

Mission:

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



Ron DeSantis
Governor

Scott A. Rivkees, MD
State Surgeon General

Vision: To be the Healthiest State in the Nation

June 29, 2021

Scott A. Rivkees, MD
State Surgeon General
4052 Bald Cypress Way
Tallahassee, Florida 32399

Dear Dr. Rivkees:

Enclosed is our internal audit report # A-2021-002B, *Selected Primary Care Office Contracts, Including a Contract with Nova Southeastern University, Inc.* The report provides an independent evaluation of contract CORHA's deliverables and contract manager compliance with applicable laws and Department policies and procedures.

The audit was conducted by Kyle Erickson, MBA, CIGA, Senior Management Analyst II, and supervised by Mark H. Boehmer, CPA, 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. The Provider was offered an opportunity to respond as well. The Provider's response can be found in Appendix B of the report.

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

Sincerely,

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

MJB/kfe
Enclosure

cc: Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor
Lisa Norman, CPA, Office of the Auditor General
Shamari Roberson, DrPH, MPH, Deputy Secretary for Health
Mark H. Boehmer, CPA, Director of Auditing



FLORIDA DEPARTMENT OF HEALTH
OFFICE OF INSPECTOR GENERAL

SELECTED PRIMARY CARE OFFICE CONTRACTS,
INCLUDING A CONTRACT WITH
NOVA SOUTHEASTERN UNIVERSITY, INC.

Report # A-2021-002B • June 29, 2021

Purpose of this project:

Our Fiscal Year 2020-21 *Audit Plan* has focused on different areas of contracting, including contract management, provider monitoring, and examining in detail the documentation of selected contracts. We identified contracts in the Department of Health's (Department, DOH) Primary Care Office (PCO) to review and determine appropriate contract management has been performed and deliverables agree with the contract.

Specific to this project, we selected the Department's contract with Nova Southeastern University, Inc. (Nova, Provider) to determine whether:

- Deliverables and overall goals of the contract were completed.
- The Department's Contract Manager (CM), as well as Nova were in compliance with applicable laws, rules, and Department policies and procedures.

What we examined:

We examined Contract CORHA with Nova that was executed December 2, 2019 and ended June 30, 2020.¹ Testing included 100% of contract deliverables and 100% of claimed veteran patient encounters for eligibility for the first day of operations of the Veterans Access Clinic. Additionally, we tested 5% of claimed veteran patient encounters for eligibility for the remainder of the contract term and 5% of claimed veteran patient referrals for eligibility.

Summary of results:

We identified the following issues management should address:

- The Provider did not fully complete some deliverables required by the contract.
- The Provider overstated the reported number of Veterans Access Clinic² (VAC) patient encounters.
- The Provider included an unallowable expense within its second quarter billing to the Department.

Additional details follow below. Management's response to the issues noted in this report may be found in **Appendix A**. The Provider was given the opportunity to respond with a written comment to be included in the report, pursuant to Florida law.³ The Provider's response, as well as the Office of Inspector General's (OIG) rebuttal, may be found in **Appendix B**.

¹ We also examined the PCO's contract COREL with Florida Association of Free and Charitable Clinics, Inc., published under Report # A-2021-002A.

² The Provider's clinic for patient services, including family medicine, internal medicine, and pediatric primary care.

³ Section 20.055(6)(e), Florida Statutes

BACKGROUND

The mission of the Department's PCO, within the Division of Public Health Statistics and Performance Management, Bureau of Community Health Assessment, is to work collaboratively with federal, state and local resources to improve access to primary care for the medically underserved. The PCO continuously assesses the statewide primary care, dental and mental health needs of the medically underserved, coordinates shortage designations and provides technical assistance and collaboration to improve access to care. The PCO provides United States Department of Health and Human Services, Health Resources & Services Administration (HRSA) technical assistance to community-based providers of comprehensive primary care services in areas that lack an adequate number of health care providers or have populations facing barriers to care.

The PCO applies for funding from HRSA to continue the coordination of local, state and federal resources contributing to improving access to primary care services and health professional workforce availability for underserved populations. The project is intended to address the needs of the nearly 10 million Floridians who live in areas with insufficient access to primary care.

The PCO manages the \$5 million special appropriation contract with the Provider to support a newly created VAC which serves veterans and their families without health insurance.

The grant and General Revenue funding that supports the programs and functions of the PCO are vital to maintaining physicians and ancillary care clinicians in practice, assuring health care facilities maintain proper designation status, and supporting functions that operate to form a seamless system of health planning and delivery of care to medically underserved Floridians.

DETAILED RESULTS AND RECOMMENDATIONS

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

1. The Provider did not fully complete some deliverables required by the contract.

- The following contract deliverable tasks were not completed:
 1. Prospective patients were not identified or documented in the Quarterly Progress Report as required.
 - The contract required prospective patients to be identified through collaboration with the Veterans Administration (VA) and community partners each quarter and the Provider to document in each Quarterly Progress Report the number of prospective patients identified along with the names and dates collaboration occurred with the VA and community partners.
 - All of the above deliverable tasks were completed and documented except the identification of prospective patients.
 - Although the Provider was not required to provide the list of prospective patient names as part of the deliverable, the Provider should have maintained the list for possible review by the CM. The contract's deliverable task should have included the requirement to document prospective patients for the purpose of accountability.

- The Provider explained the sign-in sheets supporting the identification of prospective patients were shredded due to the presence of personal health information.
2. Campaign materials and educational materials were not distributed for the April through June 2020 period of the contract.
- The contract required a minimum of 50 copies of the approved campaign materials and 50 copies of the approved educational materials be distributed each quarter to the VA and community partners in the service area.⁴ The Provider was also to document in the corresponding Quarterly Progress Report the number of campaign and educational materials distributed to the VA and community partners, the dates of distribution, and where the materials were distributed.
 - The Provider explained the campus was closed down at the onset of the COVID-19 pandemic and as a result, campaign and educational materials were not distributed. The Provider explained, “There was no method by which [Nova] was able to meet this deliverable without potentially violating various executive orders or other local ordinances and risk exposing additional individuals to COVID-19 infection, thereby furthering the spread and deepening the public health crisis...” As an alternative, the Provider published newspaper articles and social media posts to promote the VAC to the public.
 - The Provider should have requested the Department to grant a waiver for the deliverable or temporary approval of alternatives.
 - The contract provides that failure to provide this deliverable should have resulted in the CM assessing a 10% reduction of the third quarter’s invoiced amount (\$1,250,000) or \$125,000.
3. The Provider could not furnish veteran determination support documentation for 3 of 31 (about 10%) patients sampled for the term of the contract.⁵ Additionally, the Provider could not support the eligibility of 88 of 228 (about 39%) claimed veteran encounters we sampled.
- The contract required the Provider to determine the eligibility of patients prior to providing any health care services by reviewing a copy of the Veteran's DD-214⁶ and a photo ID, or by reviewing supporting documentation such as a copy of a marriage license, birth certificate, or tax return for the Veteran's immediate family. The Provider was also required to document the number of patients determined to be eligible in the corresponding Quarterly Progress Report.
 - The Provider explained the patients were either not a veteran or dependent, the encounter was created in error, the encounter was for supplies and not a physical encounter, the service was outside the scope of the grant, or the encounter did not have a procedure code attached within the Provider’s record system.
 - The Provider’s reported number of eligible patients was not accurate, therefore the Provider’s determination of patient eligibility was not completed as specified in the contract.
 - The contract provides that failure to provide this deliverable should have resulted in the CM assessing a 15% reduction of the first quarter's invoiced amount (\$1,250,000) or \$187,500.

⁴ Palm Beach, Broward, Miami-Dade, and Monroe counties

⁵ The VAC began operations on January 6, 2020.

⁶ DD-214 - *Certificate of Release or Discharge from Active Duty*

4. The Provider could not support the exact number of clinical supervision encounter hours as required.
 - The contract required the provision of clinical supervision of residents⁷ and medical students observing and performing services from January 1, 2020 to June 30, 2020. The Provider was also required to document the number of student health care training hours on the Student Clinical Training Hours form.
 - Names of students and residents performing the services were provided along with the number of encounters. The Provider explained that due to limitations from both its AxiUm (dental) and NextGen (medical) systems, the length of time residents or students spent assisting patients was not recorded on patient encounters or anywhere else in the patient's overall health record. In an effort to provide the number of hours, the Provider used an average clinical visit to extrapolate the amount of student training hours across the total amount of encounters.
 - The contract provides that failure to provide clinical supervision to residents and students as specified should have resulted in a 10% reduction of that quarter's invoiced amount (\$1,250,000) or \$125,000. However, this does not apply because although the Provider did provide support for the clinical supervision encounters, the contract did not provide financial consequences associated with not documenting the amount of clinical supervision hours.

- Contract managers must be diligent and should perform continual monitoring of contractor performance to react quickly if the provider is failing, so that taxpayer funds are not wasted.
- To summarize the financial consequences that could have been applied to the Provider by the CM for failure to timely complete the above deliverables, see below.⁸

No. 2 above	\$125,000
No. 3 above	187,500
	\$312,500

We recommend the Primary Care Office improve its monitoring methodology to ensure providers accomplish the deliverable tasks specified in the contract, and that documentation used to support billings submitted for payment is accurate.

2. The Provider overstated the reported number of VAC patient encounters.

- The contract required the Provider to complete of a minimum of 3,000 patient encounters to eligible patients from January 1 through March 31, 2020 and a minimum of 4,110 patient encounters to eligible patients from April 1 through June 30, 2020, for a total of 7,110 patient encounters. The Provider was required to document the number of patient encounters, the type and gender of the patient, and the type of health care service(s) provided in the patient encounter form (also known as the Client Encounters Form).
- The Provider initially reported to the CM that 1,698 total VAC patient encounters occurred during the term of the contract. Upon our audit inquiry, the Provider reported they could not support 269 of the previously claimed veteran encounters we included in the sample for

⁷ A physician who has finished medical school and is receiving training in a specialized area, such as surgery, internal medicine, pathology, or radiology.

⁸ Per the Department's Office of General Counsel, financial consequences cannot be recouped once the contract has expired.

examination. As a result, the Provider decreased the total VAC patient encounter count to 1,429.

- The Provider reported the reasons for the removal of encounters from the total encounter count was because either the patient was not a veteran or dependent, the encounter was created in error, the encounter was for supplies and not a physical encounter, the service was outside the scope of the grant, or the encounter did not have a procedure code attached within its record system.
- The Provider applied a 4.45% rate to allocate funds from the contract to the organization's facilities and administrative expenses. The 4.45% allocation rate was calculated by dividing the total number of VAC patient encounters (1,698) by the total number of the organization's clinical operations encounters (38,165). As a result of decreasing the total VAC patient encounters count, the allocation percentage rate was also decreased by 0.70%. The impact of the 0.70% allocation rate decrease for facilities and administrative expenses is \$85,872, which is owed to the Department.

We recommend the Primary Care Office seek reimbursement from Nova Southeastern University in the amount of \$85,872, equal to the financial impact of decreasing the allocation rate applied to facilities and administrative expenses by 0.70%.

3. The Provider included an unallowable expense within its second quarter billing to the Department.

- As a result of audit inquiry, we found the Provider included an unallowable food catering charge in the amount of \$3,589.78 in its second quarter billing (January 1 through March 30, 2020) to the Department without permission from the CM or Department management. The Department reimbursed the Provider for the unallowable expense.
- The Department of Financial Services' *Reference Guide for State Expenditures* states, "Food purchases for a conference or convention or in connection with the rental of a meeting room for agency workshops or meetings are prohibited unless expressly provided by law."
- The Provider explained to us that it realized the food expense was unallowable after the VAC kickoff event and agreed to return the funds to the Department.

We recommend the Primary Care Office seek reimbursement from Nova Southeastern University in the amount of \$3,589.78 for the unallowable food catering expense billed to the Department during the January 1, 2020 through March 30, 2020 period of the contract.

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.

Kyle F. Erickson, MBA, CIGA, Senior Management Analyst II, conducted the audit under the supervision of Mark H. Boehmer, CPA, Director of Auditing.

Our methodology included reviewing Florida law; DOHP 250-14-19, *Contractual Services*; applicable documentation; and contract manager files. We interviewed key management, the Contract Manager, 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 Bureau of Community Health Assessment for the information and documentation they provided, and for their cooperation throughout the project. We also thank Nova for its staff's time and cooperation for the project.

Copies of 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:

inspectorgeneral@flhealth.gov

Phone:

850-245-4141

APPENDIX A: MANAGEMENT RESPONSE

	Recommendation	Management Response
1	We recommend the Primary Care Office improve its monitoring methodology to ensure providers accomplish the deliverable tasks specified in the contract, and that documentation used to support billings submitted for payment is accurate.	<p>We concur.</p> <p>The Department's Office of Contracts has tools and resources developed specifically for department contract managers to be able to monitor a provider's performance and adherence to deliverables outlined in their contract. There also tools to help contract mangers document, track, and assure accuracy of payments in accordance with DOHP 250-14-19, Contractual Services. The division's contract managers and supervisors will utilize the Department's monitoring tools and resources to assure each contract is monitored appropriately. Monitoring activities will be documented in each contract and on the monitoring tracking tool developed by the Department's Office of Contracts.</p> <p><i>Contact:</i> Debbie Reich</p> <p><i>Anticipated Completion Date:</i> July 30, 2021</p>
2	We recommend the Primary Care Office seek reimbursement from Nova Southeastern University in the amount of \$85,872, equal to the financial impact of decreasing the allocation rate applied to facilities and administrative expenses by 0.70%.	<p>We concur.</p> <p>The Division will comply with Department processes to request and receive the reimbursement of \$85,872 from the Provider.</p> <p><i>Contact:</i> Debbie Reich</p> <p><i>Anticipated Completion Date:</i> July 30, 2021</p>
3	We recommend the Primary Care Office seek reimbursement from Nova Southeastern University in the amount of \$3,589.78 for the unallowable food catering expense billed to the Department during the January 1, 2020 through March 30, 2020 period of the contract.	<p>We concur.</p> <p>The Division will comply with Department processes to request and receive the reimbursement of \$3,589.78 from the provider.</p> <p><i>Contact:</i> Debbie Reich</p> <p><i>Anticipated Completion Date:</i> July 30, 2021</p>

APPENDIX B: PROVIDER'S RESPONSE



NSU HEALTH CLINICS
3200 S. University Drive
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Phone: (954) 262-4935
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June 18, 2021

To: Mr. Mark Boehmer, CPA, Director of Auditing
From: Leonard J. Pounds, VP NSU Health
Re: Response to the Preliminary & Tentative Report #A-2021-002B

Dear Mr. Boehmer,

Please find enclosed Nova Southeastern University's response to the Florida Department of Health, Office of Inspector General's Preliminary & Tentative Report #A-2021-002B. Should you have any questions, please do not hesitate to contact me.

Thank you for your time and attention to this matter.

Sincerely,

Leonard J. Pounds, MS
Vice President of NSU Health

Nova Southeastern University's Response to Florida Department of Health,
Office of Inspector General's Report #A-2021-002B

Nova Southeastern University ("NSU") submits this response to the Florida Department of Health, Office of Inspector General's ("OIG") Report # A-2021-002B, *Selected Primary Care Office Contracts, Including A Contract With Nova Southeastern University, Inc.* ("Report"). NSU appreciates the OIG's thorough and diligent work and the professionalism exhibited by OIG staff.

Before addressing the OIG's *Detailed Results and Recommendations* outlined in the Report, NSU would like to briefly outline the significant impact of COVID-19 on NSU's operation of the Veterans Access Clinic ("VAC") established pursuant to the special appropriation from the State.

Impact of COVID-19 on NSU's Operation of the Veterans Access Clinic

In 2019, NSU received a \$5 million special appropriation from the Florida Legislature and Governor for NSU's development of a Veterans Access Clinic. The goal of the VAC was to provide healthcare services to uninsured veterans and their dependents at no cost to them. The VAC leveraged expertise developed across NSU's healthcare delivery platform where doctors, nurses, dentists, and other providers annually provide tens of thousands of healthcare services.

Throughout the fall of 2019, NSU and the State of Florida, Department of Health ("DOH") negotiated the contract governing NSU's establishment and operation of the VAC (the "Contract CORHA"). The Contract CORHA was fully executed as of December 2, 2019, with an opening date for the VAC of January 6, 2020.

December of 2019 was the same time the first COVID-19 cases were identified in China.¹ On January 21, 2020 – just 15 days after the VAC opened – the United States reported its first confirmed cases of COVID-19.² Less than six weeks later, on March 1, 2020, Florida reported its first confirmed cases of COVID-19.

By March 9th, a public health emergency was declared for the State of Florida.³ On March 20, 2020, Broward County was subject to significant business closures and restricted movement of individuals.⁴ That same day, all non-medically necessary medical procedures were suspended for the entire state.⁵ On March 24, 2020, individuals over 65 and with serious underlying medical conditions were urged to stay home and social gatherings of over 10 people were discouraged.⁶

These executive orders were among many other state and local orders that swiftly and drastically altered the way of life and course of business for all of Broward County, including NSU and its employees. In particular, in mid-March of 2020, NSU's Division of Clinical Operations was focused on ensuring proper levels of PPE for its healthcare workers, implementing temperature

¹ Listing of WHO's response to COVID-19, COVID-19, <https://www.who.int/news/item/29-06-2020-covid-timeline>

² *Id.*

³ Executive Order No. 20-52, State of Florida, Office of the Governor, March 9, 2021.

⁴ Executive Order No. 20-70, State of Florida, Office of the Governor, March 20, 2021.

⁵ Executive Order No. 20-72, State of Florida, Office of the Governor, March 20, 2021.

⁶ Executive Order No. 20-83, State of Florida, Office of the Governor, March 24, 2021.

screening solutions, and implementing a state-of-the-art fully integrated telehealth solution to continue to service our patients, all while transitioning most of its workforce to home. Thus, while NSU acknowledges that certain contract deliverables were not fully completed, some of those deliverables were either rendered impossible by COVID-19, as detailed below, or made significantly more difficult to carry out given NSU's priorities in dealing with the public health crises and its stressed resources.

NSU's Response To The OIG's Detailed Results And Recommendations

Turning to the Report, the OIG's Detailed Results and Recommendations contains three overall "issues and/or opportunities to improve effectiveness and efficiencies in operations." Pursuant to this Response, NSU seeks to clarify and respond to issues one and three.

1. Clarification of the Report's Findings Regarding Deliverables Met by NSU.

Under the Report's *Detailed Results and Recommendations* section, the first issue is titled *The Provider did not fully complete some deliverables required by the contract*. Under this issue, the Report identifies four contractual deliverables that NSU purportedly did not meet. NSU disagrees with the first and second finding, and seeks to clarify the Report's finding with respect to the third finding.

a. NSU Met the Deliverable Requirements for Identification of Prospective Patients

The first deliverable that the Report states NSU did not complete relates to the following contractual deliverable:

NSU will perform the following:

Identify prospective patients through collaboration with the VA and community partners each quarter. Document the number of prospective patients identified, the name of the community partners collaborated with, and the dates the VA and community partners were worked with in each Quarterly Progress Report.

Based on this deliverable, the Report states that NSU should have maintained a list of prospective patient names that NSU gathered "for possible review by the [Contract Manager] CM". Instead, as the Report explains, NSU shredded lists of prospective patient names pursuant to its policies and procedures due to the presence of personal health information. This raises two important points.

First, the Report acknowledges that NSU properly identified prospective patients as required by the contract. Second, and more importantly, the Report correctly states that NSU "*was not required to provide the list of prospective patient names* as part of the deliverable." Rather, the deliverable only required that NSU report to DOH the *number* of prospective patients identified, which the Report states NSU fulfilled. In fact, the Report goes on to state that "[t]he contract's deliverable task *should have included* the requirement to document prospective patients for the purpose of accountability."

Thus, while the Report gives the impression that NSU did not meet this deliverable, it is clear from the Report and Contract CORHA that NSU fully completed this deliverable. Accordingly, NSU disagrees with the Report's conclusion that this deliverable task was not completed.

b. NSU Distributed Campaign Materials Per the Contract Until COVID-19 Rendered Distribution Impossible.

The second point raised under the first issue relates to the deliverable requirement that NSU distribute copies of campaign and educational materials each quarter to prospective patients, and document and report, on a quarterly basis, the number, date, and location of materials distributed. The Report states that NSU did not meet this deliverable for the quarter of April to June of 2020. Given that performance of this deliverable was rendered impossible by COVID-19, NSU believes performance of this deliverable should be considered fully discharged.

NSU appreciates that the Report incorporates NSU's initial feedback to the OIG on this issue. As the Report correctly notes, there was no method by which NSU was able to meet this deliverable and simultaneously comply with the various state and local COVID-19 orders in place. By April through June of 2020, state and local COVID-19 orders had southeast Florida, and Broward County, in a near complete lockdown with the exception of carrying out essential services and functions. It was not only impossible for NSU to meet this deliverable in April through June, but even attempting to would have resulted in NSU likely violating various state or local orders and subjecting NSU employees and the public to additional COVID-19 exposure.

Being unable to distribute campaign and educational materials due to COVID-19, NSU nonetheless made other efforts to advise the public of the VAC's offerings in ways that were safe and compliant with COVID-19 orders. This included taking out a half-page advertisement in the Sun Sentinel newspaper, which reaches hundreds of thousands, if not millions, of people in the tri-county area through its daily circulation and online platform.

In Florida, when it becomes impossible for one party to carry out contractual provisions due to circumstances that cannot be reasonably foreseen, that party is discharged from performing such obligations. When the Contract CORHA was negotiated and executed in late 2019, NSU and DOH could not have reasonably foreseen COVID-19's presence in the United States or its wide-ranging and devastating impact. While the Report suggests that NSU should have sought a waiver of this deliverable requirement, NSU believes that performance of the deliverable was made impossible due to COVID-19 and should have been deemed discharged regardless of whether NSU obtained a waiver.

c. NSU Properly Determined Eligibility for the Overwhelming Majority of Patients.

NSU also seeks to provide clarification as it relates to the third point raised under the first issue. The Report states that NSU "could not furnish veteran determination support documentation for 3 of the 31 (about 10%) patients sampled for the term of the contract. Additionally, [NSU] could not support the eligibility of 88 of 228 (about 39%) claimed veteran encounters we sampled." The Report goes on to state that NSU "explained the patients were either not a veteran or veteran dependent, the encounter was created in error, the encounter was for supplies and not a physical

encounter, the service was outside the scope of the grant, or the encounter did not have a procedure code attached within the Provider's record system." Accordingly, the Report concludes that NSU's "reported number of eligible patients was not accurate, therefore [NSU's] determination of patient eligibility was not completed as specified in the contract."

NSU respectfully believes that the Report confuses two distinct issues. NSU does not dispute the OIG's finding regarding the lack of eligibility documentation support documentation for 3 of 31 patients sampled. However, for the 88 patient encounters that NSU reported as not strictly meeting the contract's definition of a patient encounter, *the patients all were eligible VAC patients*. For example, in instances where the service provided was outside the scope of the grant, the patient was an eligible VAC patient that received other services through the VAC, while also receiving services not covered by the grant. In limited instances, the non-covered service was also reported to DOH along with the eligible services.

Similarly, in some instances NSU providers or administrative staff engaged patients telephonically in a patient screening or to discuss medication refills, lab results, or other issues. When recorded in NSU's electronic health records system, however, no procedure code was recorded in connection with these interactions. While these interactions occurred with eligible VAC patients, because they did not appear to meet the strict definition of a patient encounter under the Contract CORHA, and out of an abundance of caution, NSU reported these encounters as not constituting valid encounters under the contract.

In each of these instances, services were being provided to eligible veterans, their spouses, or dependents, and NSU therefore believes it important to clarify the Report's conclusion that NSU did not properly determine or report patient eligibility with respect to these 88 encounters.

2. NSU's Food Expense Was Incurred as a Result of a Required Event in the Contract And Not Clearly Prohibited Under DFS's Reference Guide for State Expenditures.

The Report's third section includes a finding that NSU was reimbursed for "an unallowable food catering charge in the amount of \$3,590.89 in its second quarter billing." The Report claims this is an unallowable expense due to a provision in the Department of Financial Services' *Reference Guide for State Expenditures* which states: "[f]ood purchases for a conference or convention or in connection with the rental of a meeting room for agency workshops or meetings are prohibited unless expressly provided by law." NSU respectfully disagrees with this conclusion for two reasons.

First, under a plain reading of the DFS *Reference Guide for State Expenditures*, food purchases are prohibited for conferences, conventions, and agency workshops or meetings. NSU's food purchase was in connection with a marketing kick-off campaign event held to promote awareness and use of the VAC. The kick-off event was not a conference, convention, or agency meeting or workshop, and the prohibition contained in the plain language of the *Reference Guide* does not appear to apply as a result.

Second, the marketing kick-off event was a specific deliverable requirement under the contract between NSU and DOH. Under the contract's *Scope of Work* section, it states that NSU will,

among other deliverables, “[h]ost a marketing kick-off campaign including press announcements, booths at veterans’ functions, and ribbon cuttings for the VAC from contract execution to December 31, 2019.”⁷ Because the Contract CORHA provided that NSU would be compensated for performing certain deliverables – one of which being to hold kick-off campaign events – NSU believes it is incongruous that the costs in performing those deliverables would be denied.

Accordingly, NSU does not believe that reimbursement of the food purchase expense should be considered unallowable or that reimbursement of the food expense should be required.

Conclusion

NSU appreciates the opportunity to respond to the OIG’s Report #A-2021-002B. NSU is honored to have the opportunity – through receipt of the state appropriation and development of the VAC – to provide much needed healthcare services to the south Florida veteran community. NSU has continued to operate the VAC and provide services to veterans and their spouses even after the Contract CORHA funding period expired, and is proud of the work it has done on this project.

⁷ Contract CORHA, p. 10, §B.1.a.3). NSU was required to “[d]ocument the date and description of each marketing-kick off campaign even tin the Quarterly Progress Report.”

APPENDIX B: REBUTTAL TO PROVIDER'S RESPONSE

While conducting fieldwork and prior to issuing the preliminary and tentative audit findings (P&T) to the Department's management and the Provider, the OIG apprised the Provider of all issues that were identified in this report. During that process, the Provider confirmed and agreed in writing that all issues as relates to the Provider were accurate.

The Provider's response largely relates to Findings Number 1 and 2. The recommendation is made to the Department's Primary Care Office to improve monitoring. The Department's management has concurred with the finding (Please see **Appendix A**). During fieldwork, the Provider responded in writing that "Upon review, we found that some encounters previously reported by NSU did not technically meet the COHRA contract's definition of an encounter." If a patient was not a veteran or dependent, or the patient encounters were, in fact, not real patient encounters, then the claimed patients for the encounters were not eligible for reimbursement through the contract.

The Provider's response also addresses Finding Number 3, which identified unallowable meal expenditures charged to the Department and paid in the amount of \$3,589.78. The contract was funded with State Financial Assistance. According to Florida law⁹, certain requirements must be documented to be allowable. Florida law¹⁰ allows for the purchase of food as an incentive to encourage healthy lifestyle and disease prevention behaviors. However, during contract negotiations, incentives were stricken from the budget narrative. Therefore, the contract did not identify and allow for the purchase of food. The Department's management has concurred with the finding (Please see **Appendix A**).

⁹ Section 215.971, Florida Statutes

¹⁰ Section 20.43(7)(a), Florida Statutes