

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Ron DeSantis
Governor

Joseph A. Ladapo, MD, PhD
State Surgeon General

Vision: To be the Healthiest State in the Nation

September 26, 2023

Joseph A. Ladapo, MD, PhD
State Surgeon General
4052 Bald Cypress Way, Bin A-00
Tallahassee, Florida 32399

Dear Dr. Ladapo:

Enclosed is our internal audit report # A-2223-006B, *Audit of a Contract with Foundation Sickle, Incorporated, D/B/A Foundation for Sickle Cell Disease Research (Contract CMO41)*. The report provides an independent evaluation of contract CMO41's deliverables and contract manager compliance with applicable laws and Department policies and procedures.

The audit was conducted by Ashlea K. Mincy, CIGA, Assistant Director of Auditing, and supervised by Mark H. Boehmer, CPA, former Director of Auditing.

Management agreed with the findings identified in the report. We will provide you a status update in six months detailing the progress management has made toward addressing the proposed corrective actions included in Appendix A of the report.

If you wish to discuss the report, please let me know.

Sincerely,

Michael J. Bennett, CIA, CGAP, CIG
Inspector General

MJB/akm
Enclosure

cc: Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor
Samantha Perry, CPA, Office of the Auditor General
Cassandra G. Pasley, BSN, JD, Chief of Staff
Kenneth A. Scheppke, MD, FAEMS, Deputy Secretary for Health
Mike Mason, Assistant Deputy Secretary for Health
Melissa Jordan, MS, MPH, Assistant Deputy Secretary for Health



FLORIDA DEPARTMENT OF HEALTH
OFFICE OF INSPECTOR GENERAL

AUDIT OF A CONTRACT WITH FOUNDATION SICKLE,
INCORPORATED, D/B/A FOUNDATION FOR SICKLE CELL
DISEASE RESEARCH

Report # A-2223-006B • September 26, 2023

Purpose of this project:

The Office of Inspector General's (OIG) 2022-2023 fiscal year Audit Plan focused on different areas of contracting, including contract management, provider monitoring, and examining in detail the documentation of selected contracts. We identified two Department of Health (Department) contracts, funded as member projects, to review and determine appropriate contract management has been performed and deliverables agree with each contract.

Specific to this report, we address our review of the Department's contract with Foundation Sickle, Incorporated, d/b/a Foundation for Sickle Cell Disease Research (Provider).

What we examined:

Contract CMO41 with the Provider, which was executed on October 5, 2020, and ended June 30, 2021, in an amount not to exceed \$995,000.

Summary of results:

We identified the following issues management should address:

- The Provider did not complete or submit deliverables in a time and manner specified by the contract and was not assessed appropriate financial consequences by the Department.
- The Provider, rather than the Department, developed the contract deliverables, resulting in the Department's inability to ensure taxpayer funds were used efficiently.
- The Department's official contract performance record was not organized and complete for the full term of the contract.
- Contract information was not always posted in the *Florida Accountability Contract Tracking System* (FACTS) timely.

We informed management under separate cover, of an additional issue which did not rise to the level of a report comment.

Additional details follow below. Management's response to the issues noted in this report may be found in **Appendix A**. In accordance with section 20.055(6)(e), Florida Statutes, the Provider was also given 20 working days to submit a written response to the report as a specific entity contracting with the state and a subject of this audit. The deadline for the Provider to provide a written response was September 13, 2023. As of this date, the OIG received no written response from the Provider.

BACKGROUND

The Office of Minority Health and Health Equity serves as the lead in coordination, information exchange, coalition and partnership building, and related efforts to address the health needs of racial and ethnic minorities in Florida. As part of this effort, the Office of Minority Health and

Health Equity has contracted with the Provider since 2018 to expand comprehensive telemedicine health care services to Floridians with sickle cell disease (SCD).

SCD is a group of disorders that affects hemoglobin, the molecule in red blood cells that deliver oxygen to cells throughout the body. People with this disease have atypical hemoglobin molecules called hemoglobin S, which can distort red blood cells into a sickle, or crescent shape.

Contract CMO41 required the Provider to relocate and upgrade its main office; secure seven Satellite Telemedicine Offices (TeleMed Offices); contract with 32 Telemedicine Providers (TeleMed Providers); provide telehealth and in-patient services to the targeted population; purchase equipment to support the operation and provision of telehealth services at each location; and market the services provided, distribute education materials; and compare data.

While this contract ended June 30, 2021, there have been subsequent contracts awarded to the Provider, in increasing value. These contracts include:

- Contract CMO37, executed on September 18, 2020, in an amount not to exceed \$145,000, required the Provider to conduct care management conference calls and meetings; provide case management and peer navigation services; provide SCD awareness and prevention educational presentations; and host SCD patient and caregiver awareness webinars.
- Contract CMO47, executed on August 16, 2021, in an amount not to exceed \$200,000, required the Provider to recruit telehealth providers; enroll eligible patients in the Provider's Program; identify or create telementoring and telemedicine strategies; identify evidence-based provider education strategies; train users on the registry and practice fusion; create and post banners; host and broadcast live webcasts; and ensure eligible patients complete surveys.
- Contract CMO64, executed on August 18, 2022, in an amount not to exceed \$3,000,000, required the Provider to implement a sickle cell community-integrated health network that utilizes a centralized, coordinated model for service provision by incorporating uniform logistical practices for recruitment, referral, enrollment, marketing, quality assurance, and evaluation.

DETAILED RESULTS AND RECOMMENDATIONS

Our audit identified the following opportunities to improve effectiveness of the Department's contract management of contract CMO41:

1. The Provider did not complete or submit deliverables in a time and manner specified by the contract and was not assessed appropriate financial consequences by the Department.

- DOHP¹ 250-14-19, *Contractual Services*, explains successful monitoring is accomplished through a combination of the review of documentation from a provider, input from service recipients and others, and visits to the site of service delivery. Contract managers (CM) must conduct adequate monitoring for the Department to react quickly to ensure a provider is spending taxpayer funds appropriately.

¹ Department of Health Policy

- Section 287.058(1)(h), Florida Statutes, requires contracts include language “Specifying the financial consequences that the agency must apply if the contractor fails to perform in accordance with the contract.”
- Contract CMO41 (contract) was a fixed price, fixed fee contract. The Department was to pay the Provider monthly payments for satisfactory completion of the deliverables specified in the contract.
- A number of deliverables were not completed by the Provider in the time and manner specified by the contract, but were approved by the CM. Examples of these are summarized below:
 - The contract defines TeleMed Offices as offices that provide in-patient services and telemedicine services to the targeted population. The contract required the Provider to secure seven TeleMed Offices in the following locations:
 - Tallahassee and Homestead by November 30, 2020,
 - Belle Glade and Hillsborough by January 31, 2021,
 - Jacksonville and Orlando by March 31, 2021, and
 - Palm Beach by April 30, 2021.
 - The contract required the Provider to submit a copy of the executed lease for each TeleMed Office to the CM with the corresponding monthly invoice.
 - The November 2020 invoice included a Letter of Intent for a Tallahassee location the Provider was looking to lease, specifically stating it was not a binding agreement. Subsequently, the submitted lease for the Tallahassee TeleMed Office was dated January 8, 2021 and submitted with the January 2021 invoice.
 - The lease for the Belle Glade location was submitted with the January 2021 invoice; however, it was not executed by the landlord. Subsequent to the completion of our fieldwork, the Provider submitted a signed agreement, however, it was executed in March 2021.
 - No lease for a Palm Beach location has been executed. The CM considered the deliverable completed because Belle Glade is in Palm Beach County and a lease for the Belle Glade location had been previously submitted. However, the contract required the Provider to secure seven TeleMed Offices. Only six TeleMed Offices were secured by accepting the Belle Glade location as the Palm Beach location.
 - The Belle Glade location secured as a TeleMed Office is a church. The CM explained the church does not provide in-patient or telemedicine services, but only directs individuals to other locations.
- The contract defines TeleMed Providers as health care providers that consist of local community-based organizations, federally qualified health centers, physician practices, etc., responsible for providing telehealth services to the targeted population.
- The contract required the Provider to contract with 32 TeleMed Providers to provide telehealth services, as follows:
 - 10 TeleMed Providers by December 31, 2020,
 - 10 additional TeleMed Providers by January 30, 2021,
 - 10 additional TeleMed Providers by February 28, 2021, and
 - Two (2) additional TeleMed Providers by March 31, 2021.

Each contract had to allow the Provider access to financial data demonstrating how much is spent on emergency hospital stays by sickle cell patients. A copy of each

executed contract was required to be submitted to the CM with the corresponding monthly invoice.

- No executed contracts for the Telemed Providers were submitted to the CM. The monthly invoices for December 2020 through March 2021 included emails, some of which were illegible, explaining these TeleMed Providers would *refer* patients to the Provider and pass out flyers. These emails did not ensure telehealth services were being provided by the identified TeleMed Providers, or language allowing the Provider access to financial data as required by the contract. Additionally, a duplicate Letter of Continuation was submitted as support with the December 2020 and January 2021 invoices. Below are examples of the statements provided by the TeleMed Providers in these emails:
 - “The office of Dr. ...is pleased to direct our Sickle Cell patients to your telemedicine link for services.”
 - “My office has agreed to refer our patients to Foundation for Sickle Cell Disease for telemedicine services.”
 - “I have instructed my staff to refer our Sickle Cell patients to your organization for treatment of our patients.”
 - “We will also distribute the flyers you sent throughout the community and post to our announcement board in the lobby.”
 - “Please send the flyers you mentioned so we can post on-site.”
- The contract required the Provider to create a minimum of 50 social media posts each month on SCD information. A screenshot of each post was required to be submitted to the CM with the corresponding monthly invoice.
- The Provider reported that the deliverable was completed in November 2020, however, they submitted 88 duplicate copies of the same social media post that was dated October 26, 2020.
- The Provider reported that the deliverable was completed in December 2020. The Provider submitted 53 screenshots of social media posts. However, only 23 of the 53 were dated in December 2020, or did not include a date. The remaining 30 were dated in October or November 2020.
- According to terms agreed upon in the contract, each of the deliverables that were not completed in the time and manner specified in the contract would have resulted in a five percent (5%) financial consequence in each month the deliverable was due. The CM approved the deliverables and did not apply financial consequences in instances when the deliverables were not satisfactorily completed.
- The Department’s mission is to protect, promote and improve the health of all people in Florida through integrated state, county, and community efforts. Failing to ensure the Provider completed the deliverables could hinder the target population’s ability to obtain appropriate healthcare services.

We recommend the Department’s Office of Minority Health and Health Equity ensure all invoices for current and future contracts comply with contract requirements, and deliverables are completed in the time and manner specified by the contract, prior to approval for payment.

We recommend the Department’s Office of Minority Health and Health Equity ensure its contract managers are trained and accurately apply financial consequences, as required by state law and as defined in each applicable contract, where contracting entities do not comply with agreed-upon contract requirements.

We recommend the Department's Office of Minority Health and Health Equity conduct an in-depth review of all currently active contracts with Foundation Sickle, Incorporated, d/b/a Foundation for Sickle Cell Disease Research, to ensure the deliverables of the contracts are met.

2. The Provider, rather than the Department, developed the contract deliverables, resulting in the Department's inability to ensure taxpayer funds were used efficiently.

- DOHP 250-14-19, *Contractual Services*, states procedures for drafting, routing, executing, and managing contractual agreements are vital for ensuring the protection of funds, deriving the maximum return of services from those funds, and ensuring contracts are in compliance with applicable state and federal laws, rules, and regulations governing contracts for services.
- Attachment I of all Department contracts identifies the unique, program-specific contract requirements. The specific tasks, deliverables, performance measures, and financial consequences are outlined in this attachment.
- To gain an understanding of the Provider's perspective and understanding of the contract and subsequent contracts, we visited the Provider's site in Hollywood, Florida on May 31, 2023 to tour the facility and interview the Provider. During the discussion, the Provider's President/Chief Health Officer explained they wrote the contract language, including the deliverables for the contract and all subsequent contracts with the Department.
- We additionally reviewed emails from the CM to the Provider, requesting the Provider to specify and submit the deliverables language on subsequent contracts, indicating it has been a common process for the Provider to develop the contract language in Attachment I.
- Allowing the Provider to develop deliverables for its contracts limits the Department's ability to ensure that funds provided in the appropriation are spent in accordance with the purpose and intent of the Legislature related to the appropriation, ensure the State receives the maximum return of services from those funds, and ensure contracts are in compliance with applicable state and federal laws, rules, and regulations governing contracts for services.

We recommend the Department's Office of Minority Health and Health Equity end the practice of allowing providers the ability to develop contract deliverables and ensure all contract deliverables are developed internally to ensure funds are spent appropriately and provide the maximum return of services.

3. The Department's official contract performance record was not organized and complete for the full term of the contract.

- DOHP 250-14-19, *Contractual Services*, explains a CM's file is the official record of contract performance and payments, and must be maintained for a period of six years following contract closeout, or the resolution of any pending action (i.e., legal, audit), whichever is later.
- All contract documents should be maintained in one file and consist of two sub-files – a procurement file and a contract file.
- The contract required the Provider to request payments monthly by submitting a properly completed invoice with supporting documentation. The contract also required the Provider to submit executed leases for each TeleMed Office.
- Based upon our request, the CM did not initially submit the October 2020 invoice or the executed leases for six of the seven TeleMed Offices with the contract file.

- After completion of audit testing and after we provided a list of missing documentation that was unable to be located, the CM provided the October 2020 and the missing leases.
- After being notified of the missing documentation, the CM explained, “Some of the files were moved in another file folder and I did not find all of them until I received the confirmation letter with all the issues.” Additionally, the CM acknowledged contacting the Provider by telephone to acquire two of the missing leases.
- It is crucial that all Department contract performance records contain the necessary documents related to each contract in accordance with Department policy and that the procurement file and contract file are organized in a manner that will allow for all documentation to be located timely and ensure completeness of the files. Failure to maintain these files appropriately hinders the Department’s ability to verify the deliverables and goals of the contract were achieved, successfully participate in external reviews or audits of the contract file, and respond to public record requests or address other legal matters.

We recommend the Department’s Office of Minority Health and Health Equity ensure all contract performance records are maintained in compliance with requirements in DOHP 250-14-19, Contractual Services.

4. Contract information was not always posted in FACTS timely.

- In accordance with the *Transparency Florida Act*², the Chief Financial Officer of Florida established and maintains FACTS, a secure contract tracking system available for public viewing.
- Florida law requires that within 30 calendar days after executing or amending a contract, each state entity must post information relating to the contract in FACTS, including the electronic copies of the contract and procurement documents³.
- Based upon a review of contract documentation, this contract was amended (Amendment A1) April 28, 2021. However, as of the date of our inquiry (April 25, 2023, nearly two years later) the amendment had not yet been posted in FACTS. Following our inquiry with Department management, the amendment was posted in FACTS on May 2, 2023.
- Non-compliance with the 30-day requirement for posting contractual information in FACTS after execution conflicts with the intent of the *Transparency Florida Act* and impedes timely public access to contract information.

We recommend the Department’s Office of Minority Health and Health Equity ensure all required contract information is posted in FACTS within 30 days of execution or amendment, in accordance with the Transparency Florida Act.

SUPPLEMENTAL INFORMATION

Section 20.055, Florida Statutes, charges the Department’s Office of Inspector General with responsibility to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government.

² Section 215.985(14), Florida Statutes

³ Section 215.985(14)(a), Florida Statutes

Ashlea K. Mincy, CIGA, Assistant Director of Auditing, conducted the audit, under the supervision of Mark H. Boehmer, CPA, former Director of Auditing. Janet C. Compton, Senior Management Analyst II, initiated the audit, who in the early planning phase of the audit, separated from the Department.

Our methodology included reviewing Florida law, DOHP 250-14-19, *Contractual Services*; applicable documentation; and contract manager files. We interviewed key management, the CM, and the Provider.

This audit was conducted in conformance with *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors, as provided by section 20.055(6)(a), Florida Statutes, and as recommended by Quality Standards for Audits by Offices of Inspector General (*Principles and Standards for Offices of Inspectors General*, Association of Inspectors General).

We want to thank management and staff in the Department's Office of Minority Health and Health Equity for the information and documentation they provided, and for their cooperation throughout the project.

All final reports are available on our website at www.FloridaHealth.gov (search: internal audit).

If you have questions or comments, please contact us by the following means:

Address:

4052 Bald Cypress Way, Bin A03,
Tallahassee, FL 32399

Email:

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APPENDIX A: MANAGEMENT RESPONSE

	Recommendation	Management Response
1.1	<p><i>We recommend the Department's Office of Minority Health and Health Equity ensure all invoices for current and future contracts comply with contract requirements, and deliverables are completed in the time and manner specified by the contract, prior to approval for payment.</i></p>	<p>We concur.</p> <p>The Office of Minority Health and Health Equity (Office) will take appropriate steps to ensure all invoices for current and future contracts comply with contract requirements and will assure that deliverables are completed with documented evidence in a timely manner.</p> <p>The contract manager supervisor will:</p> <ul style="list-style-type: none"> From September 2023 to February 2024, conduct monthly reviews of invoices for timeliness and verify that supportive documentation is provided to process the payment of the deliverables completed. The contract manager supervisor will send an email to the Senior Health Equity Officer within five working days of each review and follow up with the contractor to obtain any needed documentation. If the Office does not find any issues with the monthly reviews of September 2023 to February 2024 invoices, the contact manager supervisor will conduct bimonthly reviews of the April and June 2024 invoices and send an email to the Senior Health Equity Officer within five working days of each review. If the Office does not find any issues with the bimonthly reviews, the contract manager supervisor will revert to the Department's normal monitoring policies. <p>Contact: Cheryl Graham/Walter W. Niles Anticipated Completion Date: June 30, 2024</p>
1.2	<p><i>We recommend the Department's Office of Minority Health and Health Equity ensure its contract managers are trained and accurately apply financial consequences, as required by state law and as defined in each applicable contract, where contracting entities do not comply with agreed-upon contract requirements.</i></p>	<p>We concur.</p> <p>The Office has requested additional training for the contract management team.</p> <p>The contract manager supervisor will:</p> <ul style="list-style-type: none"> Schedule trainings for the contract manager by October 29, 2023. Within five working days after the completion of contract manager training(s), certificates of training will be documented. From September 2023 to February 2024, conduct monthly reviews of the invoices to make sure financial consequences are appropriately applied and documentation of that placed in the contract files within five working days of each review. If no issues are identified during monthly reviews of the September 2023 to February 2024 invoices, the contact manager supervisor will conduct bimonthly reviews of the April and June 2024 invoices and documentation of that placed in the contract files within five working days of each review.

		<ul style="list-style-type: none"> If the Office does not find any issues with the bimonthly reviews, the contract manager supervisor will revert to the Department's normal monitoring policies. <p>Contact: Walter W. Niles</p> <p>Anticipated Completion Date: June 30, 2024</p>
1.3	<p><i>We recommend the Department's Office of Minority Health and Health Equity conduct an in-depth review of all currently active contracts with Foundation Sickle, Incorporated, d/b/a Foundation for Sickle Cell Disease Research, to ensure the deliverables of the contracts are met.</i></p>	<p>We concur.</p> <p>The Office will conduct a thorough review of all currently active contracts with Foundation Sickle, Incorporated, d/b/a Foundation for Sickle Cell Disease Research (Provider), as well as other high-risk contracts, to ensure the contract deliverables meet Department standards.</p> <p>By October 29, 2023, the contract manager supervisor will schedule an in-depth file review of current contracts with the Provider.</p> <p>Contact: Walter W. Niles</p> <p>Anticipated Completion Date: June 30, 2024</p>
2	<p><i>We recommend the Department's Office of Minority Health and Health Equity end the practice of allowing providers the ability to develop contract deliverables and ensure all contract deliverables are developed internally to ensure funds are spent appropriately and provide the maximum return of services.</i></p>	<p>We concur.</p> <p>By June 30, 2024, the contract manager supervisor will hold a meeting with the contract management team to explain that providers are no longer allowed to develop contract deliverables and to outline the standard operating procedure to ensure that all contract deliverables are developed internally to ensure funds are spent appropriately. Staff demonstrated understanding of this standard operating procedure and was implemented in September 2023.</p> <p>Contact: Walter W. Niles</p> <p>Anticipated Completion Date: June 30, 2024</p>
3	<p><i>We recommend the Department's Office of Minority Health and Health Equity ensure all contract performance records are maintained in compliance with requirements in DOHP 250-14-19, Contractual Services.</i></p>	<p>We concur.</p> <p>The Office will put measures in place to ensure that all contract performance records are maintained in compliance with the requirements of the Department. By October 30, 2023, the contract manager supervisor will provide, to the Senior Health Equity Officer, measures for the Office to keep the records in compliance based on DOHP 250-14-19, <i>Contractual Services</i>. By December 30, 2023 and May 30, 2024, the contract manager supervisor will review the measures with the contract management team.</p> <p>Contact: Walter W. Niles</p> <p>Anticipated Completion Date: June 30, 2024</p>
4	<p><i>We recommend the Department's Office of Minority Health and Health Equity ensure all required contract information is posted in FACTS within 30 days of execution or amendment, in accordance with the Transparency Florida Act.</i></p>	<p>We concur.</p> <p>Within 30 days of execution or amendment, in accordance with the <i>Transparency Florida Act</i>, the contract manager supervisor will provide team trainings to ensure that all required contract information is posted in FACTS. All contract managers have been required to report periodic programmatic and fiscal monitoring reports to the Office's contract management team. The contract manager supervisor will be accountable for checking contract files.</p> <p>Contact: Walter W. Niles</p> <p>Anticipated Completion Date: June 30, 2024</p>