



State of Florida  
Department of Children and Families

Rick Scott  
Governor

Mike Carroll  
Secretary

**DATE:** February 2, 2018

**TO:** Mike Carroll  
Secretary

**FROM:** Keith R. Parks  
Inspector General

**SUBJECT:** Six-Month Status Report for Auditor General Report No. 2017-205

In accordance with Section 20.055(6)(h), Florida Statutes, enclosed is our six-month status report on Auditor General Report No. 2017-205, *Department of Children and Families, Oversight and Administration of State Mental Health Treatment Facilities, Operational Audit*.

The Office of Substance Abuse and Mental Health (SAMH), State Mental Health Treatment Facilities provided the update, which indicates that recommendations to Findings 4, 5, 6, 7, 9, 10, 11, 12, and 13 have been fully implemented. Recommendations to Findings 2, 3, and 8 have been partially implemented, with anticipated completion by June 30, 2018. SAMH accepts the risk of its corrective actions for Finding 1.

If I may be of further assistance, please let me know.

Enclosure

cc: Eric Miller, Chief Inspector General, Executive Office of the Governor  
Kathy DuBose, Staff Director, Joint Legislative Auditing Committee  
Heather Stearns, Chief of Staff  
John Bryant, Assistant Secretary for Substance Abuse and Mental Health  
Robert Quam, Chief Hospital Administrator

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Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

**OIG – Internal Audit**  
**Corrective Action Status Report**  
**Oversight and Administration of**  
**State Mental Health Treatment Facilities**  
**Auditor General Report No. 2017-205, Issued June 1, 2017**  
**As of January 8, 2018**

<b>Findings</b>	<b>Recommendation</b>	<b>Auditee Response</b>	<b>Corrective Action Status</b>
<p>Finding 1</p> <p>The Department did not ensure that all Facilities were licensed by the Agency for Health Care Administration in accordance with State law.</p>	<p>Recommendation 1. a.:</p> <p>We recommend that Facility management continue efforts to protect the health and safety of residents and staff and take appropriate actions to comply with the applicable standards of safety and quality established by State and Federal regulations.</p> <p>Recommendation 1. b.:</p> <p>We also recommend that Department management, in consultation with the Legislature, evaluate the licensure needs for the NFETC, TCFTC, and FSH.</p>	<p>The buildings that house two forensic-only facilities (NFETC and TCFTC), as well as the 435 beds at FSH referenced in the AG findings, were not designed or required to be used as hospitals per Chapter 394 regarding forensic psychiatric treatment. All clinical services are delivered to residents who are in AHCA-licensed beds as required by law. All three state-operated facilities are accredited by the Commission on Accreditation of Rehabilitation Facilities and TCFTC is accredited by the Joint Commission. DCF has sought legislative funding to address the facilities' physical plant deficiencies and will continue to look for improvements that can be made with current resources and facilities. For example, construction costs to build a facility for AHCA licensure at NFETC are estimated at approximately \$45 million. The construction costs to renovate FSH's non-licensed buildings is approximately \$21 million and the new construction cost is approximately \$35 million.</p>	<p><b>RISK ACCEPTED</b></p> <p>DCF submitted a Legislative Budget Request for \$1 million dollars for the planning and design of a new 500 bed forensic treatment center.</p>

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<p>Finding 2</p> <p>The Department's oversight of Department-managed Facilities needs enhancement to ensure that the standard of care for all clients is met and the Facilities comply with State law, Department rules, and Department procedures.</p>	<p>Recommendation 2.a.:</p> <p>To ensure the establishment of adequate and consistent procedures, we recommend that Department management review and approve all Department-managed Facility procedures.</p> <p>Recommendation 2.b.:</p> <p>We also recommend that Department management establish procedures for conducting periodic monitoring of Department-managed Facilities to ensure that the Facilities operate in accordance with State law, Department rules, and Department procedures.</p>	<p>In 2016, DCF began implementation of the one hospital approach to improve and standardize operations, services, core processes, and performance measurement systems across the three state-operated facilities. As part of the one hospital approach, a new reporting structure for facility operations was established with the appointment of a Chief Hospital Administrator. Under the leadership of the Chief Hospital Administrator, all hospitals are moving towards a clinical organizational model and unified policies and procedures, quality reviews, financial management, employee classifications, job descriptions, and pay equity.</p> <p>The Chief Hospital Administrator is also hiring a Chief Medical Executive Director to oversee all psychiatric, medical, pharmacy, and dietary functions of the facilities. Quality reviews have been scheduled at each state-operated facility to establish periodic monitoring of facilities' compliance with statutes and DCF policies and priorities.</p>	<p><b>PARTIALLY IMPLEMENTED</b></p> <p>DCF and facility-specific policies are currently being reviewed for unification where possible. The workgroup is scheduled to complete review and revision by 6/30/18.</p> <p>Pay equity for specific classifications is under review pending adequate funding. Review is scheduled to be completed by 1/19/18, and recommendations will be assessed for implementation.</p> <p>Standardization for employee job descriptions is complete.</p> <p>Quality Reviews have been held at FSH and NFEHC. The review for NEFSH is scheduled for May 14-17, 2018 (rescheduled due to Hurricane Irma).</p>

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<p>Finding 3</p> <p>The Department's monitoring of contractor-managed Facilities and the SVPP Facility was not always adequate to ensure that all key contract requirements were subject to monitoring or that adequate supervisory review of monitoring efforts was documented.</p>	<p>Recommendation 3.a.:</p> <p>We recommend that Department management enhance procedures for monitoring contractor-managed Facilities and the SVPP Facility to ensure that the monitoring scope includes all key contract requirements.</p> <p>Recommendation 3.b.:</p> <p>Additionally, Department management should ensure that adequate supervisory review of Facility monitoring efforts is documented in Department records.</p>	<p>DCF will enhance its monitoring of contracted facilities to ensure that all key contract requirements are reviewed on a regular basis. Specifically, the Chief Medical Executive Director hired by the Chief Hospital Administrator will participate in onsite monitoring of contracted facilities.</p> <p>Additional details were included in the action plan submitted with DCF's response.</p>	<p><b>PARTIALLY IMPLEMENTED</b></p> <p>DCF's newly hired Chief Medical Executive Director (MED) starts in February 2018. The Chief MED will participate in reviews of the three contracted facilities, including contract compliance related to medical, dietary, and clinical pharmacy issues.</p> <p>On-site monitoring for the privately operated facilities is currently being completed by the contract manager and contract oversight unit, as well as the nurse consultant at DCF headquarters. DCF's Office of Substance Abuse and Mental Health contract monitoring processes have been revised to include documentation of supervisory reviews in the contract file. Contract files now include documentation of approval by the contract manager supervisor and appropriate program leadership for monitoring plans, tools, and reports.</p> <p>The SVPP facility is contractually required to provide health related services in accordance with the National Commission on Correctional Health Care, Standards for Health Services in Prisons, and the same standards applicable to state correctional facilities. During this fiscal year, DCF will contract with consulting agencies or individuals experienced in monitoring prison</p>

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<p><b>Finding 4</b></p> <p>The Department did not always ensure that square footage information for Department-managed Facilities was accurately reported in the Florida State-Owned Lands and Records Information System.</p>	<p>Recommendation 4:</p> <p>We recommend that Department management establish policies and procedures for maintaining facility data in FL-SOLARIS and ensure that facility information reported in FL-SOLARIS is supported by Department records.</p>	<p>DCF will work with the facilities to establish policies and procedures for maintaining facility data in the Florida State-Owned Lands and Records Information System.</p> <p>Additional details were included in the action plan submitted with DCF's response.</p>	<p>healthcare standards to participate in SVPP facility monitoring.</p> <p><b>FULLY IMPLEMENTED</b></p>
<p><b>Finding 5</b></p> <p>Department-managed Facilities staff did not always prepare required incident reports or report to the Department critical events involving clients and staff in accordance with Department procedures.</p>	<p>Recommendation 5.a:</p> <p>We recommend that Department and Facility management enhance controls to ensure that incident forms are properly completed for all incidents in accordance with Department and Facility procedures.</p> <p>Recommendation 5.b.:</p> <p>Additionally, we recommend that Facility management ensure that the appropriate Department personnel are timely notified of critical events in accordance with Department procedures.</p>	<p>The one hospital approach's streamlined administrative structure is addressing incident reporting issues; specifically, the consistent application of policies and practice regarding incident reports. Procedures for incident reporting have been enhanced and now also include a weekly call with department leadership regarding any level two assaults. The Facility Incident Tracking System (FITS) was brought online in all public and private facilities in 2016 to provide electronic notification when critical incidents occur at any facility. Further, an agency-wide review of various incident reporting mechanisms and procedures is underway.</p>	<p><b>FULLY IMPLEMENTED</b></p>

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<p><b>Finding 6</b></p> <p>Department-managed Facility procedures did not specify the factors to be considered in determining minimum staffing coverage or how frequently minimum staffing levels should be evaluated and updated. Additionally, Department-managed Facilities did not always meet minimum staffing requirements.</p>	<p>Recommendation 6.a.:  We recommend that Department management revise Department staffing procedures to provide Facility management with guidelines to consider when developing minimum staffing coverage and to identify the circumstances that would necessitate a review of minimum staffing levels.</p> <p>Recommendation 6.b.:  We also recommend that Facility management enhance procedures to specify the factors to be considered in determining minimum staffing, require periodic evaluation of staffing requirements, and take steps to ensure compliance with established staffing minimums.</p>	<p>In 2015, DCF hired a consultant to analyze the staffing needs of state-operated MHTFs. The consultant concluded that there are no national standards for minimum staffing of psychiatric facilities. However, DCF is in the process of updating the facility staffing policy to allow for consideration of additional factors when determining minimum facility staffing requirements</p>	<p><b>FULLY IMPLEMENTED</b></p> <p>DCF has updated and implemented the facility staffing policy.</p>
<p><b>Finding 7</b></p> <p>Department-managed Facilities did not always ensure that pharmaceuticals were properly secured or that pharmacy duties were appropriately separated.</p>	<p>Recommendation 7:  We recommend that Facility management ensure that pharmaceuticals are properly secured and that ordering, receiving, and stocking duties for pharmaceuticals are appropriately separated.</p>	<p>The issue identified in this finding has been resolved. Additionally, pharmaceutical practice will continue to be monitored as part of ongoing quality assurance activities, including adding a pharmacist to the quality review team.</p> <p>Additional details were included in the action plan submitted with DCF's response.</p>	<p><b>FULLY IMPLEMENTED</b></p>

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<p>Finding 8</p> <p>Department-managed Facility controls for accurately and appropriately accounting for pharmaceuticals need enhancement.</p>	<p>Recommendation 8.a.:</p> <p>We recommend that Facility management take steps to maintain pharmaceutical records using a perpetual inventory system that establishes appropriate reorder points, accurately accounts for pharmaceuticals, and can be used to identify and investigate discrepancies noted during physical inventory counts.</p> <p>Recommendation 8.b.:</p> <p>We also recommend that FSH management ensure that physical inventory counts are periodically performed in accordance with established procedures, differences between physical inventory counts and inventory records are appropriately investigated prior to adjusting inventory records, and all adjustments to inventory records are properly documented and approved.</p>	<p>The Finance Director, who reports to the Chief Hospital Administrator, is in the process of establishing purchasing controls to ensure compliance with state law and will also oversee pharmaceutical operations. This additional pharmacy oversight will improve accountability. DCF recently purchased automated medication carts to aid in the accuracy and accountability of resident medication administration at the three state-operated facilities.</p>	<p><b>PARTIALLY IMPLEMENTED</b></p> <p>FSH implemented Health Care System's (HCS) ePharmacy and EMAR system in May 2017, as well as Touchpoint Medical's Access Center, an automated dispensing system, in September 2017. FSH evaluated HCS' module for maintaining a perpetual inventory system, but determined it unsuitable. FSH is working with Touchpoint Medical to provide Cardinal Health the dispensing data needed to implement Cardinal's inventory management system. Daily manual counts of all atypical antipsychotics are continuing to occur at NEFSH until such time as Cardinal Health installs the inventory management system.</p> <p>RGIS, a third party, will conduct a complete physical inventory count biannually.</p> <p>FSH will continue to work with HCS on the development of the pharmacy reports (Pharmacy &amp; Therapeutic data and the financial, medication usage reports). Completion is anticipated in January 2018.</p>

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<p>Finding 9</p> <p>Department-managed Facilities did not always properly account for or safeguard seized contraband.</p>	<p>Recommendation 9:</p> <p>We recommend that Facility management enhance procedures to ensure the proper accountability for and safeguarding of all seized contraband items. Such procedures should require Facility staff to maintain records describing the contraband, evidencing the date the contraband was seized and the date and manner of disposition, and identifying the witnesses to the disposal.</p>	<p>DCF is revising the contraband policy and will ensure that state-operated facilities comply with its requirements.</p>	<p><b>FULLY IMPLEMENTED</b></p> <p>The DCF policy was updated and implemented on December 15, 2017.</p>
<p>Finding 10</p> <p>Department-managed Facilities did not always ensure that expenditures were authorized by State law, adequately supported, properly calculated, or subject to appropriate approval.</p>	<p>Recommendation 10.a.:</p> <p>We recommend that Facility management ensure that expenditure transactions are authorized by State law, adequately documented, and properly calculated.</p> <p>Recommendation 10.b.:</p> <p>We also recommend that Facility management ensure that purchasing duties are appropriately separated.</p>	<p>DCF has addressed all of the issues identified in this finding and will ensure future compliance of financial management.</p> <p>Additional details were included in the action plan submitted with DCF's response.</p>	<p><b>FULLY IMPLEMENTED</b></p>



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<p>Finding 11</p> <p>Department-managed Facility controls did not always ensure that expenditures were appropriately coded or accounted for.</p>	<p>Recommendation 11.a.:</p> <p>We recommend that Facility management enhance procedures to ensure that expenditure transactions are accurately recorded in FLAIR.</p> <p>Recommendation 11.b.:</p> <p>We also recommend that FSH management enhance controls to ensure that expenditure transactions are appropriately recorded in FLAIR, paid from the appropriate funding sources, and, as applicable, recorded in Department property records.</p>	<p>DCF has addressed all of the issues identified in this finding and will ensure future compliance of financial management.</p> <p>Additional details were included in the action plan submitted with DCF's response.</p>	<p>FULLY IMPLEMENTED</p>
<p>Finding 12</p> <p>Department-managed Facilities did not always allocate costs in a manner that accurately identified the costs to provide civil and forensic services.</p>	<p>Recommendation 12.a.:</p> <p>We recommend that FSH management ensure that expenditure amounts are appropriately allocated between civil and forensic services and the basis for allocations is documented in FSH records.</p> <p>Recommendation 12.b.:</p> <p>We also recommend that NEFSH and NFETC management develop a methodology to appropriately allocate the costs associated with administrative support provided by NEFSH to NFETC.</p>	<p>DCF developed cost allocation plans to address these issues and is also working with a consultant to ensure costs are captured accurately for reporting purposes.</p> <p>Additional details were included in the action plan submitted with the DCF's response.</p>	<p>FULLY IMPLEMENTED</p>

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<p>Finding 13</p> <p>Florida State Hospital and North East Florida State Hospital controls for appropriately accounting for tracking and detection canines need enhancement.</p>	<p>Recommendation 13.a.:</p> <p>We recommend that FSH and NEFSH management establish procedures to account for the receipt, management, use, and retirement of tracking and detection canines.</p> <p>Recommendation 13.b.:</p> <p>We also recommend that FSH and NEFSH management enhance tangible personal property controls to ensure that Department property records include all tracking and detection canines in accordance with DFS rules, all canine retirements are appropriately authorized and documented, and Department resources are not used to train canines that will not serve an authorized public purpose.</p>	<p>Procedures to more appropriately manage the administrative function of the tracking and detection canines are under development. DCF is also researching best practices to guide to practice improvements.</p>	<p><b>FULLY IMPLEMENTED</b></p> <p>The two canines used at NEFSH were both purchased with State funds and are recorded as State property. FSH eliminated the canine program and will use the support of Gadsden County and the Department of Corrections when necessary.</p>