14, 2019, and therefore may not contain current process information.

Formalizing specific instructions regarding the destruction of electronic records will help reduce uncertainty and improve clarity regarding Agency records management responsibilities.

Recommendations

As an Opportunity for Improvement, we recommend Agency management revise Agency Policy/Procedure 4004, to incorporate additional details regarding the specific requirements that must be met prior to the destruction of electronic records, as specified in Rule 1B-24.003, Florida Administrative Code, *Records Retention Scheduling and Disposition*. Specifically, the revision should include references to the retention schedules to be followed prior to deletion/destruction, including *State of Florida General Records Schedule* GS1-SL, referenced in Rule 1B-24.003 (1)(a), as well as the *Agency Internal Records Schedule*. Additionally, specific requirements for documenting deletion/destruction of electronic records should be included in Agency Policy/Procedure 4004, as specified in Rule 1B-24.003 (9)(d) and currently accomplished in practice through completion and authorization of RDDs. Further, specifying several process steps

²² Rule 1B-24.003 (1)(a) and (9)(a), Florida Administrative Code.

²³ Rule 1B-24.003 (1)(a) and (9)(d), Florida Administrative Code.

in Agency Policy/Procedure 4004 Section 5.0 V.C. that detail the parties responsible for completion and authorization of the RDDs and subsequent deletion/destruction of electronic records will add clarity regarding the process and related responsibilities.

Opportunity for Improvement 2 – Our Office identified an opportunity for improvement related to eliminating duplicate copies of electronic records from Laserfiche storage.

State Agencies are required to destroy public records in accordance with retention schedules established by the Department of State Division of Library and Information Services (Division). General Records schedules established by the Division are incorporated by reference into Rule 1B-24.003(1)(a), Florida Administrative Code.²⁴ As defined by General Records Schedule GS1-SL, unless otherwise specified, the retention period for duplicates, or copies of records that are not the official record of an agency, is always to retain these duplicate copies until obsolete, superseded, or administrative value is lost.²⁵

As part of our audit, we inquired with the HIPAA Compliance Office regarding their processes for storing electronic documentation related to PHI.²⁶ We learned processes involving responses to PHI requests involved compilation of requests, responses, and authorizations into a single PDF file for upload to a Laserfiche subfolder. However, as of September 19, 2024, additional duplicate copies of these PHI response documentation files were being saved under respective subfolders in the HIPAA Compliance Office folder of the main Laserfiche repository.

Agency management indicated the intent of the process was to retain a single copy of the PDF file in each respective subfolder. However, as of our inquiry, HIPAA document storage processes were still undergoing maturation, and duplicate copies were maintained in the Laserfiche subfolder initially containing the scanned documents, as only these files contained all associated metadata. Elimination of duplicate electronic records will reduce unnecessary data storage costs.

Recommendations

As an Opportunity for Improvement, we recommend the HIPAA Compliance Office timely delete all duplicate copies of documentation compiled in response to requests for PHI and related requests and authorizations, as soon as the duplicates are superseded or administrative value is lost.

Opportunity for Improvement 3 – Our Office identified areas of improvement related to development and change management activities for the Laserfiche application.

²⁴ Rule 1B-24.003 (1)(a), Florida Administrative Code and General Records Schedule GS1-SL for State and Local Government Agencies, State of Florida.

²⁵ General Records Schedule GS1-SL for State and Local Government Agencies, State of Florida, Section III. A.

²⁶ Agency for Health Care Administration *HIPAA/HITECH Policies and Procedures Manual*, page 5.

State agencies are required to ensure that access permissions and authorizations are managed, incorporating the principles of least privilege and separation of duties. In doing so, Agencies shall manage access permissions by incorporating the principles of least privilege.²⁷ Additionally, Agency policy²⁸ defines the Change Advisory Board (CAB) as an assembly of IT members and other key personnel charged with responsibility of approving requests for changes. For any agency information system change, excluding standard changes, changes shall be forwarded to the CAB which is empowered to evaluate and approve changes with potential multi-system impact.

As noted in Finding 3 above, as part of our audit we made Agency-wide inquiries with applicable areas regarding timely destruction of electronic records. As of our audit inquiries, we found that some Agency areas, including units within the Bureau of Health Facility Regulation, did not timely delete documentation from Laserfiche, due to concern about the loss of records requiring permanent retention because some documentation was known to be misplaced or stored in mislabeled subfolders. Specifically, uncertainty was reported as to whether specific original documents were improperly moved instead of copied. Currently, all agency Laserfiche users with access to copy Laserfiche documents from one location to another also have the capability to move the documents. Agency IT management indicated that although the current Laserfiche implementation did not allow separation of the copy and move functions, separating these functions by user could mitigate this issue.

Additionally, we learned that HCPO staff previously participated in joint CAB meetings with the Laserfiche IT development team as the system and data owner. However, HCPO staff have not been involved in the Laserfiche change process since August 2017. Based on our review of prior meeting notes during this timeframe, it appears removal of HCPO involvement in the Laserfiche change management process may have occurred inadvertently with the shifting of responsibilities.

Separating the granting of access for the copy and move functions into two unique access permissions should facilitate improved user confidence by helping to ensure only appropriate electronic documentation is deleted. Also, involving system and data owners in the change management process for the Laserfiche application will help facilitate user cooperation by providing needed feedback to the IT development team.

Recommendations

As an Opportunity for Improvement, we recommend engaging with the Laserfiche vendor to explore a system modification allowing access to the copy and move functions in Laserfiche to be assigned separately, in accordance with the principles of least privilege and separation of duties. Also, as an Opportunity for Improvement, we recommend including a representative HCPO Central Services Systems Management Unit in CAB meetings related to Laserfiche changes due to system ownership, or alternatively

²⁷ Rule 60GG-2.003 (1)(d), Florida Administrative Code.

²⁸ Agency IT Policy/Procedure 5006, *Change Management*.

establishing a joint advisory committee related to Laserfiche changes to facilitate cooperation:

ACKNOWLEDGEMENT

The Office of Inspector General Internal Audit staff would like to thank management and staff of the following Agency areas for their assistance and cooperation extended to our Office during this engagement.

- Division of Health Care Policy and Oversight
- Division of Information Technology
- Division of Medicaid
- Division of Operations
- Office of General Counsel
- HIPAA Compliance Office

PROJECT TEAM

The audit was conducted and supervised by:

- Clark Evans, Jr., CPA, CIA, CISA, Senior Management Analyst II;
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- Brian Langston, CIG, CIGA, CIGI, Inspector General.

The Agency for Health Care Administration's mission is
Better Health Care for All Floridians.

The Inspector General's Office conducts audits and reviews of Agency programs to assist the Secretary and other Agency management in fulfilling this mission.

This engagement was conducted pursuant to Section 20.055, Florida Statutes, and in accordance with the *International Standards for the Professional Practice of Internal Auditing* as established by the Institute of Internal Auditors. Please address inquiries regarding this report to the AHCA Audit Director at (850) 412-3990.

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Copies may also be requested by telephone at (850) 412-3990, in person, or by mail at Agency for Health Care Administration, 2727 Mahan Drive, Mail Stop #5, Tallahassee, FL 32308.

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
1	Our Office identified needed improvements to processes related to notification of applicable Records Custodians for new active legal holds.	<p>We recommend the Office of General Counsel Litigation Unit timely update the Current (Active) Legal Hold list on the Agency portal at the time each new active legal hold is determined.</p> <p>Additionally, we recommend that timely notification and instructions to treat a matter as a legal hold be provided to all applicable Agency Records Custodians at the time each new active legal hold is determined.</p>	<p>The Office of General Counsel has updated the Current (Active) Legal Hold list and will continue to do so moving forward.</p> <p>Additionally, the Office of General Counsel will continue to timely notify Agency Records Custodians of new legal holds as is the standard practice of the office.</p>	<p><u>Anticipated Completion Date:</u> Completed.</p> <p><u>Contact(s):</u> Glenn Rininger, Chief Litigation Counsel Mary Gay Templeton, Assistant to General Counsel Kylie Epperson, Sr Legal Assistant</p>
2	Our Office identified a needed improvement related to formalization of Agency wide procedures for preservation of electronic records during an active legal hold.	In order to facilitate awareness and compliance with requirements related to preservation of records related to legal holds, we recommend the Office of General Counsel formalize the Process section of the <i>Legal Hold Procedure for Electronically Stored Documents</i> as an approved Agency procedure and distribute this procedure to all areas of the Agency.	Rather than formalizing the current <i>Legal Hold Procedure for Electronically Stored Documents</i> as an Agency policy, the Office of General Counsel will review and edit the procedure and save the procedure as a desktop procedure located on the Legal Hold page.	<p><u>Anticipated Completion Date:</u> March 18, 2025</p> <p><u>Contact(s):</u> Glenn Rininger, Chief Litigation Counsel Mary Gay Templeton, Assistant to General Counsel Kylie Epperson, Sr Legal Assistant</p>

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
3a	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>The Bureau of Central Services did not timely destroy the following documentation due to oversight:</p> <ul style="list-style-type: none"> • Hospital Financial Statements stored in Laserfiche by the Financial Analysis Unit within this Bureau as of July 24, 2024; • Documentation in subfolders marked “Z Items to be Deleted” for all other folders within this Bureau other than the System Management Unit folder as of July 30, 2024; • Selected documentation stored in the Systems Management Unit folder and subfolders as of July 30, 2024. 	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>Bureau Chiefs will work with Records Custodians to destroy records that have met retention requirements and will document on a signed RDD.</p>	<p><u>Anticipated Completion Date:</u> April 7, 2025</p> <p><u>Contact(s):</u> Jake Shanahan, Bureau Chief of Central Services</p>

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
3b	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>As of August 8, 2024, the Bureau of Field Operations did not timely destroy selected documentation due to IT locking the primary Laserfiche storage volume for this Bureau in 2022, preventing deletion without IT involvement, and also due to uncertainty about possible existing legal holds applicable to records older than the eight-year retention period for these records that may not be known to this Bureau.</p> <p>(See P&T Report bullets, page 7-8, for the specific documentation not timely destroyed.)</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>Bureau Chiefs will work with Records Custodians to destroy records that have met retention requirements and will document on a signed RDD.</p>	<p><u>Anticipated Completion Date:</u> April 7, 2025</p> <p><u>Contact(s):</u> Donah Heiberg, Bureau Chief of Field Operations</p>

3c	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>As of August 28, 2024, the Bureau of Health Facility Regulation (HFR) indicated it had not destroyed application documentation since 2018, based on its eight-year retention period for these records. This was due to IT locking the primary Laserfiche storage volume for this Bureau in 2022, preventing deletion without IT involvement. Additionally, during the above 2018 deletion operation, the Health Care Clinic Unit, Lab and In-Home Services Unit, and Long-Term Care Services Unit did not want their application documentation destroyed due to concern about the loss of records requiring permanent retention because some documentation was known to be misplaced or stored in mislabeled subfolders.</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>Bureau Chiefs will work with Records Custodians to destroy records that have met retention requirements and will document on a signed RDD.</p>	<p><u>Anticipated Completion Date:</u> April 7, 2025</p> <p><u>Contact(s):</u> Bernard Hudson, Bureau Chief of Health Facility Regulation</p>
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3d	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>As of August 28, 2024, HFR indicated it had not consistently destroyed response documentation for Public Records request responses older than its one-year retention period for these records, due to the quality assurance workload involved in ensuring only document copies are deleted and any permanent records are retained, and the lack of a Bureau-wide deletion schedule. Additionally, in some cases, HFR units had not consistently destroyed documentation in subfolders marked “Z Items to be deleted.” This is a manual process and is the responsibility of respective unit management and was also due in part to IT locking the primary Laserfiche storage volume for this Bureau in 2022.</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>Bureau Chiefs will work with Records Custodians to destroy records that have met retention requirements and will document on a signed RDD</p>	<p><u>Anticipated Completion Date:</u> April 7, 2025</p> <p><u>Contact(s):</u> Bernard Hudson, Bureau Chief of Health Facility Regulation</p>
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No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
3e	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>As of August 4, 2024, the Bureau of Financial Services indicated it had not destroyed any Laserfiche documentation of cash receipts and deposits during our audit period or since the implementation of Laserfiche. Management responded this was due to instructions to obtain approval from the Office of General Counsel due partly to the potential need for deposit documentation by Medicaid Provider Integrity. Management also indicated its attempts to move documentation to its subfolders marked "Z Items to be Deleted" for deletion actions frequently resulted in timeouts by the Laserfiche application as well as the saving of duplicate files.</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>The Bureau of Financial Services will research and determine the records that have met retention requirements (are greater than 10 years old) and are no longer needed. Destruction will be documented on a RDD signed by the Bureau Chief.</p>	<p><u>Anticipated Completion Date:</u> March 31, 2025</p> <p><u>Contact(s):</u> Rafael DeCambra, Accountant Supervisor II Gale Smith-Johnson, Finance & Accounting Director III Levis Hughes, Chief of Financial Services</p>

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
3f	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>As of August 8, 2024, the Bureau of Medicaid Program Finance indicated it had not destroyed any Laserfiche documentation older than its retention period of ten fiscal years for these records during our audit period or since Laserfiche implementation, because it had not yet implemented a records management program for Laserfiche, due in part to recent leadership changes and vacancies. Management also indicated it needed contact information to assist with records deletion in Laserfiche.</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>Any Laserfiche documents, that were older than its retention period, were destroyed on September 24, 2024.</p>	<p><u>Anticipated Completion Date:</u> Completed.</p> <p><u>Contact(s):</u> Yndia Rutland, Regulatory Analyst Supervisor, Bureau of Medicaid Program Finance</p>

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
3g	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>As of August 15, 2024, the Bureau of Human Resources indicated that although documentation from its subfolder marked "Z Delete" was destroyed on a monthly basis, most of the documents presently in this subfolder to date had not been deleted due to IT locking the primary Laserfiche storage volume for this Bureau, preventing deletion without IT involvement.</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>On August 28th, 2024, the Human Resources Office was able to work with IT to delete the documents located in the subfolder "Z Delete". The Human Resource Office will ensure that by the 10th of each month, the records that are stored in this subfolder have been deleted on a monthly basis and if needed will document the destruction on a signed RDD form as specified in Agency policy.</p>	<p><u>Anticipated Completion Date:</u> Completed.</p> <p><u>Contact(s):</u> Jamie Skipper, Chief of Human Resources Marlena McAllister, Human Resources Manager</p>

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
3h	<p>Our Office identified needed improvements related to timely destruction of Agency electronic records stored in Laserfiche. Specifically:</p> <p>The Office of HIPAA Compliance regularly performs destruction of its stored documentation over seven years old in Laserfiche. However, as of September 19, 2024, documentation of requests for PHI, authorizations, and related response documentation were not destroyed for the 2015 and 2016 calendar years. Agency management indicated destruction was delayed pending office modernization to include revision of related desk procedures and business unit processes.</p>	<p>In accordance with Agency policy, we recommend that each Bureau Chief or designated Records Custodian destroy all electronic records stored by its respective Bureau or area of responsibility that have met retention requirements and are no longer needed. Destruction should be documented on a signed RDD as specified in Agency policy.</p>	<p>HIPAA has historically deleted according to assigned retention schedules. Due to a re-work of the HIPAA Compliance Office, retention was put on hold until verification could be performed. Verification is now completed, and the request to realign to retention schedules has been submitted on 1-2-2025. HIPAA's step will be completed pending authorization of destruction by the RMLO.</p>	<p><u>Anticipated Completion Date:</u> 01/31/2025</p> <p><u>Contact(s):</u> Will Armstrong, HIPAA Privacy Officer Kelly Calloway, HIPAA Operations Management Consultant</p>