



RON DESANTIS
GOVERNOR

SHEVAUN L. HARRIS
SECRETARY

September 26, 2025

Shevaun L. Harris, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, FL 32308

Dear Secretary Harris:

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. 2025-162, issued March 2025. 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.

Sincerely,

Brian P. Langston
Inspector General

BPL/sgb

Enclosure: Six-Month Status Report on AG Report No. 2025-162

cc: Joint Legislative Auditing Committee
Melinda Miguel, Chief Inspector General, EOG
Brian Meyer, Deputy Secretary, Division of Medicaid
Kim Smoak, Deputy Secretary, Division of Health Quality Assurance
Jon Manalo, Deputy Secretary, Division of Operations



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Six-Month Status Report as of September 26, 2025

Finding# 2024-049	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
The FAHCA did not always report or 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).	We recommend that FAHCA management enhance FFATA reporting policies and procedures to ensure that all required subaward information is accurately and timely reported in the FSRS for all subawards and subaward amendments.	The FAHCA concurs with the recommendation. The Grants Management Section within the Bureau of Financial Services will update its FFATA procedures to include a secondary check of subaward information to ensure the information is accurately and timely reported.	Partially Corrected	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. Meetings are being held as needed with the Bureau of Medicaid Policy, to ensure that everyone gains a clear understanding of the requirements.

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Finding# 2024-050	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
The FAHCA did not conduct subrecipient monitoring in accordance with FAHCA monitoring plans or provide all required subaward information to a subrecipient.	We recommend that the FAHCA establish policies and procedures to promote the conduct of appropriate subrecipient monitoring based on monitoring plans and the issuance of related monitoring reports. We also recommend that the FAHCA ensure that all required information is correctly included in CHIP subrecipient agreements.	The FAHCA concurs with the recommendation. The FAHCA will follow established policies and procedures to promote the conduct of appropriate subrecipient monitoring based on monitoring plans and the issuance of related monitoring reports. The FAHCA will ensure that all required information is correctly included in the CHIP subrecipient agreements.	Partially Corrected	The Contract Managers have developed and implemented updated monitoring tools. Full implementation of timely monitoring is ongoing due to turnover of Contract Managers. The Contract Managers have communicated changes to the subrecipient budget via notices, sending of “appropriations ledgers” quarterly, and completing Amendments to the agreements.

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Finding# 2024-051	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
The FAHCA did not ensure that capitation payments made to contracted health plans on behalf of enrolled Medicaid and CHIP recipients were allowable or made for eligible recipients.	We recommend that FAHCA enhance controls to effectively identify and prevent improper capitation payments and, where necessary, recoup such payments.	The FAHCA concurs that effective controls are needed to detect, prevent, and recoup if necessary, improper capitation payments to ensure that all Medicaid and CHIP capitation payments are allowable and reasonable.	Not Corrected	To prevent improper capitation payments, a manual process is being developed to, using an existing monthly report, identify and properly end date CNET and Dental managed care coverage when retroactive disenrollments are needed. Estimated completion date is December 31, 2025. To identify improper capitation payments, the FAHCA will create a report to run weekly after the financial cycle to list the ten (10) highest and ten (10) lowest total capitation amounts by Medicaid recipient. If necessary, capitations will be recouped based on analysis of the report. FAHCA has opened a customer service request to generate the new report. Estimated completion date is December 31, 2025.

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Finding# 2024-052	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
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.	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.	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.	Not Corrected	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 a to-be-determined date after the FX Provider Services Module is implemented in January, 2026.

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Finding# 2024-054	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
The FAHCA did not check all required Federal databases to confirm the identity and exclusion status of providers upon enrollment and reenrollment nor evidence of record that all provider stakeholders were subject to required background screenings and Federal database matches were reviewed and resolved. Additionally, the FAHCA did not screen, enroll, or periodically revalidate all registered network providers of Managed Care Organizations (MCOs), Prepaid Inpatient Health Plans (PIHPs), and Prepaid Ambulatory Health Plans (PAHPs) in accordance with Federal regulations.	We recommend that the FAHCA configure FMMIS to check the SSA DMF and NPPEs, review and resolve of record all LEIE and SAM matches, perform criminal background checks for all applicable provider stakeholders upon provider enrollment and reenrollment, and continue efforts to enroll, screen, and revalidate all registered network providers in accordance with Federal regulations.	The FAHCA concurs that routine Federal database checks and review of matches, criminal background checks for all required provider stakeholders upon provider enrollment/reenrollment, and proper screening, enrollment and revalidation of registered network providers are needed to ensure that new and existing providers are eligible to participate in the CHIP and Medicaid program.	Not Corrected	Risk-Based Screenings – Death Master File (DMF): 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 January 2026. Risk-Based Screenings – NPPEs: The Agency has verified that systematic NPPEs check functionality and proper documentation of screening results for new enrollment and renewals is included in the FX Provider Services Module set to go live in January 2026. Background Screening: The FAHCA will request a modification to the final provider renewal application print process to not list owners who are closed after the renewal window is opened. The FAHCA will enhance operational procedures to document owners who are exempt from background screening and will request re-training of the appropriate operational staff. LEIE and SAM Matches: The FAHCA concurs that all AAR (FMMIS checks AAR in lieu of LEIE) and SAM potential matches should be reviewed and resolved, however this is not currently humanly possible due to the volume of potentially matched providers to review. The FX Provider Services

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				Module is working to solve this to include in their new system which is set to go live in January 2026. Registered Providers: All registered providers have been terminated as of 1/31/2025, with the exception of thirty (30) out of state provider type 16 (Statewide Inpatient Psychiatric Program – SIPP) providers. A customer service request was completed 7/24/25 to modify FMMIS to allow a way for these out of state SIPP providers to enroll as a limited or fully enrolled provider. FAHCA sent a letter on 8/1/25 to these providers and the managed care plans they are networked with in order to facilitate their enrollment as full or limited prior to terminating the registered provider IDs. These remaining registered providers are set to terminate 90 days after the letter date (end of October 2025).

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Finding# 2024-055	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
The FAHCA did not always conduct health and life safety surveys in accordance with Federal regulations and established procedures.	We recommend that FAHCA management timely complete health and life safety surveys and deliver warning letters and Form CMS 2567 to noncompliant facilities in accordance with Federal regulations and established procedures.	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 Immediate Jeopardy (IJ) complaints. On August 17, 2020 CMS authorized 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 state agency to be late for 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. In addition, through federal fiscal year (FFY) 2022-2023, CMS mandated a new type of	Not Corrected	Our bureau vacancy rate as of September 12, 2025 has improved slightly (almost 4%): 12.4%. Most of our vacant positions are registered nurses, which are required for many of our federal surveys. It continues to be a challenge to hire registered nurses since 2024. On July 1, 2025, we had 118 overdue Nursing Home Recertifications surveys. Our ability to continue to reduce the overdue workload is a direct result of ongoing cooperation across field offices to approach addressing this workload. Teams of staff will assist offices needing additional assistance. This inter-office partnership continues currently. Between September 1, 2024 and October 31, 2024, the State Survey Agency also had to halt survey activity related to Hurricane Helene, which hit Florida on September 26, 2024, and Hurricane Milton, which hit Florida on October 9, 2024. Hurricane Helene caused catastrophic damage to the coastal and inland Big Bend region of the state and caused significant storm surge flooding in the Tampa Bay area. Hurricane Milton caused significant damage from wind and flooding in the southwest part of the state and tornado damage in Palm Beach County. Not only were there office closures, and halting routine survey activity, but our staff also completed 468 post-incident assessments for Hurricane Helene and 922 post incident assessments for Hurricane Milton to determine

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		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. 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 run 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 for training new staff so they may become fully functioning team members. These decisions by the federal government continue to this day to have		the safety of residents and patients of our health care facilities. There were at least 9 recertification/licensure plus 16 complaint surveys that had to be moved as a result of Hurricane Helene. There were at least 22 recertification/licensure plus 29 complaint surveys that had to be moved as a result of Hurricane Milton. In 2024, we conducted 456 generator monitoring visits and 240 generator monitoring visits so far in 2025. At the beginning of June 2025, the Bureau of Field Operations created an Emergency Preparation and Response Team (EPRT) throughout the state to help with emergency preparedness and response; conducting generator monitoring visits and emergency preparedness surveys. The EPRT is also being trained to conduct some of the state surveys in Assisted Living Facilities. This team will help free up other survey staff so that they can focus on our federal workload. Regarding not sending survey letters timely, staff use our report “Current Surveys That Do Not Have an SOD (Statement of Deficiencies) Sent Date” in Tableau to monitor. This report is readily available to Field Offices to review in Tableau; however, due to the migration of nursing homes to a new system called iQIES, this report has to be updated to pull data from iQIES.

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		serious consequences for our ability to “catch up” 100% on workload; we simply cannot recreate time lost. AHCA provided legislative budget requests to enhance surveyor salaries for several years. In recent years, nurse salaries have increased and in July 2024 our Health Facility Evaluator positions received increases to a minimum of \$44,000 a year but our vacancy rate for the bureau providing survey activity remains at approximately 16.8% due to artificially low salaries for state employees. Once hired, it takes approximately a year for a health surveyor to be adequately trained so that they may be fully functioning team members. On July 1, 2023, we had 158 overdue Nursing Home Recertification surveys. As of January 24, 2025 there were 107 overdue. Our ability to continue to reduce the overdue workload is a direct result of ongoing cooperation across field offices to approach addressing this workload. Teams of staff will assist offices needing additional assistance. This inter-office partnership was developed in November 2023 and continues at this time. Between July 1, 2023 – June 30, 2024 the State Survey Agency also had to halt survey activity related to Hurricane Idalia, which hit Florida on August 30, causing		On July 10, 2025, CMS migrated nationally all the nursing home surveys from ASPEN to a new system called iQIES. This migration caused Florida to reduce the number of nursing home surveys we had originally planned for the first week of the migration and the migration itself had initially caused the survey process to take longer until the survey staff became more proficient in the iQIES system. Additionally, Florida, as well as other states, are having delays in processing the survey reports due to problems with the system. There are many issues with iQIES that haven’t been resolved as new ones appear. CMS released the results for the 2024 Federal Fiscal Year State Performance Standards System (SPSS) and these results showed that Florida did not meet, but was on track for the S8 Standard, Frequency of Nursing Home Recertification Surveys. States that have a score of “Not Met-On Track*” for S8 will not be required to submit a Corrective Action Plan because at least 80% of nursing homes in the State have received a recertification survey in the last 15.9 months, as of September 30, 2024. iQIES - Internet Quality Improvement and Evaluation System ASPEN - Automated Survey Processing Environment

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		significant damage in the northern part of the state. Not only were there office closures, and halting routine survey activity, but our staff also completed 200 post-incident assessments to determine the safety of residents and patients of our health care facilities. There were at least 10 recertification/licensure plus 13 complaint surveys that had to be moved as a result of Idalia. Facility survey schedules impacted included: Nursing Home Recertification and Life Safety for: Cypress Cove Brooksville Healthcare Bayview Center Aspire at Oldsmar (AKA Oldsmar Health & Rehab) Central Park Healthcare and Rehabilitation Center Manor At Blue Water Bay Marianna Health And Rehabilitation Center Northwest Florida Community Hospital Skilled Nursing Unit Hospice Recertification: Community Hospice of Northeast Florida ICF Recertification and Life Safety: Sunland Center Marianna-Facility IV		

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		These ranged from the Clearwater area into the Panhandle. These changes impact other survey timeframes, as everything needs to be rescheduled as a result of the emergency event. As part of our federal work requirements, as outlined in the CMS Mission & Priority Document state agencies are obligated to prioritize emergency management activities. In anticipation of hurricane season, our staff also conducted 220 nursing home generator monitoring visits in nursing homes between May – end of September 2023, 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. We have been working with our field offices to address late survey workload, including those areas mentioned in the report. In our November 2024 meeting we discussed workload and how to continue to catch up on late survey activity. We continue to utilize cross-office partnerships developed in November 2023 to address areas requiring survey assistance. We have also enhanced our scheduling reports since April 2024, particularly starting in June 2024 when we were able to hire talent to work with our scheduling needs. This has been a challenge for our Agency but we are now seeing improved performance in scheduling due to		

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		availability of more reports to meet the needs of our schedulers. Regarding not sending survey letters timely, staff 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 assure 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. Also, we are mindful that this is not a measure of performance for CMS and that for state owned VA nursing homes (example: Cashe State VA Nursing Home) reports need to be approved by CMS before submission to the provider. This is the case for all state-owned nursing homes.		

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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.	We recommend that FAHCA management ensure that an EDV study of each health plan's encounter data is conducted at least once every 3 years.	The FAHCA concurs with the recommendation. FAHCA ensures the accuracy, truthfulness, and completeness of encounter data is validated at least once every three years for each plan, during the current three-year cycle (SFY 22/23, SFY23/24, SFY 24/25). For the SFY 22-23 EDV study, the EQRO evaluated the FAHCA long-term care (LTC) encounter data for truthfulness, completeness, and accuracy by conducting a comparative analysis, LTC record, and plan of care document review. For the SFY 23-24 EDV study, the 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. For the SFY 24-25 EDV study, the EQRO is evaluating the FAHCA's MMA specialty and dental encounter data for truthfulness, completeness, and accuracy by conducting a comparative analysis and medical record review.	Fully Corrected	The SFY 24-25 EDV study of the MMA specialty and dental plan's encounter data was submitted by the EQRO in July 2025. The report outlined the truthfulness, completeness, and accuracy of the encounter data by conducting a comparative analysis and medical record review. The report was posted to the FAHCA's website: Encounter Data Validation Studies Florida Agency for Health Care Administration These EDV studies complete the current three-year cycle (SFY 22/23, SFY23/24, SFY 24/25).

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Finding# 2024-057	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
The FAHCA did not obtain from health plans a report that included all MLR information required by Federal regulations.	We recommend that the FAHCA ensure that the ASR Financial Reports obtained from each MCO, PIHP, and PAHP include a comparison of the reported MLR information to the audited financial report in accordance with Federal regulations.	In April 2024, the ASR was updated to include the comparison of MLR information with the audited financial report required by 42 CFR 438.3(m).	Fully Corrected	ASR Financial Reports obtained from each MCO, PIHP, and PAHP now include a comparison of the reported MLR information to the audited financial report in accordance with 42 CFR 438.3(m).

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Finding# AM 2024-02	Recommendation	Previous Management Response(s)	Status of Finding as of September 26, 2025	Management Response as of September 26, 2025 and Agency Contact
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.	We recommend that the FAHCA enhance procedures to ensure that amounts are accurately reported on the State's SEFA.	FAHCA's Bureau of Financial Services will review and update policies and procedures to include supervisory review of SEFA data and forms by the unit supervisor and bureau chief. Updated procedures will be shared with impacted staff to ensure that future SEFA submissions are accurate and complete.	Not Corrected	The Grants Management Section within the Bureau of Financial Services will complete procedure updates by December 31, 2025.