
Department of Health (DOH)

Agency: 303

Audit Report: 6513

Finding Number: 001

Finding: The Department of Health is not adequately monitoring contract requirements to ensure it is receiving the designated services.

Resolution: The Department continues to work directly with managers of non-consolidated contract/grant programs to assist them in the development of auditable contract deliverables, risk assessments and monitoring plans. This is an ongoing process and the Department is currently re-evaluating how it coordinates fiscal and performance monitoring.

The AIDSNET contractors were included in the previous cycle of coordinated on-site monitoring, and the remaining Tobacco Community Based contractors were added to the next cycle of fiscal monitoring for 2007. These steps will address the auditor's specific concerns about these two programs.

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Department of Health (DOH)

Agency: 303

Audit Report: 6513

Finding Number: 002

Finding: The Department of Health is not complying with federal requirements for time and effort reporting for some of the programs it administers.

Resolution: The Department informed relevant program managers of the necessity of completing semiannual certifications for those employees whose salary expenditures are charged against federal grants.

The most recent audit of the Department revealed that one program still had not completed its semiannual certifications for state Fiscal Year 2006.

Subsequent to the Fiscal Year 2006 audit, the Department's internal auditor met with the relevant program manager and recommended changes to the certification process in order to enhance timely reporting. These changes have been adopted by the program.

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Department of Health (DOH)

Agency: 303

Audit Report: 6534 M

Finding Number: 005

Finding: The Department of Health is not conducting hospital surveys according to the frequency stipulated by state law and the Medicaid State Plan.

Resolution: The scope of the Fiscal Year 2005 audit covered the survey cycle for Fiscal Years 2004 and 2005. During this time, state law RCW 70.41 required the Department to conduct inspection surveys of all hospitals at least yearly. However, the law allowed for a hospital surveyed by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) within the previous 12 months to be exempt from annual state survey if the Department received the results of the JCAHO survey.

At the time of the audit, the Department acknowledged that it was not accomplishing the annual surveys due to lack of adequate staff and that a change to the law was being proposed to address this. The 2005 Legislature changed the law to require the Department to conduct inspection surveys of hospitals on average at least every 18 months. In addition, the Legislature modified the requirement for the JCAHO survey to allow those surveys to be deemed as meeting the 18-month survey requirement. These law changes became effective July 24, 2005 and, as of December 31, 2005, all hospitals are now being surveyed according to the 18-month average.

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Department of Health (DOH)

Agency: 303

Audit Report: 6534 M

Finding Number: 006

Finding: The Department of Health and the Department of Social and Health Services, Health and Recovery Services Administration (formerly Medical Assistance Administration), are not ensuring compliance with federal law regarding hospital surveys.

Resolution: For the Department of Social and Health Services (DSHS) resolution, refer to page 31.

The Department of Health (DOH) and the Department of Social and Health Services (DSHS) have a signed agreement, effective December 2, 2005, that complies with the Medicaid State Plan and federal requirements. The agreement reflects those items that are required by the Centers for Medicare and Medicaid Services (CMS).

During the Fiscal Year 2006 Medicaid audit, the auditor reiterated the position that the Department is not in compliance with federal requirements governing Medicaid surveys.

While DOH maintains its position that it is meeting all federal requirements, the Department is working to implement documentation procedures that are intended to satisfy the auditor's requirement that field notes are retained as part of the documentation for hospital surveys.

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Department of Health (DOH)

Agency: 303

Audit Report: 6534 M

Finding Number: 007

Finding: The Department of Health and the Department of Social and Health Services, Health and Recovery Services Administration, agreement covering hospitals' survey activities does not comply with federal requirements.

Resolution: For the Department of Social and Health Services (DSHS) resolution, refer to page 32.

The Department of Health (DOH) and the Department of Social and Health Services (DSHS) have a finalized and signed agreement, dated December 2, 2005, that complies with the Medicaid State Plan and federal requirements.

During the Fiscal Year 2006 Medicaid audit, the auditor reiterated the position that the Department is not in compliance with federal requirements governing Medicaid surveys.

While DOH maintains its position that it is meeting all federal requirements, the Department is working to implement documentation procedures that are intended to satisfy the auditor's requirement that field notes are retained as part of the documentation for hospital surveys.

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Audit Report: 6534 M

Finding Number: 018

Finding: The Department of Health does not retain documentation that would provide evidence to ensure all home health agency providers performed criminal background checks and obtained disclosures on employees having unsupervised access to vulnerable adults, as the law requires.

Resolution: The Department does not concur with the finding and is in compliance with current state law. RCW 43.43.842 requires the Secretary of Health to adopt requirements for the licensure of home health agencies (HHAs) to include performance of criminal background checks on employees and others who have unsupervised access to vulnerable adults.

The goal of an HHA survey is to determine if the entity is in compliance with conditions of participation as set forth in 42 CFR Parts 482 and 484, and by inference all applicable state laws including the requirement that HHAs perform criminal background checks.

If the Department's surveyors determine that a subject HHA is in violation of the requirement to complete criminal background checks, it is noted as such on the final report (CMS Form 2567). If violations involve specific employees, a confidential list is also included and maintained in the file until the issue is resolved. If no violations have been found by the surveyor, the report is signed, filed and retained by the Department. The Department believes this fulfills the intent of CFR 42 CFR 431.610(f) (3) to retain all information and reports, and is consistent with state law.

In addition, the process and methodology for conduct of HHA surveys and reporting conforms to the Centers for Medicare and Medicaid Services (CMS) policies and procedures found in their State Operation Manual and Principles of Documentation Guide. The State Operation Manual and Principles of Documentation Guide are based on the requirements of 42 CFR 488, which is descriptive of the exception reporting process currently followed by the Department.

During the Fiscal Year 2006 Medicaid audit, the auditor reiterated the position that the Department is not in compliance with federal requirements governing surveys of HHAs.

While DOH maintains its position that it is meeting all federal requirements, the Department is working to implement documentation procedures that are intended to satisfy the auditor's requirement that field notes are retained as part of the documentation for HHA surveys.

State of Washington

Status of Audit Resolution

December 2006

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