

State of Washington
 Status of Audit Resolution
 December 2016

Department of Health

Agency 303

Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	011	<p>Finding: The Department of Health did not have adequate internal controls to ensure compliance with the earmarking requirements for the Drinking Water State Revolving Funds program.</p> <p>Corrective Action: In order to qualify additional requests for subsidy that in previous years were not captured, the Department added a third tier of application screening. This is done during the underwriting process by identifying those applicants who have a Debt Service Coverage Ratio less than 1.20:1. The applicants identified are placed on a list for consideration for subsidy dollars if the criteria has not been utilized using the first two screening methodologies.</p> <p>The Department has begun the screening and has been working on drafting changes to its guidance manual to document this process.</p> <p>As of January 2016, the Department’s Loan and Grant Program Supervisor began tracking subsidies. The Department is also verifying and documenting subsidy dollars on an ongoing basis in the Drinking Water State Revolving Fund weekly team meetings to ensure accuracy of the dollars.</p> <p>The Department will notify the grantor prior to the year-end annual report if it is determined that the minimum requirement of 20 percent subsidy will not be met.</p> <p>Completion Date: January 2016, subject to audit follow-up</p> <p>Agency Contact: Lynda Karseboom Internal Auditor PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	014	<p>Finding: The Department of Health did not follow established internal controls over and did not comply with Federal Financial Reporting requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness Programs.</p> <p>Corrective Action: The Department has reviewed its written policies and procedures with all fiscal staff responsible for preparing, reviewing, approving, and submitting Federal Financial Reports (FFR).</p> <p>Internal controls have been strengthened which include:</p> <ul style="list-style-type: none"> • Separation of duties between fiscal staff who prepare the FFR and program staff who review and approve the draft FFR • Grants Manager or designee reviews, approves, and submits the FFR. <p>The Department strives to accurately submit all Federal Financial Reports and will continue to do so in the future.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Lynda Karseboom Internal Auditor PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	015	<p>Finding: The Department of Health did not have adequate internal controls over federal level of effort requirements for the Public Health Emergency Preparedness and National Bioterrorism Hospital Preparedness programs and did not comply with federal level of effort requirements for the National Bioterrorism Hospital Preparedness program.</p> <p>Corrective Action: The Department concurs with the finding.</p> <p>The Department has established written policies and procedures for tracking, documenting, and the requirements of level of effort reporting.</p> <p>The Department communicated with its federal grantor to determine the best method for how and when to provide notification in the event that the required level of effort will not be met. The Department will be communicating with its federal partners on a quarterly basis.</p> <p>Completion Date: February 2016, subject to audit follow-up</p> <p>Agency Contact: Lynda Karseboom Internal Auditor PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov</p>

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Audit Report	Finding Number	Finding and Corrective Action Plan
2015 F	029	<p>Finding: The Department of Health did not ensure Medicaid hospital and home health agency surveys were performed with the frequency required by federal regulations and state law.</p> <p>Corrective Action: In an effort to meet state licensing requirements, the Department went through a hospital survey Lean process to help improve administrative processing and develop surveyor worksheets designed to create a more focused survey approach and concentrate on infection control, quality assurance, performance improvement, and care continuity (transitions in care).</p> <p>The Home Health Agency (HHA) program implemented improved scheduling practices and hired a manager to work specifically with the HHA surveyors to work on achieving full compliance with the 36.9 month survey frequency requirement. Based on the data generated from reports, improvements were achieved where the average survey interval has been reduced to 37.8 months. The HHA survey managers will continue to work with the accrediting organization to maintain coordination and complete surveys within prescribed timelines.</p> <p>However, the Department, upon further review, does not concur with the finding for hospital agency surveys. The finding maintained that the Department must survey all acute care/general hospitals on average at least every 18 months to ensure they comply with federal requirements of meeting health and safety standards.</p> <p>The Department receives Medicare funding from Center for Medicare and Medicaid Services (CMS) to conduct Medicare surveys on their behalf to ensure hospitals are meeting health and safety guidelines. During the scope of the audit, the Department has conducted surveys based on a tiered priority level in accordance with the schedule set forth by the CMS in their Mission and Priorities document. The approved State Plan (2004) specifically stated that the surveys satisfy Medicare requirements as to survey frequency, content, scope, and documentation, and meet the standards and conditions of participating for contracted hospitals in both Medicare and Medicaid programs established by federal regulations. The Health Systems Quality Assurance Office of Investigation and Inspection conducts Medicare qualifying surveys on a schedule that meets criteria established by CMS.</p> <p>The Department is in compliance with the requirements of CMS’s Mission and Priorities document. CMS has also conducted their own review of the Department’s performance and did not note any exceptions. We will continue to work with the auditors to clarify the requirement and ensure appropriate criteria is used in this audit area.</p> <p>Completion Date: Corrective action is expected to be complete by December 2017</p>

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2015 F	029 (cont'd)	Agency Contact: Lynda Karseboom Internal Auditor PO Box 47890 Olympia, WA 98504-7890 (360) 236-4536 lynda.karseboom@doh.wa.gov