



RICK SCOTT  
GOVERNOR

JUSTIN M. SENIOR  
SECRETARY

August 24, 2018

Mr. Justin M. Senior, Secretary  
Agency for Health Care Administration  
2727 Mahan Drive  
Tallahassee, Florida 32308

Dear Secretary Senior:

In accordance with Internal Auditing Standards, attached is a status update from the Division of Operations, Bureau of Support Services in response to our report #AHCA-1617-04-A, *Agency Agreements*, published on February 26, 2018.

Management has indicated corrective action has been either initiated or completed for each of our report recommendations. A detailed description of all issues, recommendations, and management's responses can be found in the attached table. We will schedule another follow-up review in six months to assess the status of the efforts taken by the Division of Operations, Bureau of Support Services to correct all open issues.

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

Sincerely,

Mary Beth Sheffield  
Inspector General

MBS/jh

Attachment

cc: Sherrill F. Norman, Auditor General  
Toby Philpot, Chief of Staff  
Mallory McManus, Communications Director  
Jon Manalo, Deputy Secretary of Operations  
Jennifer Barrett, Bureau Chief of Support Services



**Agency for Health Care Administration**  
**Office of Inspector General – Internal Audit**  
**Report Title: Agency Agreements**  
**Report #: AHCA-1617-04-A, issued February 26, 2018**  
**Six-Month Follow-up Status as of August 24, 2018**

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
1	Policy and Procedure 4028 on Agency Agreements requires updating to reflect current processes; clarify when Agreements should be utilized; distinguish between Contracts and Agreements; define the types of Agreements; and address the amendment process, monitoring, and other recommendations outlined in this report.	<p>1. We recommend that Procurement continue to update Policy and Procedure 4028 to:</p> <ul style="list-style-type: none"> <li>• Distinguish between Agreements and Contracts which are used interchangeably throughout the Policies and Procedures, clarify when Agreements should be utilized for governmental and non-governmental entities, and define the various types of Agreements; and</li> <li>• Address the current electronic CATS Workflow process utilized for Administrative routing, review, approval, and execution.</li> </ul>	<p><u>Status as of February 26, 2018</u>  We agree with this finding and recommendation. Procurement has started updating Policy and Procedure 4028 to include the recommendations. This will be finalized no later than June 30, 2018. An annual review of the Policy will be implemented beginning July 1, 2019.</p> <p><i>Anticipated Completion Date: June 30, 2018</i>  <i>Crystal Demott</i></p>	<p>Procurement staff continue to revise Policy and Procedure 4028. Major edits and revisions have been completed, however, there are some minor changes that need to be completed prior to routing for approval.</p> <p><i>Anticipated Completion Date: November 30, 2018</i>  <i>Crystal Demott</i></p>
		<p>2. Address other recommendations made in this report in the update to Policy and Procedure 4028.</p>	<p><u>Status as of February 26, 2018</u>  Procurement has started updating Policy and Procedure 4028 to include the recommendations. This will be finalized no later than June 30, 2018. An annual review of the Policy will begin July 1, 2019.</p> <p><i>Anticipated Completion Date: July 1, 2019</i>  <i>Crystal Demott</i></p>	<p>Procurement staff continue to revise Policy and Procedure 4028. Major edits and revisions have been completed, however, there are some minor changes that need to be completed prior to routing for approval. An annual review of the policy will begin on July 1, 2019.</p> <p><i>Anticipated Completion Date: November 30, 2018</i>  <i>Crystal Demott</i></p>

Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: Agency Agreements  
Report #: AHCA-1617-04-A, issued February 26, 2018  
Six-Month Follow-up Status as of August 24, 2018

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
		<p>3. We also recommend that Procurement train Program Office staff when the Policy and Procedure has been updated.</p>	<p><u>Status as of February 26, 2018</u>  Procurement will develop training materials and have them approved by June 30, 2018. Procurement will develop a training schedule and submit it for management approval by July 31, 2018. Procurement anticipates that it will take an average of 6 months to a year to complete the training agency-wide.</p> <p><i>Anticipated Completion Date: July 31, 2019</i>  <i>Crystal Demott</i></p>	<p>Procurement has begun the development of training materials. These materials will be finalized after edits to Policy and Procedure 4028 are completed and approved.</p> <p>Training will be scheduled to begin in early December 2018, pending approval of Policy and Procedure 4028. The initial round of trainings will be completed by March 31, 2019. Continuing education trainings will be held no less than quarterly thereafter.</p> <p><i>Anticipated Completion Date: March 31, 2019</i>  <i>Crystal Demott</i></p>
2	<p>Agreements Managers responsible for Agreements in excess of \$100,000 annually were not all Florida Certified Contract Managers (FCCM) as required by statute.</p>	<p>1. We recommend that Procurement ensure that all Agreement Managers responsible for Agreements with an annual monetary component in excess of \$100,000 be a Florida Certified Contract Manager.</p>	<p><u>Status as of February 26, 2018</u>  We agree with this finding and the process in Procurement has been updated. Pending management approval, Procurement intends to require, via policy, that <u>all</u> Agreement Managers become Florida Certified Contract Managers. However, how quickly an Agreement Manager can become certified is contingent upon the availability of the DMS-sponsored classes.</p> <p><i>Anticipated Completion Date: February 28, 2018</i>  <i>Crystal Demott</i></p>	<p>The requirement for Agreement Managers to be FCCM-certified has been added as a revision to Policy and Procedure 4028.</p> <p>Beginning February 8, 2018, Agreement Managers have been encouraged to become FCCM certified prior to the implementation of the Policy. Benefits of becoming and directions on how to become FCCM certified continue to be communicated to Agreement Managers.</p> <p><i>Anticipated Completion Date: November 30, 2018</i>  <i>Crystal Demott</i></p>

Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: Agency Agreements  
Report #: AHCA-1617-04-A, issued February 26, 2018  
Six-Month Follow-up Status as of August 24, 2018

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
		<p>2. We also recommend that Procurement periodically verify the certification and recertification of Agreement Managers who are responsible for Agreements in excess of \$100,000.</p>	<p><u>Status as of February 26, 2018</u>  We agree with this recommendation and the Procurement office has taken action to create and develop a process to check certification/recertification of Agreement Managers quarterly. An internal job aid is in development to define the process. The process will be completed February 28, 2018.</p> <p><i>Anticipated Completion Date: February 28, 2018</i>  <i>Crystal Demott</i></p>	<p>Completed</p> <p>Procurement verifies the FCCM certification and recertification of Agreement managers through a quarterly validation process. Procurement created an “FCCM Request List” that is posted on the Support Services SharePoint site. This self-service list is available to all Agency Contract Managers to register for the FCCM course. Benefits of becoming and directions on how to become FCCM certified continue to be communicated to Agreement Managers.</p> <p>Procurement maintains an internal job aid that defines the quarterly process to verify the certification and recertification of all Agency Agreement Managers.</p>
3	<p>CATS had inaccurate and incomplete information for some Agreements and discrepancies with some Agreement documents and Program Office information.</p>	<p>1. For new Agreements that utilize the CATS workflow process, we recommend that CAU implement a quality review process of the information entered and uploaded into CATS including verifying that each amendment belongs to the correct original Agreement.</p>	<p><u>Status as of February 26, 2018</u>  We agree with this recommendation. All Agency Agreements have been added to the Quality Assurance (QA) Process. This QA Process is completed on a monthly basis comparing information in CATS versus FACTS to ensure both systems mirror each other. We began our first monthly QA Process to include newly executed Agency Agreements on January 24, 2018. We will also complete the File Reviews on an annual basis. Anticipated</p>	<p>The QA Process began January 24, 2018 on a monthly basis, however, beginning June 1, 2018, it is completed on a bi-weekly basis (2<sup>nd</sup> and 4<sup>th</sup> Wednesdays of the month). The review compares information in CATS, FACTS, and MFMP systems to ensure they mirror each other. The Annual File Review Process began on July 1, 2018.</p> <p><i>Anticipated Completion Date: September 30, 2018</i>  <i>Crystal Demott</i></p>

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
			<p>File Review completion for calendar year 2018 is September 30, 2018.</p> <p><i>Anticipated Completion Date: September 30, 2018</i>  <i>Crystal Demott</i></p>	
		<p>2. For existing Agreements in CATS, we recommend a review to identify and update inaccurate and missing information, including the following:</p> <ul style="list-style-type: none"> <li>• The correct <i>HIPAA Data indicator</i>;</li> <li>• The current <i>Agreement Manager</i>;</li> <li>• The correct <i>Expiration Date</i>;</li> <li>• The correct <i>Effective Date</i>; and</li> <li>• Add a field to CATS for Agreements with costs in excess of \$100,000 to ensure that a Florida Certified Contract Manager manages them.</li> </ul>	<p><u>Status as of February 26, 2018</u>  We agree with this recommendation. Agency Agreements have been added to the monthly QA Process to compare information in CATS versus FACTS, ensuring both systems mirror each other and have accurate information. The Agreements will also be included in the annual File Reviews. Anticipated File Review completion for calendar year 2018 is September 30, 2018.</p> <p><i>Anticipated Completion Date: September 30, 2018</i>  <i>Crystal Demott</i></p>	<p>The list provided in this recommendation (identifying and updating inaccurate information) has been added to the bi-weekly QA Process and Annual File Review Process.</p> <p><i>Anticipated Completion Date: September 30, 2018</i>  <i>Crystal Demott</i></p>
		<p>3. We recommend that the Agreement document state explicitly when non-fixed costs are included and that a variable cost field be added to indicate non-fixed costs Agreements.</p>	<p><u>Status as of February 26, 2018</u>  Procurement will add a section in the Agency Agreement Template which states explicitly when “costs” or “no costs” are involved. This will also be added to the Description Field of the Contract</p>	<p>The Agency Agreement Template has been revised to explicitly state when “costs” or “no costs” are involved. Instructions for indicating if an agreement does not have a fixed or maximum cost allowed have also been added to the template, as well as to Policy and Procedure</p>

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
			<p>Profile, as well as, if costs are “open” or have a maximum allowed amount.</p> <p><i>Anticipated Completion Date: May 1, 2018</i>  <i>Crystal Demott</i></p>	<p>4028. The template will route with Policy and Procedure 4028 for approval.</p> <p><i>Anticipated Completion Date: November 30, 2018</i>  <i>Crystal Demott</i></p>
		<p>4. We recommend that the routing form include a field that requires the Program office to specify the effective date or state that the Agreement is effective upon execution to minimize guesswork and errors in CATS effective date entries.</p>	<p><u>Status as of February 26, 2018</u>  The routing form will cease as of May 1, 2018, and CATS will be used for the routing and approval of all documents. The Bureau’s Liaison will verify the Beginning Date, if it is different from the Effective (Execution) date. There will also be a monthly QA Process to compare information in CATS versus FACTS to ensure both systems mirror each other and have accurate information, including the Beginning Date and Effective (Execution) Date. This will also be part of the annual File Review Process. The monthly QA Process began on January 24, 2018.</p> <p><i>Anticipated Completion Date: May 1, 2018</i>  <i>Crystal Demott</i></p>	<p>Completed</p> <p>The paper Routing Form is no longer used. Workflows inside of CATS have replaced the paper routing process as of May 1, 2018.</p>

Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: Agency Agreements  
Report #: AHCA-1617-04-A, issued February 26, 2018  
Six-Month Follow-up Status as of August 24, 2018

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
		<p>5. We also recommend that the routing form include an initial determination by the Program Office as to whether HIPAA PHI is involved such as by adding a checkbox indicating “yes,” “no” or “unable to determine”. If the Program Office chooses, “unable to determine” the CAU lead would direct them to work with the HIPAA Privacy Officer to make a determination before signing off and going forward.</p>	<p><u>Status as of February 26, 2018</u>  Procurement met with the HIPAA Compliance Officer in January 2018 to define a process for HIPAA review of all Agreements and Contracts. It was decided that the Procurement Office would assist in developing a checklist for the Program Office to use when drafting a new agreement, to determine if HIPAA/PHI is a factor in the agreement. This form will be loaded into CATS with the agreement documents and routed to the HIPAA Compliance Office. There the HIPAA Compliance reviewer can review the form and make a formal decision regarding whether the agreement involves HIPAA/PHI to ensure it is marked appropriately.</p> <p><i>Anticipated Completion Date: May 1, 2018</i>  <i>Crystal Demott</i></p>	<p>Completed</p> <p>The HIPAA Compliance Office has been added to the standard workflow to review and approve all new Contracts/Agreements.</p>
4	<p>Some Program Offices did not send all existing Agreements to CAU despite the Agency Agreement Clean-up Project in April 2017, designed to capture unknown Agreements, and did not always route Agreements</p>	<p>1. We recommend that Procurement implement another clean-up project to Program Offices and emphasizing that all existing Agreements, including Data Sharing Agreements, be sent to Procurement for inventory and that future Agreements go</p>	<p><u>Status as of February 26, 2018</u>  Procurement will begin the second Agency Agreement Clean-Up Project after trainings have been completed. This gives all Program Offices who have an agreement that is not in CATS the opportunity to send it to Procurement to</p>	<p>Procurement will begin the second Agency Agreement Clean-Up Project once Agency trainings have begun. This gives all Program Offices that have an agreement that is not in CATS the opportunity to send it to Procurement to be entered into CATS.</p>



Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: Agency Agreements  
Report #: AHCA-1617-04-A, issued February 26, 2018  
Six-Month Follow-up Status as of August 24, 2018

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
	through CAU for development, review, approval, and execution.	through Procurement for development, review, approval, and execution.	be entered into CATS. Anticipated completion date is November 30, 2018.  <i>Anticipated Completion Date: November 30, 2018 Crystal Demott</i>	<i>Anticipated Completion Date: June 30, 2019 Crystal Demott</i>
		2. We also recommend that Procurement communicate to Program Offices the requirement to notify Procurement when Agreement Managers change or leave the Agency and amend their Agreements accordingly in a timely manner.	<u>Status as of February 26, 2018</u> Procurement sent out an updated communication to all Agreement Managers in the CATS Newsletter on February 8, 2018 reminding them that ALL Agency Agreements need to be routed through the Procurement Office. Procurement will also be sending out a second round of emails to all Bureau Chiefs two weeks prior to the trainings that will be held for all Agreement Managers. The trainings will discuss the importance of updating an Agreement when there has been a change of Agreement Manager and other vital information regarding Agency Agreements.  <i>Anticipated Completion Date: November 30, 2018 Crystal Demott</i>	Procurement will send a communication to all Bureau Chiefs prior to the trainings beginning, expressing the importance of Agreement Managers attending the upcoming trainings. The trainings will discuss the importance of updating an Agreement when there has been a change of Agreement Manager and other information regarding Agency Agreements. This requirement will continue to be communicated to Agreement Managers.  <i>Anticipated Completion Date: March 31, 2019 Crystal Demott</i>



Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: Agency Agreements  
Report #: AHCA-1617-04-A, issued February 26, 2018  
Six-Month Follow-up Status as of August 24, 2018

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
		<p>3. We further recommend that Procurement train Program Offices on the roles and responsibilities of creating, developing, reviewing, and approving Agreements for routing and the CATS Workflow.</p>	<p><u>Status as of February 26, 2018</u>  Procurement will address the roles and responsibilities in the training. We will continue to train individuals in CATS, as needed. Training materials will be available for all staff to reference after the training.</p> <p><i>Anticipated Completion Date: November 30, 2018</i>  <i>Crystal Demott</i></p>	<p>Procurement will address the roles and responsibilities in the training and associated materials. We will continue to train individuals in CATS, as needed. Training materials will be available for all staff to access as resources following the trainings.</p> <p><i>Anticipated Completion Date: March 31, 2019</i>  <i>Crystal Demott</i></p>
5	<p>Some Agreements, which involved the use of Agency-owned HIPAA PHI, did not include the standard language relating to the proper handling and security of PHI and reporting responsibilities for breaches.</p>	<p>1. We recommend that current Agreements be reviewed and those which involve the use of Agency-owned HIPAA PHI be updated as needed with the appropriate BAA or terms relating to the proper handling and security of PHI to meet federal compliance.</p>	<p><u>Status as of February 26, 2018</u>  Procurement will add this recommendation to the monthly QA Process and create Amendments as necessary. The QA Process will be completed by September 30, 2018. All Amendments shall be processed by October 31, 2018.</p> <p><i>Anticipated Completion Date: October 31, 2018</i>  <i>Crystal Demott</i></p>	<p>Procurement has added this recommendation to the bi-weekly QA Process and will continue to create Amendments as necessary. The File Reviews will be completed by September 30, 2018. All Amendments shall be submitted by October 31, 2018, giving additional time for approval of the amendments.</p> <p><i>Anticipated Completion Date: December 31, 2018</i>  <i>Crystal Demott</i></p>
		<p>2. We also recommend that Procurement work with the HIPAA Privacy Officer to ensure that standard and updated HIPAA-compliant terminology be utilized in</p>	<p><u>Status as of February 26, 2018</u>  HIPAA language will be standard in the new Agency Agreement Template. Procurement will conduct an annual review of this template and make any</p>	<p>The Agency Agreement Template has been revised to ensure that standard and updated HIPAA-compliant terminology is utilized. This requirement has also been added to Policy and</p>

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
		the applicable Agreement templates.	<p>necessary edits to ensure that standard and updated HIPAA language is included.</p> <p><i>Anticipated Completion Date: October 31, 2018</i>  <i>Crystal Demott</i></p>	<p>Procedure 4028. The template will route for approval with Policy and Procedure 4028.</p> <p><i>Anticipated Completion Date: November 30, 2018</i>  <i>Crystal Demott</i></p>
		<p>3. We recommend that Procurement work with the HIPAA Privacy Officer to provide training to Agreement Managers on when an Agreement indicates the use of HIPAA PHI and therefore requires the appropriate BAA or HIPAA compliant language and to refer Agreements, which may be unclear as to the use of PHI to the HIPAA Privacy Officer for determination.</p>	<p><u>Status as of February 26, 2018</u>  Procurement met with the HIPAA Compliance Officer in January 2018 to define a process for HIPAA review of all Agreements and Contracts. It was decided that the Procurement Office would assist in developing a checklist for the Program Office to use when drafting a new agreement to determine if HIPAA/PHI is a factor in the agreement. This form will be loaded into CATS with the agreement documents and routed to the HIPAA Compliance Office. The HIPAA Compliance reviewer can review the form in CATS and make a formal decision regarding whether the agreement involves HIPAA/PHI to ensure it is marked appropriately.</p> <p><i>Anticipated Completion Date: October 31, 2018</i>  <i>Crystal Demott</i></p>	<p>Completed</p> <p>The HIPAA Compliance Office has been added to the standard workflow to review and approve all new Contracts/Agreements.</p>

Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: Agency Agreements  
Report #: AHCA-1617-04-A, issued February 26, 2018  
Six-Month Follow-up Status as of August 24, 2018

No.	Finding(s)	Recommendation(s)	Previous Management Response(s)	Status Update, Anticipated Completion Date and Contact
6	Some Program Offices do not monitor Agreements consistently.	1. We recommend that written procedures for monitoring Agreements be created to help ensure that all Agreements have documentation to show that Agreement Managers are monitoring the terms and conditions of the Agreement.	<u>Status as of February 26, 2018</u> Procurement will distribute a desk reference for monitoring Agreements via email to all Agreement Managers by March 30, 2018. Procurement will also ask each Agreement Manager to complete a Contract Monitoring Plan and send to Procurement by September 30, 2018.  <i>Anticipated Completion Date: March 30, 2018</i> <i>Crystal Demott</i>	The desk reference was distributed to all Agreement Managers on April 27, 2018.  An initial request for Agreement Managers to complete the Contract Monitoring Plan was sent on March 30, 2018. Full compliance with this recommendation will be completed with the 2 <sup>nd</sup> Clean-Up Project.  <i>Anticipated Completion Date: June 30, 2019</i> <i>Crystal Demott</i>
		2. We also recommend that CAU include Agreements in the annual file review process.	<u>Status as of February 26, 2018</u> Procurement agrees with this recommendation. Agreements will be added to the annual File Review Process. Anticipated File Review completion for calendar year 2018 is September 30, 2018. We will also conduct a monthly QA Process for all Agency Agreements to review information in CATS versus FACTS.  <i>Anticipated Completion Date: September 30, 2018</i> <i>Crystal Demott</i>	Agency Agreements have been added to the annual File Review Process. They are also included in the bi-weekly QA Process. File Reviews began on July 1, 2018  <i>Anticipated Completion Date: September 30, 2018</i> <i>Crystal Demott</i>