



RICK SCOTT
GOVERNOR

ELIZABETH DUDEK
SECRETARY

May 23, 2016

Elizabeth Dudek, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, Florida 32308

Dear Secretary Dudek:

In accordance with Internal Auditing Standards, attached is the twelve-month status report on the implementation of our recommendations in report #15-18, *Pre-Admission Screening and Resident Review Process (PASRR)*, published on May 14, 2015. Status information was provided by the Division of Medicaid, Bureau of Medicaid Policy and by the Division of Operations, Bureau of Financial Services.

Management has indicated that corrective action is complete for the three recommendations included in report #15-18. The Public Assistance Cost Allocation Plan (PACAP) was submitted to the U.S. Department of Health and Human Services, Division of Cost Allocation and is pending approval. A comprehensive agreement between AHCA and the Department of Elder Affairs was executed on April 13, 2016. Recommendations from report #15-18 and management's responses can be found in the attached table.

If you have any questions regarding this status report, please let me know.

Sincerely,

Eric W. Miller
Inspector General

EWM/tms
Attachment

cc: Justin Senior, Deputy Secretary for Medicaid
Tonya Kidd, Deputy Secretary for Operations
Toby Philpot, Chief of Staff
Mallory McManus, Director of Communications
Melinda Miguel, Chief Inspector General, Executive Office of the Governor



Agency for Health Care Administration
Office of Inspector General – Internal Audit
Report Title: Pre-Admission Screening and Resident Review Process (PASRR)
Report #: 15-18, issued May 14, 2015
Twelve-Month Follow-up Status as of May 20, 2016

No.	Recommendation	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
1	<p>We recommend that AHCA review Department of Elder Affairs' (DOEA) proposed cost allocation methodology to ensure it identifies Comprehensive Assessment and Review for Long-Term Care Services (CARES) PASRR and non-PASRR-related activities that qualify for different Federal Financial Participation (FFP) funding rates and submit the approved plan to Health and Human Services for federal approval.</p>	<p><u>Status as of November 16, 2015</u> The CAP was submitted to DCA in August 2015.</p> <p><u>Response to May 2015 Report</u> The AHCA Bureau of Medicaid Policy has worked with DOEA CARES representatives to establish an updated cost allocation plan (CAP) to ensure that activities related to PASRR and non-PASRR work are correctly identified, and AHCA has approved this CAP. AHCA plans to submit the updated CAP to federal Department of Health and Human Services, Division of Cost Allocation (DCA).</p> <p><i>Anticipated Date of Completion:</i> The CAP is finalized and approved by AHCA. The anticipated date for submission to DCA is July 1, 2015.</p>	<p>Complete - CAP was submitted to HHS/DCA and is pending approval.</p>
2	<p>We recommend that AHCA update its Cooperative Agreement with DOEA to:</p> <ul style="list-style-type: none"> • Include the approved CARES' cost allocation methodology which identifies CARES PASRR and non-PASRR activities; • Require submission of an annual budget (Exhibit "A") that includes the total agreement amount and that is consistent with DOEA's CAP; • Require invoices to identify PASRR-related activities consistent with the approved cost allocation methodology 	<p><u>Status as of November 16, 2015</u> The agreement was fully executed in August 2015.</p> <p><u>Response to May 2015 Report</u> AHCA has developed, and is close to execution of, an updated memorandum of understanding that includes the information listed.</p> <p><i>Anticipated Date of Completion:</i> The agreement is currently routing through AHCA and was with the AHCA procurement office as of May 1, 2015. Estimated date of finalization of the agreement is June 2015.</p>	<p>Complete</p>

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	and for claiming on the CMS-64 form; and <ul style="list-style-type: none"> Clearly address the monitoring and oversight responsibilities of AHCA in its predominant fiduciary duties related to Medicaid funding and the avoidance of payments for unallowable activities. 		
3	We recommend that AHCA consider combining the Cooperative Agreement and the Interagency PASRR Agreement and update such consolidated agreement as necessary to provide a comprehensive agreement that addresses all current responsibilities of each state agency concerning the administration of the CARES program.	<p><u>Status as of November 16, 2015</u> Edits are currently being made to the comprehensive agreement and we anticipate full execution by January 2016.</p> <p><u>Response to May 2015 Report</u> AHCA has undertaken a project to compile all interagency agreements into one for each state agency. The comprehensive agreement with DOEA is underway.</p> <p><i>Anticipated Date of Completion:</i> We anticipate completion of the comprehensive agreement with DOEA to be September 2015.</p>	Complete - The comprehensive agreement was executed on 4/13/16.