

AGENCY FOR HEALTH CARE ADMINISTRATION

# OFFICE OF INSPECTOR GENERAL



Annual Report FY 2022 - 2023





## **OUR MISSION**

Better Health Care for all Floridians.

## **OUR VISION**

A health care system that empowers consumers, that rewards personal responsibility and where patients, providers and payers work for better outcomes at the best price.

## **OUR VALUES**

### **Accountability**

We are responsible, efficient, and transparent.

### **Fairness**

We treat people in a respectful, consistent, and objective manner.

### **Responsiveness**

We address people's needs in a timely, effective, and courteous manner.

### **Teamwork**

We collaborate and share our ideas.



RON DESANTIS  
GOVERNOR

JASON WEIDA  
SECRETARY

September 2023

In accordance with § 20.055, Florida Statutes, it is my pleasure to present the Agency for Health Care Administration (AHCA) Office of Inspector General (OIG) Annual Report for Fiscal Year 2022-2023. The report details the accomplishments and efforts of staff within the Internal Audit and Investigations Units during the fiscal year.

Our Audit team provides assurance and consulting services to help ensure the efficiency and effectiveness of Agency programs and the Investigative team works to protect the Agency's resources by deterring and detecting activities such as fraud and significant employee misconducts.

The OIG is committed to promoting accountability and integrity in a professional and timely manner. We look forward to continuing our work with the Agency leadership team, management, and staff of AHCA in meeting the challenges that face the Agency in championing Better Health Care for all Floridians.

Respectfully submitted,

Brian P. Langston  
Inspector General

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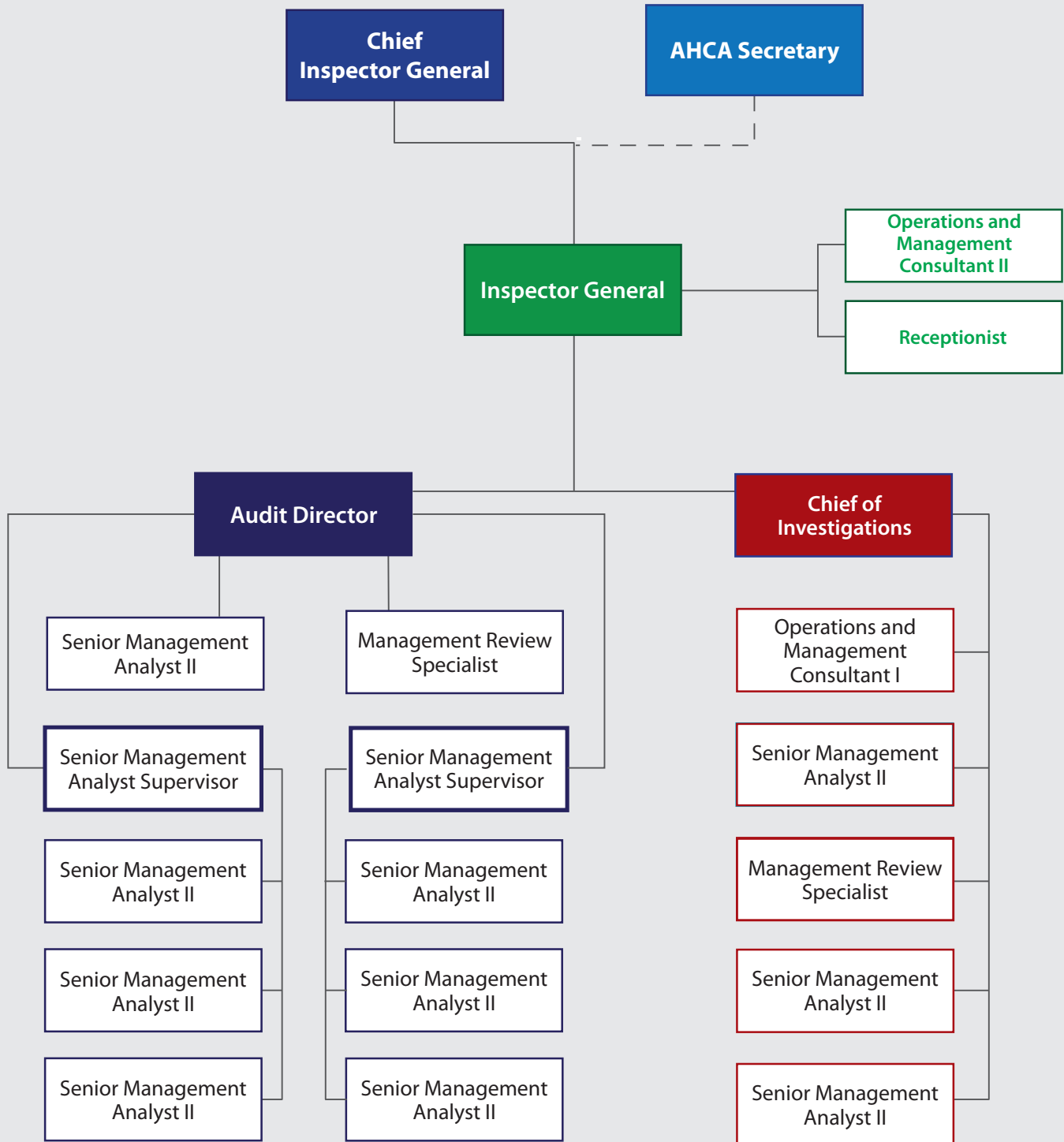
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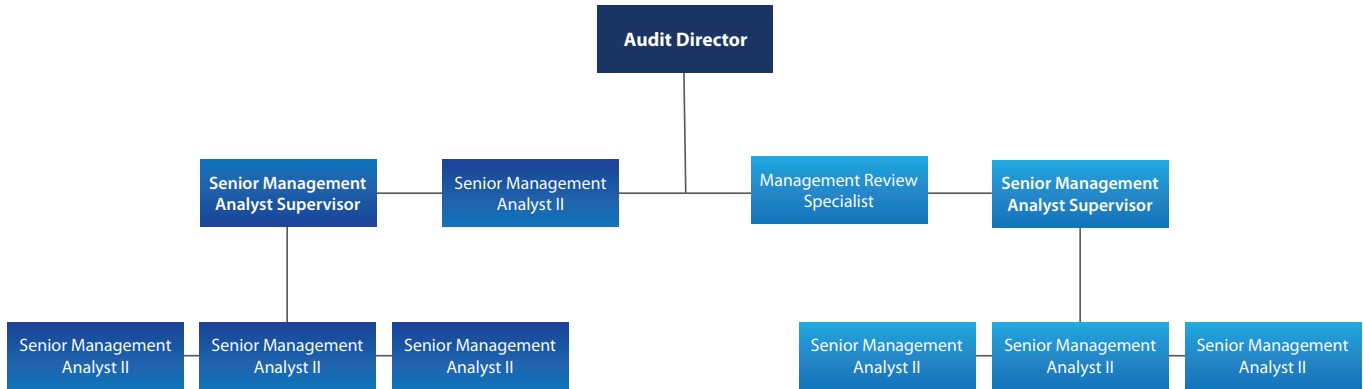
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# AHCA OIG

## ORGANIZATIONAL STRUCTURE



# INTERNAL AUDIT



## ORGANIZATION AND STAFF

The purpose of Internal Audit (IA) is to provide independent, objective assurance, and consulting services designed to add value and improve Agency operations. Internal Audit’s mission is to assist the Secretary and other Agency management in ensuring better health care for all Floridians by bringing a systematic, disciplined, and risk-based approach to evaluate and contribute to the improvement of the Agency’s governance, risk management, and control processes. The Inspector General determines the scope and assignment of audits; however, at any time, the Agency Secretary may request the Inspector General perform an audit of a special program, function, or organizational unit.

Internal Audit operates within the OIG under the authority of Section 20.055, Florida Statutes (F.S.). In accordance with Section 20.055(6)(c), F.S., the Inspector General and staff have access to any Agency records, data, and other information deemed necessary to carry out the Inspector General’s duties. The Inspector General is authorized to request such information or assistance as may be necessary from the Agency or from any federal, state, or local government entity.

Internal Audit staff members bring various skills, expertise, and backgrounds to the Agency. Certifications or advanced degrees collectively held by members of Internal Audit include:

- Certified Internal Auditor
- Certified Inspector General Auditor
- Florida Certified Contract Manager
- Master of Arts in Teaching
- Master of Business Administration
- Certified Fraud Examiner

The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (IIA Standards) and the Association of Inspectors General Principles and Standards for Offices of Inspectors General require Internal Audit staff members to maintain their professional proficiency through continuing education and training. Each auditor must receive at least 40 hours of continuing education every year.

## INTERNAL AUDIT RESPONSIBILITIES

### Risk Assessment and Audit Plan

Internal Audit performs a risk assessment of the Agency’s programs and activities each fiscal year to develop an annual audit plan. The risk assessment process includes the identification of activities or services performed by the Agency and an evaluation of various risk factors where conditions or events may occur that could adversely affect the Agency. Based on the risk assessment, Internal Audit develops an annual Audit Plan, which includes planned projects for the upcoming fiscal year and potential projects for the next two fiscal years. The plan, approved by the Agency Secretary, includes activities to be audited or reviewed, consulting engagements, and budgeted hours.

### Types of Engagements

In accordance with the annual Audit Plan, Internal Audit conducts various types of engagements for the Agency. These engagements include assurance or compliance audits, consulting, management reviews, or other special projects. The engagements provide an independent and objective analysis of processes while providing information for improving Agency operations.

## INTERNAL AUDIT ACTIVITIES

### Completed and In-Progress Engagements

The following is a summary list of completed engagements from July 1, 2022, to June 30, 2023:

REPORT NO.	ENGAGEMENT	TYPE	DATE ISSUED/ PLANNED
AHCA-2122-02-A	Public Records Process Audit	Assurance	December 2022
AHCA-2122-05-A	PCard Transaction Audit	Compliance	December 2022
AHCA-2122-01-A	PCard Program Administration Audit	Compliance	February 2023
AHCA-2223-01-A	Contract Monitoring	Compliance	June 2023
AHCA-2223-04-A	Enterprise Audit of Cybersecurity Identity Management, Authentication, and Access Control	Compliance	June 2023
AHCA-2223-05-A	Medicaid Performance Measure Audit	Review	June 2023

The following is a list of in progress engagements as of June 30, 2023:

REPORT NO.	ENGAGEMENT	TYPE	DATE ISSUED/ PLANNED
AHCA-2223-02-A	Audit of Agency Cash Collection Processes	Assurance	August 2023
AHCA-2223-06-A	Audit of HCPO Federal Audit Responses	Compliance	November 2023
AHCA-2223-07-A	Versa Renewal Process	Assurance	December 2023

## Engagement Summaries

The following summaries describe the results of the engagements completed by Internal Audit during Fiscal Year (FY) 2022-23:

### AHCA-2122-02-A, Public Records Process Audit

Internal Audit conducted an audit of the public records process. The audit encompassed all divisions in the Agency. During the audit, we noted where improvements could strengthen controls in the following areas:

- The Agency did not consult uniform guidance for redacting records for public records requests, which led to the Agency releasing records with unredacted confidential and protected information;
- Access to the Agency's correspondence tracking system and controls for emails with confidential and protected information needed improvements; and
- The Agency did not have a consistent formula for assessing fees for public records requests.

Our Office made the following recommendations:

- The Agency's Public Records Office should develop a comprehensive fee structure for all public records requests, and to update AHCA Policy #99-Ex-1 to include the comprehensive fee structure; and
- The Agency's Public Records Office should develop a template for estimating the cost estimates for public records requests, and to require Agency staff to use the template.

### AHCA-2122-05-A PCard Transaction Audit

Internal Audit conducted an audit of Purchasing Card (PCard) Transactions to determine if Agency PCards were being used in accordance with Chapter 287, Florida Statutes, and Chapter 60A-1.002, Florida Administrative Code. Our audit noted one area where controls could be strengthened:

- Agency policy regarding using the PCard with third-party vendors had not been updated to reflect changes in the Department of Financial Services rule.

Our Office made the following recommendation:

- We recommended that internal policies be updated to reflect that using third-party vendors is discouraged, but exceptions can be made when necessary.

### AHCA-2122-01-A PCard Administration Audit

In accordance with Chapter 287, Florida Statutes, and Chapter 60A, Florida Administrative Code, Internal Audit conducted a PCard Program Administration Audit of administrative oversight by the Agency for the Fiscal Year 2021-22. We noted an area where improvement could be made to strengthen controls:

- PCard cancellations were not always timely.

Our Office made the following recommendation:

- We recommended the Agency review their processes and controls to ensure timely cancellation of PCards upon employee separation.



### **AHCA-2223-01-A Contract Monitoring**

Internal Audit conducted an audit of the Contract Monitoring Process, which included contracts from the bureaus of Medicaid Policy and Medicaid Quality. We reviewed contract monitoring processes as established by the Bureau of Purchasing and Contract Administration. During our audit, we noted areas where improvements could be made to strengthen controls in the following areas:

- The Bureau of Medicaid Policy could not provide supporting documentation for the payment of invoices for one of the reviewed contracts; and
- The Bureau of Purchasing and Contract Administration annual reviews of Contract Manager files were not completed.

Our Office made the following recommendations:

- All supporting documentation for the payment of invoices, and the Payment Tracking Log should be saved in the required electronic Contract Monitoring folder in the program area's share drive;
- All Contract Managers of the Bureau of Medicaid Policy should follow AHCA Policy and Procedure 4006: Procurement of Goods and Services, the AHCA Contract Monitoring Reference Series, and the Division of Medicaid Playbook, including how to set up, organize, and use the required electronic contract file;
- The Agency's procurement office should follow through with reinstating the review of the Contract Manager's contract files once every state fiscal year; and
- Contract Manager Supervisors should regularly review the contract file for all appropriate documents.

### **AHCA-2223-04-A Enterprise Audit of Cybersecurity Identity Management, Authentication, and Access Control**

Internal Audit conducted an audit of the Division of Information Technology (IT). The audit focused on the Agency's controls and compliance with Chapter 60GG-2.003(1), F.A.C., Identity Management, Authentication, and Access Control ensuring access to IT resources is limited to authorized users, processes or devices, and to authorized activities and transactions.

This audit has been classified as exempt and/or confidential in accordance with Section 282.318(4)(g), F.S., and thus is not available for public distribution.

### **AHCA-2223-05-A Medicaid Performance Measure Audit**

Internal Audit conducted a review of Performance Measures in the Division of Medicaid. The review determined that AHCA's management and internal controls for the data collection, calculation, and reporting process are in place to ensure the integrity of the results reported. There were no findings reported for this audit.

### **Additional Projects**

Internal Audit also completed the following additional duties or projects during FY 2022-23:

- Schedule IX of the Legislative Budget Request; and
- CIG Project: Office of the Governor Executive Order Number 20-44, Section 4 - Attestation Request – Internal Audit provided consulting assistance in reviewing the procedures and amendments to all applicable contracts and grant agreements requiring the submission of an annual report which includes compensation information for entities named in statute with which a state agency must form a sole-source, public-private agreement or an entity that, through contract or other agreement with the state, annually receives 50% or more of their budget from the State or from a combination of State and Federal funds.

## Internal Engagement Status Reports

The IIA Standards require auditors to follow up on reported findings and recommendations from previous engagements to determine whether Agency management has taken prompt and appropriate corrective action. The OIG provides status reports on internal engagement findings and recommendations to Agency management at six-month intervals after publication of an engagement report.

During FY 2022-23, the following status updates for internal engagements were published:

- Tracking of HQA Final Orders (18-Month and 24-Month Status Updates)
- Agency for Health Care Administration, Enterprise Audit for House Bill 1079 (6-Month and 12-Month Status Updates)
- Agency for Health Care Administration Enterprise Audit of Cybersecurity Continuous Monitoring (6-Month and 12-Month Status Updates); and
- Public Records Process (6-Month Status Updates).

## Corrective Actions Outstanding from Previous Annual Reports

As of June 30, 2023, the following significant recommendations described in previous annual reports were still outstanding:

### Agency for Health Care Administration, Enterprise Audit for House Bill 1079

Our Office recommended the Agency revise and update relevant internal procurement policies and procedures.

Last management response:

We are in the process of updating Policy #4006. We hope to start routing the updated policy for review in the coming weeks. Policy #4006 will focus on Purchasing. We are drafting a new policy that will focus on Contract Administration and Management, and will incorporate Policy #4028, Agency Agreement. HB 1079 requirements will be included in this new policy.

Outstanding findings from the Agency for Health Care Administration Enterprise Audit of Cybersecurity Continuous Monitoring are confidential and are not included in this report.

## External Engagement Status Reports

Pursuant to Section 20.055(6)(h), F.S., the OIG monitors the implementation of the Agency's response to external reports issued by the Auditor General (AG) and by the Office of Program Policy Analysis and Government Accountability (OPPAGA). The OIG is required to provide a written response to the Secretary on the status of corrective actions taken no later than six months after a report is published by these entities. Copies of such responses are also provided to the Legislative Auditing Committee. Additionally, pursuant to Section 11.51(3), F.S., OPPAGA submits requests (no later than 18 months after the release of a report) to the Agency to provide data and other information describing specifically what the Agency has done to respond to recommendations contained in OPPAGA reports. The OIG is responsible for coordinating these status reports and ensuring that they are submitted within the established timeframes.

During FY 2022-23, six-month status reports were submitted on the following external reports:

- OPPAGA – Biennial Review of AHCA's Oversight of Fraud, Waste, and Abuse in Florida's Medicaid Program (Report No. 22-03) (7/29/22)
- Auditor General – State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards (Report No. 2022-189) (9/30/22); and
- Auditor General – COVID-19 Data Collection and Reporting at Selected State Entities (Report No. 2022-200) (12/1/22).

## Coordination with Other Audit and Investigative Functions

The OIG acts as the Agency's liaison on audits, reviews, and information requests conducted by external state and federal organizations such as the Florida Office of the Auditor General, the Florida Department of Financial Services, OPPAGA, the U.S. Government Accountability Office (GAO), U.S. Department of Health and Human Services (HHS), Florida Digital Service (FDS), the Florida Department of Law Enforcement (FDLE), and the Social Security Administration (SSA). The OIG coordinates the Agency's responses to all audits, reviews, and information requests from these entities.

During FY 2022-23, the following reports were issued by external entities:

### Florida Office of the Auditor General

- Auditor General - State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards (Report No. 2023-174) (March 2023)

### U.S. Government Accountability Office

- GAO – COVID-19 in Nursing Homes – CMS Needs to Continue to Strengthen Oversight of Infection Prevention and Control (Report No. GAO-22-105133) (September 2022)
- GAO – COVID-19 in Nursing Homes – Outbreak Duration Averaged 4 Weeks and was Strongly Associated with Community Spread (Report No. GAO-23-104291) (December 2022)

### U.S. Department of Health and Human Services

- HHS – Nearly All States Made Capitation Payments for Beneficiaries Who Were Concurrently Enrolled in a Medicaid Managed Care Program in Two States (Report No. A-05-20-00025) (September 2022)
- HHS – Florida Made Capitation Payments for Enrollees Who Were Concurrently Enrolled in a Medicaid Managed Program in Another State (Report No. A-05-21-00028) (February 2023)
- HHS - Florida Did Not Invoice Manufacturers for Some Rebates for Physician-Administered Drugs Dispensed to Enrollees of Medicaid Manage-Care Organizations (Report No. A-04-21-7098) (March 2023)

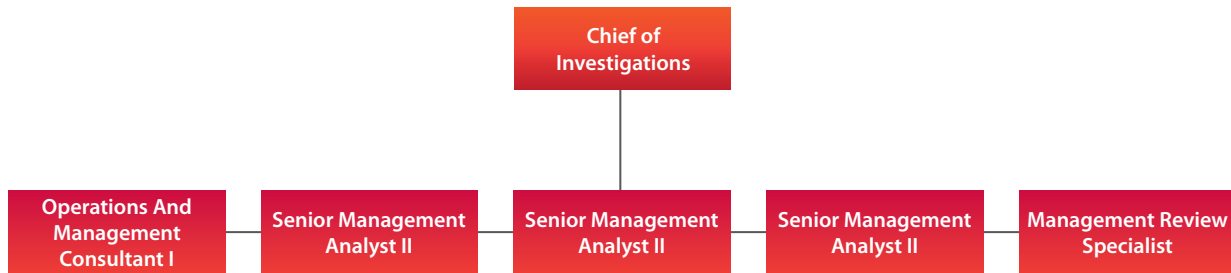
## Single Audit Act Activities

Entities that receive federal or state funds are subject to audit and accountability requirements commonly referred to as "single audits." The Federal Office of Management and Budget (OMB) Uniform Guidance and the Florida Single Audit Act require certain recipients that expend federal or state funds, grants, or awards to submit single audit reporting packages in accordance with Title 2 Code of Federal Regulations §200 Subpart F (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), or Section 215.97, F.S. (the Florida Single Audit Act), and Chapters 10.650 or 10.550 of the Rules of the Auditor General for state awards.

As a pass-through entity of federal and state financial assistance, the Agency is required to determine whether timely and appropriate corrective action has been taken with respect to audit findings and recommendations subject to the single audit requirements. The OIG is responsible for reviewing submitted financial reporting packages to determine compliance with applicable submission requirements and reporting the results of these reviews to the program/bureau and the appropriate contract manager.

During FY 2022-23, Internal Audit continued to provide guidance to the Agency's Bureau of Financial Services and the applicable program areas to develop compliance supplement(s) for the Catalog of State Financial Assistance. During the Fiscal Year, Internal Audit reviewed two audits that met the minimum threshold for compliance with single audit submission requirements. The contract managers were notified of the review results and were provided guidance on resolving any issues noted in the reporting package.

# INVESTIGATION UNIT



## ORGANIZATION AND STAFF

The Office of Inspector General’s Investigations Unit (IU) is responsible for initiating, conducting, and coordinating investigations that are designed to detect, deter, prevent, and eradicate fraud, waste, mismanagement, misconduct, and other abuses within the Agency. To that effort, the IU conducts internal investigations of Agency employees and contractors related to alleged violations of policies, procedures, rules, and State and Federal laws. Complaints may originate from the Office of the Chief Inspector General, the Whistle-blower Hotline, the Chief Financial Officer’s “Get Lean” Hotline, Agency employees, health care facilities, practitioners, Medicaid beneficiaries, or the general public.

In February 2017, the AHCA OIG IU achieved accreditation status for a three-year term, and in February 2020 and 2023, the AHCA OIG IU received re-accreditation status from the Commission for Florida Law Enforcement Accreditation, Inc. Accreditation demonstrates that the IU has met specific requirements and prescribed standards. Accreditation resulted in established standards and directives for IU staff on (1) Organization and Governing Principles; (2) Personnel Practices; (3) Training; (4) Investigation Process; (5) Case Supporting Materials and Evidence; (6) Whistle-blower’s Act; (7) Notification Process; (8) Case Management; and (9) Final Reporting Processes. Accreditation provides the IU with a means for maintaining the highest standards of professionalism and accountability.

The IU staff bring various backgrounds and expertise to the Agency. Certifications, in addition to advanced degrees, collectively held by IU staff as of June 30, 2023, include:

- Certified Inspector General Investigator
- Certified Equal Employment Opportunity Investigator
- Commission for Florida Law Enforcement Accreditation Assessor
- Master’s Degree

## INVESTIGATION UNIT COMPLAINT REVIEW

During FY 2022-2023, the IU opened 290 new complaints and closed 296 complaints, some of which were ongoing from the previous fiscal year. The IU’s analysis of the complaints received and investigated disclosed that most of the cases involved disparaging remarks and unprofessional conduct directed toward employees and persons outside the agency. For this report, the complaints were generally categorized as follows:

- Employee Misconduct - Allegations associated with employee misconduct included but were not limited to allegations associated with conduct unbecoming a public employee, ethics violations, misuse of Agency resources, and unfair employment practices.
- Facility - Regulated and licensed facility violations reported included but were not limited to allegations associated with substandard care, patients’ rights violations, public safety concerns, facility licensing **issues**, and unlicensed activity.

- Fraud - Medicaid fraud violations reported included but were not limited to allegations associated with Medicaid billing fraud, allegations related to patient brokering, and allegations of physician self-referral (Stark Law) violations. Other allegations related to fraud included Medicare and private billing fraud.
- Equal Employment Opportunity (EEO) Violations - EEO violations reported included but were not limited to allegations associated with hostile work environments, discrimination, harassment, and retaliation for engaging in protected activity.
- Health Insurance Portability and Accountability Act (HIPAA) Violations - Allegations associated with violations of HIPAA's Privacy Rule or records access rule.
- Medicaid Service Complaints - Medicaid service complaints included but were not limited to allegations associated with reported denials of service, denials of eligibility, and Medicaid provider contract violations.
- Other - Allegations not within the OIG's jurisdiction (e.g., theft); information provided wherein no investigative review, referral, or engagement was required.

The 290 complaints received by the AHCA OIG for FY 2022-2023 were assessed and assigned as follows

- 224 were referred to other AHCA Bureaus or outside agencies for proper assessment.
- 28 were assigned for informational purposes only.
- 18 were assigned for preliminary Investigation (2 of which were initially assigned for Whistle-blower determination).
- 14 were assigned for analysis to determine if the complaints met the criteria for Whistle-blower status as defined in §112.3187, F.S.
- Five were assigned as full Administrative Investigations.
- One was assigned to provide investigative assistance to management.

Investigations that resulted in published investigative reports were distributed to applicable Agency management responsible for remedial action (if appropriate) or to effect recommended policy changes.

The following are examples of Investigation Unit cases closed during FY 2022-2023. An index of complaints received during this reporting period is included at the end of this section.

### **Investigation Unit Case Highlights**

#### **AHCA OIG CASE #22-01-017**

This investigation was initiated upon the filing of a complaint by an AHCA employee alleging AHCA Management discriminated against them when applying for a job within the Agency. The AHCA OIG's investigation found that AHCA Management was exonerated of the allegation.

#### **AHCA OIG CASE #23-02-002**

This investigation was initiated upon the receipt of a complaint alleging a hostile work environment and conduct unbecoming by an AHCA employee. The AHCA OIG's investigation found evidence to support the allegation that the AHCA employee violated Florida Administrative Code 60L-36.005(f) and Agency policy/procedure number 96-HR-33 6(f) Conduct Unbecoming a Public Employee. The findings were referred to HR to provide re-training on team building and appropriate workplace behavior for staff.

#### **AHCA OIG CASE #23-02-004**

This investigation was initiated upon the filing of a complaint by a Medicaid Provider and forwarded by AHCA's HR to the AHCA OIG alleging AHCA Surveyors were rude and condescending to facility staff at a recertification survey. The AHCA OIG's investigation found evidence to support the allegation of Employee Conduct Unbecoming and referred the complaint to AHCA HCPO Management for disciplinary action deemed appropriate.

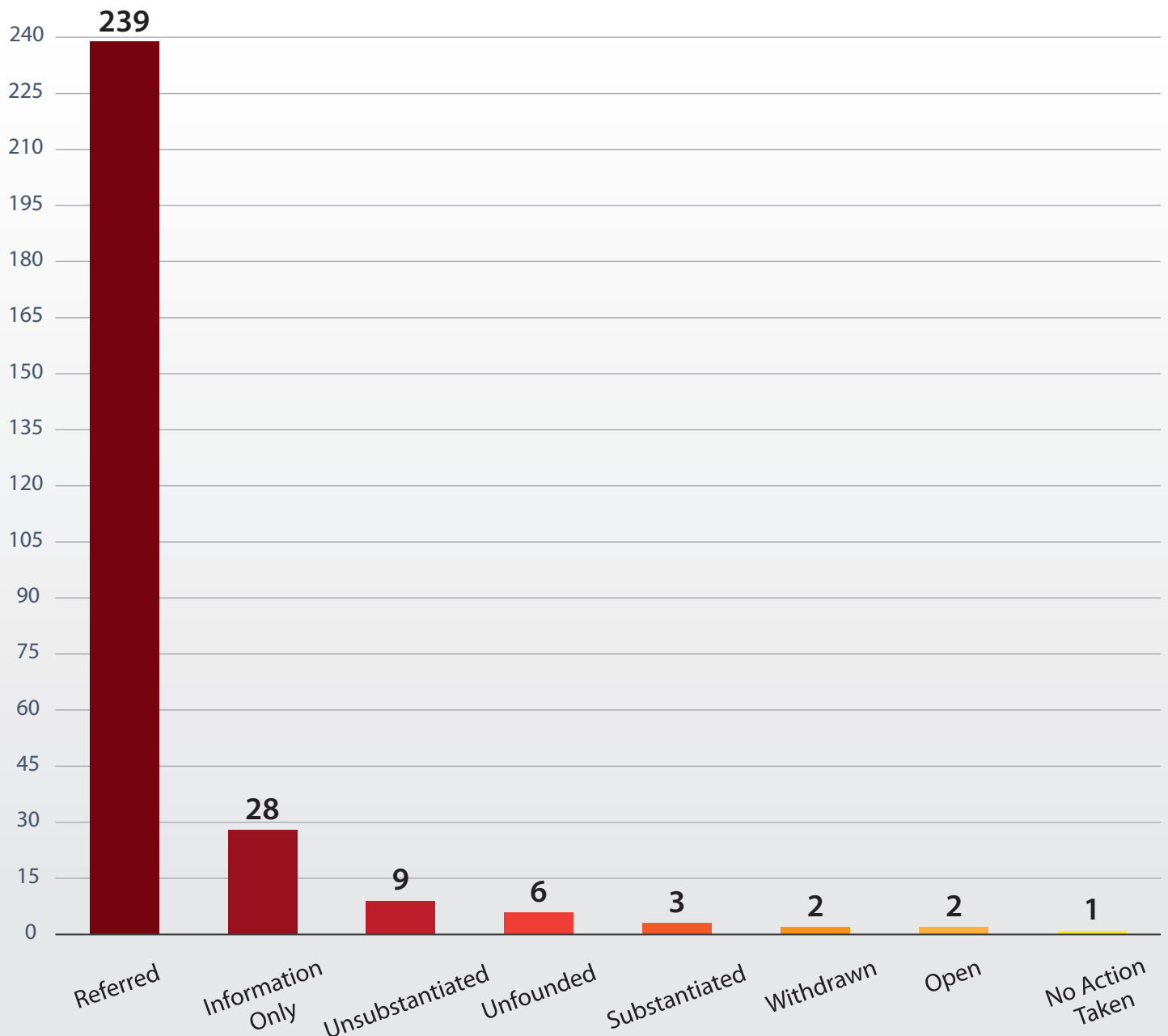
**AHCA OIG CASE #23-03-011**

This investigation was initiated upon the filing of a complaint forwarded to the AHCA OIG by AHCA's HR alleging an AHCA employee assaulted another AHCA employee. The AHCA OIG's investigation found evidence to support the allegation of Conduct Unbecoming a Public Employee. The findings were referred to AHCA Management to take appropriate action and AHCA HR to provide training to staff regarding appropriate workplace behavior.

**AHCA OIG CASE #23-05-012**

This investigation was initiated upon the receipt of a complaint forwarded to the AHCA OIG by AHCA's HR that alleged Conduct Unbecoming a Public Employee and harassment by an AHCA employee. The AHCA OIG's investigation found there was no evidence to support the allegation of Conduct Unbecoming a Public Employee. The findings were referred to AHCA Management and HR to provide training for the AHCA employee regarding team dynamics and professionalism in the workplace.

# Disposition of Allegations by Category for Complaints Received FY 2022-23





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