

Mission:

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



Ron DeSantis
Governor

Joseph A. Ladapo, MD, PhD
State Surgeon General

Vision: To be the Healthiest State in the Nation

December 22, 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-2223-008, *Bureau of Early Steps and Newborn Screening*. The report provides an independent evaluation of selected contract management efforts and deliverables managed by the Department of Health's (Department, DOH) Bureau of Early Steps and Newborn Screening (Bureau) with its providers from July 1, 2021 through December 31, 2022.

The audit was conducted by Shannon M. Egler, Senior Management Analyst II, and supervised by Ashlea K. Mincy, CIGA, Director of Auditing, and 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/sme
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
Marcy R. Hajdukiewicz, MS, Director, Division of Children's Medical Services
Andrea Gary, Director, Office of CMS Managed Care Plan and Specialty Programs



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. As part of this effort, we reviewed contracts managed by the Department of Health's (Department, DOH) Bureau of Early Steps and Newborn Screening (Bureau), to determine if appropriate contract management requirements have been performed and if the selected deliverables are in compliance with applicable laws and Department policies and procedures.

What we examined:

We evaluated selected contract management efforts and deliverables within the Bureau's 14 contracts with its providers from July 1, 2021 through December 31, 2022.

The contracts included:

<u>Contract #</u>	<u>Provider</u>
COQCJ	Easter Seals Florida, Inc.
COQZA	The University of South Florida Board of Trustees for University of South Florida
COQZB	Children's Home Society of Florida, Inc.
COQZC	Orlando Health, Inc.
COQZD	Broward Health Children's Diagnostic & Treatment Center
COQZE	Health Planning Council of Southwest Florida, Inc.
COQZF	Easterseals of Northeast Central Florida, Inc.
COQZG	University of Florida, Board of Trustees
COQZH	University of Miami
COQZI	University of Florida, Board of Trustees
COQZK	Community Access to Child Health of Brevard, Inc.
COQZL	Easter Seals Florida, Inc.
COQZM	Johns Hopkins All Children's Hospital, Inc.
COQZN	Sacred Heart Health System, Inc.

Summary of results:

We identified the following issues management should address:

- Selected contract goals and deliverables could not be accurately evaluated due to limited information.
- Contract monitoring was inadequate.
- Contract file supervisory reviews were not conducted within specified time frames as required by Department policy.

Additional details follow below. Management's response to the issues noted in this report may be found in **Appendix A**.

BACKGROUND

Pursuant to section 391.301, Florida Statutes, the Early Steps Program is established within the Department to serve infants and toddlers who are at risk of developmental disabilities based on a physical or mental condition and infants and toddlers with developmental delays by providing developmental evaluation and early intervention and by providing families with training and support services in a variety of home and community settings in order to enhance family and caregiver competence, confidence, and capacity to meet their child's developmental needs and desired outcomes.

Furthermore, Florida Statutes requires the Early Steps Program to:

- Integrate information and coordinate services with other programs serving infants and toddlers, including, but not limited to, the Healthy Start program, the newborn screening program, and the Blind Babies Program.
- Provide services to enhance the development of infants and toddlers with disabilities and delays.
- Expand the recognition by health care providers, families, and the public of the significant brain development that occurs during a child's first three years of life.
- Maintain the importance of the family in all areas of the child's development and support the family's participation in early intervention services and decisions affecting the child.
- Operate a comprehensive, coordinated interagency system of early intervention services and supports in accordance with part C of the federal Individuals with Disabilities Education Act.
- Ensure timely evaluation, individual planning, and early intervention services necessary to meet the unique needs of eligible infants and toddlers.
- Build the service capacity and enhance the competencies of health care providers serving infants and toddlers with unique needs and abilities.
- Ensure programmatic and fiscal accountability through establishment of a high-capacity data system, active monitoring of performance indicators, and ongoing quality improvement.

The Early Steps Program contracts with 14 providers throughout Florida to provide early intervention services to children from birth to 36 months with significant delays or a condition likely to result in a developmental delay. Services are provided to the family and child where they live, learn and play, to enable the family to implement developmentally appropriate learning opportunities during everyday activities and routines.¹

¹ Per the Division of Children's Medical Services SharePoint site.

DETAILED RESULTS AND RECOMMENDATIONS

Our audit identified the following opportunities to improve effectiveness and efficiencies in operations:

1. Selected contract goals and deliverables could not be accurately evaluated due to limited information.

- Section 300.11, 34 Code of Federal Regulations, requires the State have policies and procedures to ensure all children with disabilities residing in the State, regardless of the severity of their disability, and who are in need of special education and related services, are identified, located, and evaluated. Additionally, the State is required to ensure that a practical method is developed and implemented to determine which children are currently receiving needed special education and related services.
- Each contract required a minimum number of eligible children receive early intervention or developmental surveillance services as specified in the Early Steps Program Resources each month.
- For the Early Steps Program to verify providers satisfactorily completed this deliverable, the contract required the providers to prepare and submit a Child Count Report generated in the Early Steps Data System to the contract manager (CM) with the monthly invoice. The “Open @ End of Period” field on the Child Count Report is used to report the number of eligible children that received early intervention or developmental surveillance services that month, thus meeting the deliverable.
- However, we determined the “Open @ End of Period” field reflects all children during the reporting period with an open referral date and no exit date. The field represents children who have been referred to the Early Steps Program and have been evaluated or are pending evaluation to determine eligibility. This field does not represent only the number of eligible children that received early intervention or developmental surveillance services during the time period reported, as required for the deliverable.
- Thus, the “Open @ End of Period” field within the Child Count Report is not sufficient to verify the satisfactory completion of the deliverable that a minimum number of eligible children received early intervention or developmental surveillance services, as it reports all children active in the Early Steps Program including those that have not been evaluated and deemed eligible. Subsequently, the CM would not be able to ensure this deliverable was completed.
- While the Bureau indicates they have the ability to accurately determine the number of eligible children that received early intervention or developmental surveillance services, currently the Bureau continues to utilize the Child Count Report.
- The reliance on the Child Count Report increases the likelihood that the number of eligible children receiving early intervention or developmental surveillance services each month is overstated. Additionally, this limits the Bureau’s ability to properly enforce financial consequences regarding the satisfactory completion of contract deliverables.
- The Bureau is currently working towards implementing a new reporting system that is anticipated to go-live in August 2024. According to Bureau management, this new reporting system will correct data inconsistencies, including the issue noted above.

We recommend Bureau management continue with efforts to implement a new reporting system such that providers will have the ability to accurately report the number of eligible children receiving early intervention or developmental surveillance services each month.

2. Contract Monitoring was inadequate.

- DOHP² 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. CMs must conduct adequate monitoring for the Department to react quickly to ensure a provider is spending taxpayer funds appropriately.
- 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.”
- While contract language among the 14 contracts reviewed appropriately included financial consequences for failure to timely and accurately complete deliverables, they were not consistently and adequately assessed. Examples included:
 - Contract COQZH required the provider to prepare and submit a Business Continuation Response Plan (BCRP) to the CM by August 30th of each contract year. The contract stated failure to prepare and submit the BCRP as specified will result in a \$1,000 reduction in that month’s invoice amount.
 - The BCRP was submitted late on September 9, 2021. However, the financial consequence was never applied.
 - The contracts required providers to employ a minimum number of full-time employment (FTE) service coordinators, and to ensure that the caseload ratio is no more than 85 children per one FTE service coordinator. It further states that providers should hire additional service coordinators throughout the contract term as necessary. The contracts stated failure to employ the minimum number of FTE service coordinators as specified will result in a \$1,000 reduction in that month’s invoice amount. The CM did not evaluate the following issues related to the number of FTE service coordinators:
 - Contract COQZK – The October 2021 Service Coordinator Report reflected a coordinator that served 106 children that month, however, the report states the coordinator terminated in July 2021.
 - Contract COQZA – The November 2021 Service Coordinator Report reflected a coordinator that served 43 children that month, however, the report states the coordinator terminated in August 2021.
 - Contract COQZH – The January 2022 Service Coordinator Report reflected a coordinator that served 17 children that month, however, the report states the coordinator terminated in November 2021.
 - The 85 to 1 caseload ratio was inconsistently calculated across all contracts reviewed.
- Failing to ensure the providers complete deliverables and appropriately apply financial consequences not only conflicts with statutory requirements, but also could hinder the Early Steps Program’s ability to provide timely early intervention services to children. Additionally,

² Department of Health Policy

for the Department to react quickly to ensure providers are spending taxpayer funds appropriately, CMs must conduct adequate monitoring.

We recommend the Bureau 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 Bureau ensure its CMs 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.

3. Contract file supervisory reviews were not conducted within specified time frames as required by Department policy.

- DOHP 250-14-19, *Contractual Services*, explains a CM's supervisor is responsible to conduct a review of the contract file every six months.
- Three supervisory contract file reviews were required to have been completed between July 1, 2021 and December 31, 2022. However, for 10 of the 14 contracts reviewed, the Early Steps Program was only able to provide documentation that one or two supervisory reviews had been completed during that time period.

Contract ID	Number of Reviews Conducted
COQZA	1
COQZF	1
COQZK	1
COQZL	1
COQZB	2
COQZC	2
COQZD	2
COQZI	2
COQCJ	2
COQZM	2

- Inadequate supervisory review increases the risk deliverables for contracts will not be provided in accordance with contract terms, thus impeding accountability.

We recommend Bureau management take appropriate steps to ensure contract file supervisory reviews are adequately and timely performed in compliance with DOHP 250-14-19, *Contractual Services*.

SUPPLEMENTAL INFORMATION

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

Shannon Egler, Senior Management Analyst II, conducted the audit under the supervision of Ashlea K. Mincy, CIGA, Director of Auditing and Mark H. Boehmer, CPA, former Director of Auditing.

Our methodology included reviewing applicable Federal and Florida law; DOHP 250-14-19, *Contractual Services*; Bureau of Early Steps and Newborn Screening contracts; applicable documentation; and appropriate CM files. We also interviewed key management, the CM, the CM's supervisor, and various field staff liaisons.

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 Bureau of Early Steps and Newborn Screening and participating staff 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:

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APPENDIX A: MANAGEMENT RESPONSE

	Recommendation	Management Response
1	<p><i>We recommend Bureau management continue with efforts to implement a new reporting system such that providers will have the ability to accurately report the number of eligible children receiving early intervention or developmental surveillance services each month.</i></p>	<p>We concur. Corrective action in progress.</p> <p>The Child Count Report, "Open at the End of Period" data reported by the Local Early Steps providers and required by the contract does not differentiate child data regarding the minimum number of eligible children that received early intervention or developmental surveillance services. This report is the only available report for use by the Local Early Steps contract providers in the current Early Steps Data System to report this information. The current system was developed in 1984 and lacks modern reporting capabilities. Given this situation, the Early Steps Program is actively in the process of developing a modern, web-based Early Steps Data System and is aware of inconsistencies in data entry and reporting as local processes during the audit review timeframe were performed manually. The data issues identified will be corrected in the new Early Steps Data System which will provide more detailed child reporting to delineate referred children from eligible children. Data entry inconsistencies will be resolved through the use of mandatory electronic child forms with required fields in the new system. Also, the current contracts are set to expire June 30, 2024. In the next procurement of these services, the language in the task will be clarified to ensure compliance with reporting available until the new Data System is in use, anticipated to go-live in August 2024.</p> <p><i>Contact:</i> Dane Nelson, FCCM, FCCN, MS <i>Anticipated Completion Date:</i> July 1, 2024</p>
2.1	<p><i>We recommend the Bureau 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. Management action completed.</p> <p>During the timeframe of the OIG audit, the Local Early Steps providers used manual processes to report child data and the number of children assigned to each service coordinator. At times, this reporting was inconsistent. Because of inconsistencies, the CMs did not apply financial consequences for these situations and identified the need to update this requirement in the contract. Effective July 1, 2023, the requirement was amended and removed from of the contract. The Early Steps Program is also developing a new data system which, in the future, will allow for electronic, consistent reporting of caseload per service coordinator.</p> <p>In addition to the amendment, all CMs have received training on this topic and will receive on-going guidance through the Division's Contract Management Unit, along with continued supervisor oversight to reduce the occurrence of inadvertent mistakes during the invoice approval process.</p>
2.2	<p><i>We recommend the Bureau ensure its CMs 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. Management action completed.</p> <p>Each of the Early Steps CMs are trained and hold a Florida Certified Contract Manager certificate. Financial consequences are applied for the Local Early Steps contracts non-compliance issues during the invoice approval process. However, in the specific situation with contract COQZH in fiscal year 2021-2022, the Business Continuation Response Plan was submitted late by the</p>

		<p>provider and the invoice was not updated to reflect the financial consequence that should have been imposed. According to emails saved in the contract file, the CM believed the report was submitted timely with other documents received from the provider on August 18, 2021, but the provider failed to submit that specific deliverable timely. This was an oversight on the part of the CM and a unique occurrence.</p> <p>CMs have received training on this topic and will receive on-going guidance through the Division's Contract Management Unit, along with continued supervisor oversight to reduce the occurrence of inadvertent mistakes during the invoice approval process.</p>
<p>3</p>	<p><i>We recommend Bureau management take appropriate steps to ensure contract file supervisory reviews are adequately and timely performed in compliance with DOHP 250-14-19, Contractual Services.</i></p>	<p>We concur. Corrective action in progress.</p> <p>During the OIG audit timeframe looking at supervisory reviews of contract files, it was determined that for 10 of the 14 contracts, only one or two supervisory reviews were conducted when three supervisory reviews were required to have been completed. This finding was due to staffing vacancies, staffing changes which required training, and limited resources during this timeframe. Since that time, the Early Steps Program Contract Unit has expanded to a supervisory CM position plus three Career Service CMs which increased the total number of CMs for the Early Steps contracts to four positions. The current staffing model ensures sufficient resources are available to conduct these reviews per policy.</p> <p><i>Contact: Dane Nelson, FCCM, FCCN, MS</i></p> <p><i>Anticipated Completion Date: December 31, 2023</i></p>