



RICK SCOTT
GOVERNOR

Better Health Care for all Floridians

ELIZABETH DUDEK
SECRETARY

June 7, 2011

Elizabeth Dudek, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Secretary Dudek,

Please find enclosed our six-month status report on the Auditor General's *Information Technology Operational Audit of the Agency for Health Care Administration, Florida Medicaid Management Information System (FMMIS) and Decision Support System (DSS)* Report Number 2011-057 issued December 2010. This status report is issued in accordance with the statutory requirement to report on corrective actions resulting from the Auditor General's recommendations six months from the report date.

If you have any questions regarding our response, please contact Mary Beth Sheffield at 412-3978.

Sincerely,

James D. Boyd
Inspector General

JB/szg
Enclosure

cc: Kathy DuBose, Legislative Auditing Committee
Roberta Bradford, Deputy Secretary for Medicaid
Michelle Dahnke, Communications Director



**Agency for Health Care Administration
AG 09-10 IT Operational Audit of AHCA, FMMIS & DSS (Report#2011-057)
Six-Month Status Report as of June 7, 2011**

Finding# 1	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Access Control Documentation. The Agency and HP lacked appropriate access control documentation to demonstrate the business justification for access privileges granted within FMMIS, DSS, and the related system software. Similar issues were noted in our report No. 2010-025.</p>	<p>The Agency, together with HP, should improve its procedures for user account management by maintaining adequate documentation of the authorizations and business justifications for the assignment of user access privileges.</p>	<p>The Agency acknowledges the finding. As a result of these findings the Security Request form is being revised with more user friendly Position to Roles documentation for the servers and database access. These changes will mirror the documentation that has since been put into place and that is currently in use for the FMMIS applications process. HP will complete the documentation enhancement with approval of Medicaid Contract Management by November 30, 2010.</p>	<p>Security form, matrix and associated procedures have been redesigned to provide appropriate access controls across all areas of operation to include technical roles.</p>	<p>Action completed on 11/30/10. Client approval letter received on 1/28/11.</p> <p>David Powers (850) 412- 3406 and</p> <p>Alan Strowd (850) 412- 3450</p>

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Finding# 2	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Appropriateness of Access Privileges. The access privileges of some employees and contractors were not appropriate for their job responsibilities. Similar issues were noted in our report No. 2010-025.</p>	<p>The Agency and HP should review, and adjust as appropriate, the access privileges described in 'Finding Number 2' to limit access privileges to only what is needed to perform job responsibilities.</p>	<p>The Agency acknowledges the finding. HP will audit the entire Florida account for database, server, change control management and FMMIS/DSS application access for appropriateness of roles. All security request forms will be updated to reflect the appropriate access for all users. The audit and updated forms will be completed by December 31, 2010.</p>	<p>New security forms were submitted for all personnel and contract staff working on the account. In addition, audit schedules are ongoing for access control reviews, as well as servers and databases.</p>	<p>Completed 12/30/10 David Powers (850) 412- 3406 and Alan Strowd (850) 412- 3450</p>

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Finding# 3	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Timely Disabling of Access Privileges. Some former contractor access privileges were not timely disabled. Similar issues were noted in our report No. 2010-025.</p>	<p>The Agency should work with HP to ensure that the access privileges of former contractors are timely disabled to minimize the risk that data and IT resources could be misused by the former contractors or others.</p>	<p>The Agency acknowledges the finding. NACO's (Network Application Control Online System) controls all areas of access. There is an existing SLA (Service Level Agreement) requirement to ensure that all ID's are terminated within four hours. To ensure they meet this SLA requirement, HP is updating procedures to provide clear direction on actions to be taken whenever contractors transfer to another HP account or another role within the Florida account. The updated procedures document will be completed and approved by Medicaid Contract Management (MCM) by November 30, 2010. All contractor access privileges were reviewed and updated in August 2010.</p>	<p>The security form and associated procedures define guidelines for terminations and transferred employees within the organization, as well as within departments.</p>	<p>Completed 11/30/10 David Powers (850) 412- 3406 and Alan Strowd (850) 412- 3450</p>

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Finding# 4	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Access Control Records Retention. Contrary to the requirements of the Department of State General Records Schedule for retention of access control records, the Agency did not retain some FMMIS and DSS access control records for the server operating systems.</p>	<p>The Agency should ensure that access control records are retained as required by the General Records Schedule.</p>	<p>The Agency acknowledges the finding. The loss of records was due to individuals inadvertently deleting accounts instead of inactivating accounts. HP will clarify procedures and provide training to all individuals that participant in the activation/deactivation of accounts function. This will be completed by November 30, 2010.</p>	<p>All security personnel have been instructed to deactivate accounts rather than deleting accounts in order to comply with record retention periods. This is documented within the security form and associated procedures.</p>	<p>Completed 11/30/10 David Powers (850) 412- 3406 and Alan Strowd (850) 412- 3450</p>

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Finding# 5	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Periodic Review of Access Privileges. Except for HP quarterly reviews of application access privileges, neither the Agency nor HP performed periodic reviews of the appropriateness of access privileges. A similar issue was noted in our report No. 2010-025.</p>	<p>The Agency should ensure that periodic reviews are conducted of the ongoing appropriateness of access privileges for the FMMIS and DSS applications, server operating systems, databases, and program change management software to facilitate the timely detection and correction of excessive or unnecessary capabilities.</p>	<p>The Agency acknowledges the finding. The Agency has a copy of the fiscal agent's schedule for the review of access privileges regarding the FMMIS and DSS applications, server operating systems, databases, and program change management software. The Agency will review and conduct periodic, unannounced audits to ensure the fiscal agent is performing reviews and taking appropriate action.</p>	<p>HP has developed schedules for ongoing periodic access reviews for FMMIS servers and databases.</p>	<p>Completed 11/30/10 David Powers (850) 412- 3406 and Alan Strowd (850) 412- 3450</p>

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Finding# 6	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>User Identification. As also noted in our report No. 2010-025, generic user identifications (IDs) for database administration were being shared by contractor staff.</p>	<p>The Agency should require HP to assign unique user IDs to all individual users authorized to perform database administration functions for FMMIS and DSS.</p>	<p>HP has changed the operational use associated to the IDs and has conducted training to educate the users. These IDs have been included in the ongoing audit procedures to ensure the usage is appropriate, the Agency understands there are currently 17 individuals that have access to these IDs. These individuals make up a core HP team of “floaters,” who are assigned to various state accounts on temporary bases to assist with additional or “expert” coding and testing. The Agency has approved this current process. While contractor individuals may not be specifically identifiable by log-in information, AHCA will discuss with the contractor alternative tracking and review processes to identify the specific users.</p>	<p>The MCM Systems staff worked with HP to consider alternative measures for the tracking of the “floaters” that align more closely to the Auditor General recommendation. We have not identified any other alternatives and considering that these are leveraged staff, believe the current protocols meet the necessary standards ensure secure database functions.</p>	<p>Completed 4/1/2011 David Powers (850) 412- 3406 and Alan Strowd (850) 412- 3450</p>

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Finding# 7	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Other Security Controls. Certain security controls were deficient in the areas of user authentication, session controls, and logging of system activity. Similar issues were noted in connection with our report No. 2010-025.</p>	<p>The Agency should implement appropriate security controls in the areas of user authentication, session controls, and logging of system activity to ensure the continued confidentiality, integrity, and availability of Agency data and IT resources.</p>	<p>The Agency implemented several of the suggested recommendations of the audit inquiry that was concluded October 2009. These changes were implemented in Mid April 2010. Medicaid Contract Management has prepared a separate response for internal records.</p>	<p>No further action is necessary. As noted in our 12/2010 response, this action was already addressed.</p>	<p>Completed 4/15/2010 David Powers (850) 412- 3406 and Alan Strowd (850) 412- 3450</p>

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Finding# 8	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Program Change Controls. Program and data change controls for FMMIS and DSS needed improvement. Similar issues were noted in our report No. 2010-025.</p>	<p>The Agency, with the assistance of HP as applicable, should accurately document and enforce effective program change controls that provide for appropriate authorization, timely testing, and approval of changes. Additionally, to ensure that only authorized and properly functioning changes are made to FMMIS and DSS and implemented in a consistent manner pursuant to management's expectations, the Agency should log and review program changes that are moved into the production environment.</p>	<p>The Agency will review the Change Control Procedures updating any areas that are not reflective of current change control policy or may not be adequate to ensure proper control authorization and accuracy. The fiscal agent will create a new weekly report of all implemented coding changes. This new report will be compared to the comparable week's promotion to ensure that only those changes approved by the State were promoted (exception for cycle monitor changes) and to ensure that all intended changes were promoted. Medicaid Contract Management will be copied on the results of the review. The change control procedure's review and new audit reporting will be completed by January 31, 2011.</p>	<p>The report format automation has been reviewed and approved. However, installation has been delayed with a new completion date indicated.</p>	<p>Anticipated Completion 6/30/2011</p> <p>David Powers (850) 412- 3406 and</p> <p>Alan Strowd (850) 412- 3450</p>

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Finding# 9	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Prioritizing Customer Service Requests. In some instances, customer service requests (CSRs) to correct recipient eligibility processing errors were not analyzed in a timely manner to determine the impact of the processing errors and to ensure that CSRs were effectively prioritized.</p>	<p>The Agency should ensure that CSRs are adequately researched and prioritized to ensure that recipient eligibility processing errors are resolved in a timely manner.</p>	<p>The Agency is committed to ensuring that Medicaid benefits are paid only on behalf of eligible recipients. The Agency will ensure that future recipient eligibility processing errors are adequately researched (including any impact to dollars or claim counts or caseload), effectively prioritized in a CSR and timely resolved.</p>	<p>The Agency has emphasized the need for quantifying the impact regarding processing errors, when submitting a CSR. Not all CSR(s) provide the ability to quantify such an impact; when the capability to assess an impact of an error exists, the extent of the error is quantified and addressed in the CSR to facilitate prioritizing.</p>	<p>Completed 1/3/2011</p> <p>David Powers (850) 412- 3406 and</p> <p>Alan Strowd (850) 412- 3450</p>

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Finding# 10	Recommendation	Management Response as of December 14, 2010	Status as of June 7, 2011	Anticipated Completion Date and Agency Contact
<p>Claims Resolution Quality Reviews. Contrary to the HP Resolutions Procedures Manual, HP was not performing quality control reviews to ensure that claims subject to manual resolution procedures were processed accurately and correctly.</p>	<p>The Agency should ensure that HP reinstates its claims resolution quality control reviews to provide assurance that claims subject to manual resolution are processed accurately and correctly by the Resolutions Department.</p>	<p>The Agency acknowledges the finding. On October 27, 2010, Medicaid Contract Management instructed HP through MCM letter 64492-10 to reinstate this procedure immediately as well as requiring HP to supply the report and back-up documentation as part of the SLA report card. This report is to be supplied to Contract Management on the first of every month for the prior month's QC activity.</p>	<p>The procedure has been reinstated as documented within the Claims Resolution manual.</p> <p>HP began submitting monthly verification that this task was being completed on 12/1/10.</p>	<p>Completed 12/1/10</p> <p>David Powers (850) 412- 3406 and</p> <p>Alan Strowd (850) 412- 3450</p>