



R. B. "Chips" Shore

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

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MEMORANDUM

To: Brenda Rogers, Director of Community Services Department
From: R. B. "Chips" Shore, Clerk of the Circuit Court and Comptroller
Date: June 4, 2015
Subject: Community Services Benefits Section Follow-up Audit #3

The Internal Audit Department has completed a third follow-up audit of the Community Services Department's Benefits Section based on the Clerk of the Circuit Court's Follow-up Audit Memoranda dated April 11, 2012, and June 10, 2010, and the original Audit Report dated April 15, 2008. The follow-up consisted of reviewing and testing the management action plans included in the previous follow-up audit memorandum to ensure that corrective actions have been implemented by the Benefits Section. The scope of the follow-up audit included the three-month period ending March 31, 2014, and the two-month period ending January 31, 2015.

The Benefits Section of the Community Services Department's Human Services Division manages several indigent programs and provides information and referrals to individuals seeking assistance with medical and prescription costs, burials, and specific county fees and assessments. The follow-up audit focused on various aspects of the Prescription and Fee Assistance programs. Since the prior audit, the Benefits staff has made some progress in the areas requiring improvement. The Section obtained approval from the Board of County Commissioners for a resolution (R-13-019) which implemented changes and updates to the Prescription Program, including definitions for assets and grandfathered clients.

On February 24, 2015, subsequent to our testing period, Resolution R-13-019 was repealed and replaced with Resolution R-15-017. This new resolution further enhances the administration of the Prescription Program by utilizing the Employee Health Benefits (EHB) Division's existing Pharmacy Benefit Management System and provider agreements to process and fill client prescriptions. Community Services is in the process of procuring a new client management system to manage eligibility for all of their assistance programs.

During the exit meeting on April 30, 2015, your management staff, together with the Internal Audit Department, discussed areas identified during testing where improvements are still needed, and agreed on corrective action plans as follows:

"Pride in Service with a Vision to the Future"

Clerk of the Circuit Court – Clerk of Board of County Commissioners – County Comptroller – Auditor and Recorder

PRESCRIPTION PROGRAM

The Community Services Department management has recently implemented a new Prescription Program administered through the County EHB Division's Pharmacy Benefit Management System. Benefits staff is still responsible for documenting and determining client eligibility, but the program will no longer utilize the manual voucher system. Benefits Section staff will issue prescription cards to eligible clients, and prescriptions will be handled by participating pharmacies. This change will resolve prior audit findings related to the issuance of prescription vouchers and retention of prescription copies; however, improvements are still needed over the accuracy and completeness of the eligibility documentation obtained and maintained by the Benefits staff. Testing identified the following deficiencies:

- Residency documentation was not always dated within 4 weeks of the application date, as required in the resolution.
- Income calculations were not always correct and/or properly supported.

Management Action Plan:

Management is finalizing the written Prescription Program procedures which incorporate the use of EHB's Pharmacy Benefit Management System, as well as the requirements in Resolution R-15-017. Benefits staff has recently been trained on the Pharmacy Benefit Management System, and will continue to receive additional training regarding program documentation requirements to ensure that all documents are complete, eligibility is properly verified, and income is accurately calculated. Implementation is anticipated by June 30, 2015.

FEE ASSISTANCE

Improvements are needed over the accuracy and completeness of the eligibility documentation maintained in the Fee Assistance client files. Deficiencies identified include the following:

- Required documents were incomplete or missing.
- Income calculations were incorrect or not properly supported, resulting in the incorrect amount of support being provided to the client.

Management Action Plan:

Management will require that a secondary review of Fee Assistance applications be performed prior to clients being approved for assistance to ensure that the clients' files include properly completed documentation and accurate income calculations. Additional training on income calculations will also be provided to Benefits staff. Implementation is anticipated by December 31, 2015.

QUALITY CONTROL REVIEWS

The Benefits Section Policy and Procedures Manual provides for the Human Services manager to perform quarterly quality control reviews by randomly selecting 10% of program files to ensure the accuracy of the income calculations and to verify that all required documents are complete and maintained. Testing found that the Benefits Section has been performing quality control reviews, and has updated the checklist utilized in performing these reviews; however, improvements are still needed over the review process. Deficiencies identified include the following:

- The current checklist, which is used to monitor all Benefits programs, does not include all of the required program forms.
- Quality control reviews, which have been performed monthly rather than quarterly, did not always identify all missing documents, incomplete documents, and/or incorrect income calculations. In addition, in one instance where the review did identify a missing document, a follow-up was not conducted to ensure the document was obtained from the client.

Management Action Plan:

Management will update the quality review checklists to include all required program documents and will develop procedures to ensure proper follow-up on deficiencies identified during the quality control reviews. In addition, management will evaluate the frequency in which quality control reviews should be performed and update policies and procedures accordingly. Implementation is anticipated by December 31, 2015.

POLICIES AND PROCEDURES

The Benefits Section maintains policies and procedures for the Prescription and Fee Assistance programs; however, a review of these policies and procedures found areas which were inconsistent with the current resolution and/or current operations. The following areas were identified where improvements are recommended:

Prescription Program

- The Prescription Program policies and procedures reference an outdated resolution.
- The Prescription Program contains a “grandfather” provision which provides for clients to receive benefits for more than one 90-day period each year if they were participating in the program prior to a specific eligibility date. The eligibility date stipulated in the Prescription Program policies and procedures and used by Benefits staff (10/01/08) is inconsistent with the date included in Resolution R-13-019 (9/28/10). According to management, the correct eligibility date is 9/28/10, which is correctly referenced in the latest resolution, R-15-017, and the new Prescription Program procedures; however, these new procedures are currently still in draft form.

Fee Assistance Program

- The Fee Assistance Program procedures still do not include guidelines for valuing vehicles when determining program eligibility. Current practice is to use the “black book” value.
- Policies and procedures, as well as Exhibit B31 (Public Works Voucher), have not been revised to reflect that water and sewer fees are administered by the County Utilities Department, not the Public Works Department.

Management Action Plan:

Upon implementation of the new client management system, the Benefits Section Policies and Procedures Manual, including exhibits, will be updated to reflect current operations and compliance with Resolution R-15-017. Implementation is anticipated by March 31, 2016.

We would like to thank you and your staff for the attention given to the audit findings and the cooperation given to the Internal Audit staff. Another follow-up audit will be scheduled after implementation of the management action plans.

RBS/LJS/BJW

cc: Board of County Commissioners
Ed Hunzeker, County Administrator
Dan Schlandt, Deputy County Administrator
Karen Windon, Deputy County Administrator
Mitchell Palmer, County Attorney
Dan Wolfson, Finance Director, Clerk of the Circuit Court