



RON DESANTIS
GOVERNOR

JASON WEIDA
SECRETARY

JLAC received 9.24.24

September 24, 2024

Jason Weida, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Secretary Weida,

Enclosed is a six-month status report on the Auditor General's *State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards*, Report No. 2024-174, issued March 2024. 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 about this status report, please contact Karen Preacher, Audit Director, at 412-3968.

Sincerely,

Brian P. Langston
Inspector General

BPL/sgb

Enclosure: Six-Month Status Report on AG Report No. 2024-174

cc: Joint Legislative Auditing Committee
Melinda Miguel, Chief Inspector General, EOG
Austin Noll, Deputy Secretary, Medicaid Policy, Quality, and Operations
Matt Cooper, Acting Deputy Secretary, Health Care Finance and Data
Karen Preacher, Audit Director



**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-045	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not always report or timely and accurately report subaward information required by the Federal Funding Accountability and Transparency Act (FFATA) in the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).</p>	<p>We recommend that the FAHCA enhance FFATA reporting controls to ensure that all required subaward information is timely and accurately reported in the FSRS for all subawards.</p>	<p>The FAHCA concurs with the recommendation. The Grants Management Section within the Bureau of Financial Services will update its FFATA procedures to follow the federal regulations of reporting by the end of the month after the month in which a subaward is received.</p>	<p>Fully Corrected</p>	<p>The Grants Management Section within the Bureau of Financial Services has updated the FFATA procedures and is working with the Bureau of Medicaid Policy to ensure reports are submitted timely.</p> <p>Agency Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-046	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>Certain security controls related to user authentication for the Florida Medicaid Management Information System (FMMIS) need improvement to ensure the confidentiality, integrity, and availability of FMMIS data and related information technology (IT) resources.</p>	<p>We recommend that FAHCA management improve certain security controls related to FMMIS user authentication to ensure the confidentiality, integrity, and availability of FMMIS data and related IT resources.</p>	<p>The FAHCA concurs that appropriate user authentication controls for FMMIS are necessary to decrease the risk that unauthorized individuals may gain access to the system and compromise the confidentiality, integrity, and availability of FMMIS data and related IT resources.</p>	<p>Not Corrected</p>	<p>FMMIS (MEUPS) does not support MFA (Multi Factor Authentication). The recommended functionality is not supported by the current FMMIS provisioning system. However, in order to access the FMMIS, State users must access the State's network, which does contain the certain security controls. The recommended security controls are requirements of the Agency's new Florida Health Care Connection (FX) System. Integration has begun (mid 2024) and will be completed by December 31, 2025.</p> <p>Agency Contact: Chandra Robinson Medicaid Audit Coordinator</p>

Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024

Finding# 2023-048	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>FAHCA State match calculations were not always accurate or reviewed by management.</p>	<p>We recommend that FAHCA management enhance policies and procedures to ensure that all matching contribution calculations and amounts are subject to supervisory review.</p>	<p>The FAHCA concurs with the recommendation. The Grants Management Section within the Bureau of Financial Services has begun updating its procedures to ensure that the calculations capture the correct FMAP rates for each quarter and that there is supervisory review in the process.</p>	<p>Fully Corrected</p>	<p>The Grants Management Section within the Bureau of Financial Services has updated the matching procedures to ensure that the calculations capture the correct FMAP rate and there is supervisory review in the process.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-049	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not ensure that State mental health hospital cost report audits were timely reviewed in accordance with the approved Medicaid State Plan and Federal regulations.</p>	<p>We recommend that FAHCA management ensure that desk audits of cost report audits are timely conducted in accordance with the approved Medicaid State Plan and Federal regulations.</p>	<p>The FAHCA acknowledges the importance of completing the cost report audits within a 12-month period after receipt from FAHCA's designated contractor. FAHCA management will ensure that desk audits are completed timely.</p>	<p>Fully Corrected</p>	<p>The corrective action was taken to ensure that the Agency shall desk audit all cost reports within 12 months after the receipt by the CPA firm (Agency's vendor). Once State Mental Health Hospital audits are received from FAHCA's designated contractor, FAHCA will complete the audit process within 12 months. FAHCA management will ensure that the audits are completed timely.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-050	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not always conduct health and life safety surveys in accordance with Federal regulations and established procedures.</p>	<p>We recommend that FAHCA management timely complete health and life safety surveys in accordance with Federal regulations and established procedures.</p>	<p>Since the initiation of the public health emergency (PHE) in 2020, the State Agency (SA) workload has grown for a number of reasons. Foremost, on March 4, 2020 the Centers for Medicare and Medicaid Services (CMS) suspended routine survey activity not related to immediate jeopardy (IJ) complaints and infection control relating to IJ complaints. On August 17, 2020, CMS authorized the return to additional survey activities, as states are ready for re-opening activities; this was not a hard return to survey activity date, dependent on the public health situation in any given state and region within a state. This minimum five and a half month mandated pause on most survey workload caused the SA to be delayed in completing routine surveys. CMS did not stop the clock while surveys were on hold, rather the timeframes kept running, as though we were able to survey, which we were not. This delay would cause a facility that was already at 11 months (ICF or SNF) at the point of the suspension of survey activities to be late as soon as we were able to resume a normal workload. Understandably, this caused a “snowball effect” causing delays in all survey activity which still impacts the Agency today. There is no way to compensate for this time taken from us with no accommodations.</p>	<p>Partially Corrected</p>	<p>Comments made in the previous response remain correct in that they continue to impact scheduling. Since April of 2024 there has been an even greater focus on collaboration between field offices on conducting surveys, including life safety. This has resulted in an increase timely health and life safety surveys, including nursing homes, home health and hospital life safety.</p>

Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024

Finding# 2023-050	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
		<p>In addition, through federal fiscal year (FFY) 2022-2023, CMS mandated a new type of survey, not accounted for in the federal workload. This was a focused infection control (FIC) survey. During the FFY for this review period, there were 188 of these mandatory FIC surveys, taking away resources from routine survey work with mandatory timeframes. CMS continuously stated in meetings with state leadership from across the country that the FIC surveys and high priority complaints were to take precedence over routine survey work, understanding state survey agencies were all struggling with increased workload and the unintended consequences of a federal mandate to halt workload.</p> <p>As a result of the pausing of survey activity, newly hired staff could not receive coaching in the field as part of their orientation. This caused another delay in training staff to be able to survey, further exacerbating the negative impact on the poorly thought-out federal plan to continue the clock on surveys while mandating they all cease most survey activity. Training for surveyors can take upwards of a year when surveys are being conducted without a pause. This would add at least another six months to any orientation period for staff, given there was no option for field experience for routine survey activity, which is a critical element of training new staff so</p>		

Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024

Finding# 2023-050	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
		<p>they may become fully functioning team members.</p> <p>In addition, a loss of productivity occurred with office closures related to storm activity (Hurricane Ian) and additional holidays resulted in a loss of 12 working days during FFY2022, a reduction of 4.6% of available days for staff to survey. As part of our federal work requirements, as outlined in the CMS Mission & Priority Document state agencies are obligated to prioritize emergency management activities. For Hurricane Ian, our staff conducted 837 post incident assessment surveys in impacted areas, significantly impacting our ability to conduct routine survey activity. In anticipation of hurricane season, our staff also conducted 727 nursing home generator monitoring visits in nursing homes between May – end of September 2022, in order to ensure safety of nursing home residents during the time of a storm. These emergency management activities greatly impact routine workload yet ensure the safety of Florida’s most vulnerable citizens.</p> <p>We have been working with our field offices to address late survey workload, including those areas mentioned in the report. In our November 2023 meeting we worked on ideas to address some nursing home surveys with the longest timeframes since recertification. Multiple teams from throughout the state</p>		

Florida Agency for Health Care Administration
 Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
 Six-Month Status Report as of September 24, 2024

Finding# 2023-050	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
		<p>were sent to our Clearwater office to address this concern.</p> <p>Regarding not sending survey letters timely, staff will be reminded to use our report "Current Surveys That Do Not Have an SOD (Statement of Deficiencies) Sent Date" in Tableau to monitor. With that said, delays in sending reports generally occur because supervisory staff require additional information from surveyors upon reading of the draft report. This is a necessary delay to ensure a fair and thorough report is provided. Although we will continue to strive to meet the ten business day target, ensuring a quality report will remain a priority over timely sending a report that does not meet quality standards.</p>		

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-051	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not always refund to the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), the Federal share of Medicaid overpayments made to providers in accordance with Federal regulations.</p>	<p>We recommend that FAHCA management enhance controls to ensure that all identified overpayments are timely reported to CMS on Form CMS-64 in accordance with Federal regulations.</p>	<p>The FAHCA concurs with the recommendation. Medicaid Accounts Receivable (MAR) #36035 was not reported within 60 days of the final order. However, the adjustments were made pursuant to the final order and the overpayment was reported on the CMS-64 Report for Quarter Ending 12/31/2023.</p> <p>A spreadsheet reflecting the MAR CMS-64 Report for Quarter Ending 12/31/2023 has been provided as supporting documentation. The lines which correspond to MAR #36035 have been highlighted in yellow on the related tabs.</p> <p>Moving forward, the MAR Unit Supervisor will perform periodic checks to ensure that final orders have been entered into the MAR Module within the SunFocus System.</p>	<p>Fully Corrected</p>	<p>The MAR Unit Supervisor is performing periodical checks to ensure that final orders have been entered into the MAR Module within the SunFocus System.</p> <p>Upon receipt of the final orders, the Revenue Manager sends a notification to the Accountant IV and MAR Unit Supervisor. The MAR Unit Supervisor allows the accountant IV time to process the final orders and later conducts random checks to ensure all final orders have been processed.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-052	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not check all required Federal databases to confirm the identity of providers upon enrollment and reenrollment nor screen, enroll, or periodically revalidate all network providers of Managed Care Organizations (MCOs), Prepaid Inpatient Health Plans (PIHPs), and Prepaid Ambulatory Health Plans (PAHPs) in accordance with Federal regulations.</p>	<p>We recommend that the FAHCA configure FMMIS to check the SSA DMF and NPPES upon provider enrollment and reenrollment and continue efforts to enroll, screen, and revalidate all network providers in accordance with Federal regulations.</p>	<p>The FAHCA concurs that the FMMIS must be configured to check the SSA DMF and NPPES upon provider enrollment and reenrollment and continue efforts to enroll, screen, and revalidate all network providers in accordance with Federal regulations.</p>	<p>Not Corrected</p>	<p>FMMIS has not been configured to perform the required SSA Death Master File (DMF) and NPPES checks. NPPES Checks: Currently, the FMMIS systematically interrogates the NPPES database when providers are initially enrolled. The fiscal agent provider enrollment staff manually check the NPPES data during provider renewal and record the result in the providers' files when providers renew their Medicaid enrollment. The Agency has verified that systematic NPPES check functionality for new enrollment and renewals is included in the FX Provider Services Module set to go live in October 2025. DMF Checks: Currently, FMMIS is not performing checks against the SSA DMF during provider enrollment or re-enrollment. The Agency has verified that this functionality is included in the FX Provider Services Module set to go live in October 2025.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-054	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not always ensure that an independent audit of the accuracy, truthfulness, and completeness of encounter data for each health plan was conducted at least once every 3 years nor post the results of financial audits to its Web site.</p>	<p>We recommend that FAHCA management follow established policies and procedures to ensure that an EDV study of each health plan's encounter data is conducted at least once every 3 years and post the results of financial audits on its Web site.</p>	<p>The FAHCA is in concurrence. FAHCA developed policies and procedures to ensure that the accuracy, truthfulness, and completeness of encounter data is validated at least once every three years for each plan, during the next three-year cycle (SFY 22/23, SFY23/24, SFY 24/25).</p> <p>For the SFY 22-23 encounter validation (EDV) study, the External Quality Review Organization (EQRO) evaluated the FAHCA long-term care (LTC) encounter data for truthfulness, completeness and accuracy by conducting a comparative analysis and LTC record and plan of care document review.</p> <p>The FAHCA posted the results of the 2022 financial audits to its Website on September 14, 2023.</p>	<p>Fully Corrected</p>	<p>The FAHCA is in concurrence. FAHCA developed policies and procedures to ensure that the accuracy, truthfulness, and completeness of encounter data is validated at least once every three years for each plan, during the next three-year cycle (SFY 22/23, SFY23/24, SFY 24/25).</p> <p>For the SFY 22-23 encounter data validation (EDV) study, the External Quality Review Organization (EQRO) evaluated the FAHCA long-term care (LTC) encounter data for truthfulness, completeness, and accuracy by conducting a comparative analysis and LTC record and plan of care document review.</p> <p>For the SFY 23-24 encounter data validation (EDV) study, the External Quality Review Organization (EQRO) evaluated the FAHCA's managed medical assistance (MMA) encounter data for truthfulness, completeness, and accuracy by conducting a comparative analysis and medical record review.</p> <p>The FAHCA posted the results of the 2022 financial audits to its Website on September 14, 2023.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-055	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not obtain from health plans a report that included all MLR information required by Federal regulations.</p>	<p>We recommend that the FAHCA update the ASR Financial Report template to ensure that the ASR Financial Report obtained from each MCO, PIHP, and PAHP includes a comparison of the reported MLR information to the audited financial report in accordance with Federal regulations.</p>	<p>FAHCA has worked with CMS and other states to become compliant with 42 CFR 438.8(k) and created the compliant template and it will be implemented June 1, 2024.</p>	<p>Fully Corrected</p>	<p>FAHCA has added a comparison of MLR information with the annual audited financial report required under 42 CFR section 438.3(m) on the MLR Exhibit tab on the ASR template. MLR comparison was added on April 10, 2024, and plans were notified by email on April 17, 2024.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# 2023-056	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>The FAHCA did not ensure that all external quality review activities were performed in accordance with Federal requirements.</p>	<p>We recommend that the FAHCA continue efforts to complete the 3-year comprehensive compliance review by the end of the established review period to ensure compliance with Federal regulations.</p>	<p>Using a standardized tool developed by our contracted EQRO, the FAHCA completed a full compliance review of all health plans on June 27, 2023. A combination of desk reviews, interviews, and virtual site visits were used. Plan specific results will be provided to the EQRO for inclusion in the upcoming Annual Technical Report. In addition, the FAHCA will continue routine monitoring to ensure any deficiencies are corrected with each plan. The FAHCA agrees to continue efforts to ensure compliance.</p>	<p>Fully Corrected</p>	<p>Using a standardized tool developed by our contracted EQRO, the FAHCA completed a full compliance review of all health plans. A combination of desk reviews, interviews, and virtual site visits were used. Plan-specific results were provided to the EQRO for inclusion in the SFY 22/23 and SFY 23/24 Annual Technical Reports. In addition, the FAHCA will continue routine monitoring to ensure any deficiencies are corrected with each plan. The FAHCA agrees to continue efforts to ensure compliance and completion of the three-year compliance review by the end of the review period. The three-year compliance review period began in January 2022 and ends in December 2024.</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>

**Florida Agency for Health Care Administration
Auditor General FY 2022-23 Federal Awards Audit (Report# 2024-174)
Six-Month Status Report as of September 24, 2024**

Finding# AM 2023-03	Recommendation	Previous Management Response(s)	Status of Finding as of September 24, 2024	Management Response as of September 24, 2024 and Agency Contact
<p>FAHCA procedures for preparing the Schedule of Expenditures of Federal Awards (SEFA) data form were not sufficient to ensure the accuracy of reported amounts. As a result, prior to audit adjustment, amounts reported on the State's SEFA were incorrect.</p>	<p>We recommend that the FAHCA enhance procedures to ensure that amounts are accurately reported on the State's SEFA.</p>	<p>The FAHCA concurs with the recommendation. The Grants Management Section within the Bureau of Financial Services will update the procedures to ensure accurate and complete reporting. The revisions will also include a second-level review of data input into the SEFA form before submission.</p>	<p>Not Corrected</p>	<p>The Grants Management Section within the Bureau of Financial Services has not updated the procedures at this time.</p> <p>Estimated Corrective Action Date: November 15, 2024 (There is currently one staff person in the Grants Management Section.)</p> <p>Contact: Chandra Robinson Medicaid Audit Coordinator</p>