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February 7, 2018

Dr. William A. Covino, President
California State University, Los Angeles
5151 State University Drive
Los Angeles, CA 90032

Dear Dr. Covino:

Subject: Audit Report 17-28, Student Health Services, California State University, Los Angeles

We have completed an audit of *Student Health Services* as part of our 2017 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

I have reviewed the management response and have concluded that it appropriately addresses our recommendations. The management response has been incorporated into the final audit report, which has been posted to the Office of Audit and Advisory Services' website. We will follow-up on the implementation of corrective actions outlined in the response and determine whether additional action is required.

Any observations not included in this report were discussed with your staff at the informal exit conference and may be subject to follow-up.

I wish to express my appreciation for the cooperation extended by the campus personnel over the course of this review.

Sincerely,



Larry Mandel
Vice Chancellor and Chief Audit Officer

c: Timothy P. White, Chancellor

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The California State University
Office of Audit and Advisory Services

STUDENT HEALTH SERVICES

**California State University,
Los Angeles**

Audit Report 17-28
December 15, 2017

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of campus operational, administrative, and financial controls over the administration of student health services (SHS) activities and to ensure compliance with relevant governmental regulations, Trustee policy, Office of the Chancellor directives, and campus procedures.

CONCLUSION

We found the control environment for some of the areas reviewed to be in need of improvement.

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational, administrative, and financial controls for SHS as of October 13, 2017, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we noted that daily operations of health services provided at the student health center (SHC), through the athletics sports medicine program, and through academic programs adhered to campus and systemwide requirements. However, we found that the campus did not have an established process to verify immunization requirements for all matriculated students. We also found that the campus did not perform a detailed review or risk assessment on a contract for medical-related services. In addition, the athletics sports medicine program did not consistently perform quality assurance program (QAP) tasks or did not complete them at all. Additionally, we noted that some policies and procedures at the student health center and academic programs needed updating to reflect current executive orders and practices.

Specific observations, recommendations, and management responses are detailed in the remainder of this report.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. IMMUNIZATION REQUIREMENTS

OBSERVATION

The campus did not have an established process to ensure compliance with Executive Order (EO) 803, *Immunization Requirements*.

EO 803 requires matriculated students to provide proof of full immunization against measles, rubella, and hepatitis B by the beginning of the second year of enrollment and requires the campus to maintain the immunization documents as a part of the student's health record. In addition, if a new student does not provide proof of immunization by the established timeline, the EO requires that a hold be placed on the student's registration.

We reviewed 20 student health records from the SHC to verify compliance with EO 803 and found that 18 did not include immunization records. We noted that the campus had not delegated to any one department the responsibility for ensuring that all matriculated students had satisfied the immunization requirements and did not place a hold on a student's registration when proof of immunization was not provided to the campus by the established timeline.

We also found that the SHC enforced the immunization requirement for students enrolled in nursing, nutrition, international, and English-language programs because these academic programs required students to obtain medical and immunization clearance from the SHC. Additionally, the SHC verified the immunization requirement during the intake process of first-time patients by requesting a copy of the students' immunization records. For all other matriculated students who did not seek SHC services, the campus did not verify compliance with the immunization requirement.

Verifying that students have obtained required immunizations and maintaining complete student health records helps to ensure compliance with EO 803, promotes health, and can reduce the risk related to the outbreak of diseases on campus.

RECOMMENDATION

We recommend that the campus:

- a. Establish a process for verifying that all matriculated students have met immunization requirements, including where and how immunization records will be retained, and designate responsibility for this process to a specific department or departments.
- b. Communicate the established process and responsibilities to associated departments and update the university catalog, campus website(s), and policies and procedures to reflect these new processes.

MANAGEMENT RESPONSE

We concur. By the end of March 2018, a process for verifying matriculated students' compliance with the CSU immunization requirements will be developed through student life-academic affairs cross-divisional coordination between the SHC and enrollment services. The SHC will work closely with enrollment services to develop appropriate notification to students regarding immunization requirements.

2. CONTRACT PROCUREMENT**OBSERVATION**

The campus athletics sports medicine program did not put a contract for medical-related services through appropriate review and vetting processes.

In October 2016, athletics sports medicine entered into a contract with Vivature, Inc. for medical-related services, including software, a licensed medical provider, and third-party medical billing. Although it appears that the contract went through the standard campus procurement process, we found that the medical-related risks did not undergo more detailed review and consideration.

Specifically, due to the risk and sensitive nature of the work involved (providing medical services, handling health and student records, and providing medical insurance billing), the contract should have been reviewed in greater depth and detail with subject-matter experts, including university counsel and/or other counsel, risk management, and the Health Insurance Portability and Accountability Act (HIPAA) officers. In addition, the campus did not perform a risk assessment to determine whether these contracted services would establish the athletics sports medicine program as a health care component for the purposes of HIPAA.

At the time the audit was performed, medical insurance billing under this contract had not formally begun, pending the contractor's hiring of a licensed medical provider. However, a Vivature representative indicated that the company had processed several billing claims during the set-up period in early 2017. We noted that the medical insurance billings were subsequently reversed. Processing of medical insurance billing before performance of a thorough and complete assessment of the potential risks and vulnerabilities related to the confidentiality, integrity, and availability of electronic protected health information held by the campus could result in security breaches and fines.

Comprehensive review of contracts for highly sensitive services helps to ensure that due diligence is performed and that all risks, liability issues, and laws and regulations are considered.

RECOMMENDATION

We recommend that the campus:

- a. Review the contract with appropriate management, including, but not limited to, university counsel, systemwide counsel, and the California State University (CSU) HIPAA

- privacy and security officers, to determine whether these contracted services establish the athletics sports medicine program as a HIPAA health care component.
- b. If this contract does establish the athletics sports medicine program as a HIPAA health care component, complete all necessary requirements to ensure compliance with HIPAA, including, but not limited to, a privacy and security risk assessment to ensure that all risks have been identified and proper controls are in place to safeguard athletes' protected health information.
 - c. Determine an effective start date for billing services to ensure appropriate notice is given to student athletes and their health insurance policyholders.
 - d. Review the current sports medicine supervising physician agreement to ensure that the Vivature contract does not conflict with any contractual requirements.
 - e. Validate credentials and qualifications of any incoming physicians, including those who are contracted by the vendor.
 - f. Update the *Athletics Sports Medicine Policy Manual* to include any new services, policies, and procedures resulting from contracted services and communicate the updated policies and procedures to staff and management, as necessary.

MANAGEMENT RESPONSE

We concur.

- a. Procurement will work with the university counsel to review the contract and determine whether contracted services qualify the athletics medicine sports program as a HIPAA health care Component and management will take any necessary action.
- b. The campus will determine an effective start date for billing services and appropriate notice to student athletics and their health insurance policyholders.
- c. The campus will review current sports medicine supervising physician agreements to ensure that the Vivature contract does not conflict with any contractual requirements.
- d. The campus will validate credentials and qualifications of any incoming physicians, including those who are contracted by the vendor.
- e. The campus will review the *Athletics Sports Medicine Policy Manual* to determine any necessary updates and communicate the updated policies and procedures to staff and management, as necessary.

Estimated completion date is April 30, 2018.

3. ATHLETICS QUALITY ASSURANCE PROGRAM

OBSERVATION

The athletics sports medicine program did not always complete the requirements in the approved QAP.

The athletics sports medicine QAP, approved in March 2016, includes various requirements to be performed at specified intervals. However, based on our discussions with athletics sports medicine management and review of supporting documentation, we found that some requirements were not performed consistently, and others were not performed at all.

Specifically, we noted the following:

- Quarterly cleanings of the athletics sports medicine facilities, including instruments and equipment, were not consistently performed. Since the QAP was approved, required quarterly cleaning tasks were documented for three of six quarterly periods; however, only one of the three cleanings was complete.
- Weekly athletic training staff meetings had not been documented since the QAP was approved. However, the campus indicated that these reviews and meetings were completed.
- Monthly peer reviews of injury and athletic training records were completed and documented in only one out of 18 months since the QAP was approved.
- Bimonthly reviews of injury reports by the supervising physician were not documented since the QAP was approved. However, the campus indicated that the supervising physician did perform reviews as required.

Compliance with the established athletics sports medicine QAP helps to ensure that services are delivered in a clean environment, by informed and trained staff, and that athletics sports medicine and student records are accurate and complete.

RECOMMENDATION

We recommend that the campus:

- a. Evaluate the athletics sports medicine program QAP and determine whether the current quality measures are attainable based on current staff and resources.
- b. Update the athletics sports medicine QAP as needed, review the changes with the supervising physician to obtain approval, and communicate the updated QAP to staff and management as necessary.
- c. Establish a process to monitor performance and ensure timely completion and compliance with the athletics sports medicine QAP.

MANAGEMENT RESPONSE

We concur.

- a. The senior associate director of intercollegiate athletics will evaluate the athletics sports medicine program QAP and determine the attainable quality measures.
- b. The campus will review and update the athletics sports medicine QAP as needed and obtain necessary approvals and communicate any necessary QAP updates to staff and management.
- c. The senior associate director of intercollegiate athletics will establish a process to monitor performance and ensure timely completion and compliance with the athletics sports medicine QAP.

Estimated completion date is April 30, 2018.

4. POLICIES AND PROCEDURES

OBSERVATION

Some health services policies and procedures did not reflect current practices.

We reviewed policies and procedures for the SHC, athletics sports medicine program, speech-language clinic, and mobility center to determine whether they were complete, current, and accurate, and we found that some of these policies did not reflect current guidance and practices.

Specifically, we noted that:

- The *Eligibility for Services* policy in the *SHC Policy Manual* documents university-sponsored programs whose members can receive specific medical services prior to the academic term. For example, we noted that student athletes visited the SHC to obtain required medical clearances prior to the start of the fall term. Although this has been the practice in place for several years, we noted that athletics is not listed as a university-sponsored program in this policy.
- The *Fiscal Policy* in the *SHC Policy Manual* indicates that it was reviewed in June 2015; however, it contains references to outdated EOs that were superseded prior to June 2015.
- The mobility center in the school of kinesiology was providing therapeutic mobility exercise sessions to the local community. In order to calculate the appropriate session fee for clients, the supervising faculty considered a client's financial condition and ability to pay, as described in the mobility center manual. Although this manual indicates that fees should be set at affordable rates and could be adjusted on a sliding scale, it did not include guidance on how to calculate session fees or a fee sliding scale.

Current and complete policies and procedures help to ensure that health services and related fees are administered consistently and that fiscal administration adheres to current systemwide requirements.

RECOMMENDATION

We recommend that the campus:

- a. Review all campus health services policies and procedures to determine whether updates are needed prior to the next scheduled review cycle.
- b. Communicate the updated policies and procedures to staff and management, as necessary.
- c. Establish a fee schedule and define a sliding scale when considering a client’s ability to pay for mobility center services.

MANAGEMENT RESPONSE

We concur. In October and November 2017, the SHC updated its policies titled *Eligibility-Special Programs* and *Fiscal Policy* to reflect the recommended modifications, adding student athletes to the list of university-sponsored programs and updating the cited references to reflect the current superseding EOs respectively. All appropriate SHC staff and management have been informed of the updated policies and procedures.

The Mobility Center will establish a fee schedule and defined sliding scale that will be implemented in summer 2018. The recommendation will be completed by the end of March 2018.

GENERAL INFORMATION

BACKGROUND

The primary health entity on each CSU campus is the SHC. EO 943, *Policy on University Health Services*, outlines the health services that campuses may provide, funding sources for these services, and the conditions for adding additional services or increasing fees. The EO also addresses qualifications of health care providers, operational expectations for pharmacies, facility safety and cleanliness, medical records management, accreditation, and oversight responsibilities. Although the EO focuses primarily on the scope and activities of the SHCs, it includes sections that are applicable to other campus programs providing student health care, such as intercollegiate athletics, intramural sports, or kinesiology.

Health services are funded in part by two mandatory student fees: a health services fee covering basic health services and a health facilities fee to support the health center facility. Each SHC may provide augmented services and either impose a fee-for-service for each augmented service rendered or a fee that allows unlimited use of all augmented services provided by the SHC. It can also elect to not impose additional fees. These fees are described in EO 1102, *California State University Fee Policy*, and can be changed only after a student referendum or a consultation that allows meaningful input and feedback from appropriate campus constituents.

Each campus SHC and its pharmacy must obtain accreditation every three years from a nationally recognized and independent review agency, such as the Accreditation Association for Ambulatory Health Care (AAAHC). In addition, pharmacies are subject to periodic inspections by the California State Board of Pharmacy.

At the Office of the Chancellor, the student academic support department in the Academic Affairs division is responsible for monitoring systemwide SHC activities and ensuring that campus SHCs comply with CSU management and regulatory policies. In addition, a systemwide SHS advisory committee composed of the director or a designee from each campus SHC meets at least twice per year to provide recommendations to the chancellor regarding revisions to applicable EOs. The committee also identifies and implements corrective measures for issues identified in the systemwide survey and accreditation report reviews.

A majority of CSU campuses have implemented systems and applications that facilitate a transition to electronic medical records, including some vendor applications designed specifically for university health services. Regulation over these emerging technologies include HIPAA, which establishes national standards for electronic health care transactions, and the Health Information Technology for Economic and Clinical Health Act, which addresses the privacy and security concerns associated with the electronic transmission of health information. Although this audit assesses the security of medical records, it does not address HIPAA in depth, which generally is reviewed as a separate audit.

At California State University, Los Angeles (Cal State LA), oversight and responsibility of the SHC is delegated to the SHC director, who reports to the dean of students and the vice president of the division of student life. The SHC is accredited by the AAAHC, and the pharmacy is licensed by the California State Board of Pharmacy. The SHC provides a number

of health services, including outpatient primary medical care, family planning, chiropractic care, dental care, optometry, and counseling and psychological services. In addition, laboratory, x-ray, and pharmacy services are available onsite. Health education programs are delivered throughout the year, and a health information station, the Health Hut, is set up and operated by student health advisory committee members throughout the campus twice a week to educate peers on health and wellness issues. The SHC uses Point and Click Solutions as their electronic medical record system and retains paper medical records for seven years. Point and Click interfaces with the pharmacy system, ProPharm, which facilitates prescriptions written by SHC providers.

SCOPE

We visited the Cal State LA campus from August 28, 2017, through October 13, 2017. Our audit and evaluation included the audit tests we considered necessary in determining whether operational, administrative, and financial controls are in place and operative. The audit focused on procedures in effect from July 1, 2015, through October 13, 2017.

Specifically, we reviewed and tested:

- Campus administration of SHS, including clear reporting lines and defined responsibilities, risk assessment, and current policies and procedures.
- SHC accreditation status and management responsiveness to recommendations made by the accreditation team.
- Procedures to confirm credentials and qualifications of clinical staff and other employees providing patient care.
- The definition and provision of basic and augmented health services in the SHC, including approval and eligibility for services.
- Health education programs for the student population.
- Administration of athletics medicine, including proper designation of responsible parties.
- Administration of pharmacy operations, including licensing and permit requirements, pharmacy formulary, dispensing, inventory, and physical security practices at the SHC and other areas on campus.
- Medical records management, including practices to ensure security and confidentiality.
- Measures to ensure the security of student health facilities.
- Fiscal administration, including the establishment of and subsequent changes to the mandatory health services fee, methods to set and justify fees for augmented services, budgets and financial records, and revenue and expenditure transactions in health fee trust accounts.
- On a limited basis, access to the automated systems to determine that they are adequately controlled and limited to authorized persons.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to,

resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

Our testing and methodology was designed to provide a review of key operational, administrative, and financial controls and included walkthroughs of the SHC, pharmacy, and athletics sports medicine program, as well as testing of a limited number of medical staff credentials, electronic medical records, and revenue and expenditure transactions. Our review focused primarily on the SHC and athletics sports medicine program and included a limited review of academic areas that may be offering health-related services as part of their training programs. Our review did not include counseling and psychological services or a detailed review of information technology systems.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations; BOT policies; Office of the Chancellor policies, letters, and directives; campus procedures; and other sound administrative practices. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

This review emphasized, but was not limited to, compliance with:

- EO 707, *Cal State LA Student Health Services Fee*
- EO 803, *Immunization Requirements*
- EO 943, *Policy on University Health Services*
- EO 1000, *Delegation of Fiscal Authority and Responsibility*
- EO 1069, *Risk Management and Public Safety*
- EO 1102, *CSU Student Fee Policy*
- Integrated California State University Administrative Manual §8000, *Information Security*
- Academic and Student Affairs coded memorandum AA-2015-08, *Clarifications to EO 943*
- Government Code §13402 and §13403
- California Penal Code §11160 and §11161
- AAAHC Accreditation Standards
- Cal State LA Administrative Procedure 200, *Student Fee Policy*
- Cal State LA Administrative Procedure 400, *Medical and Psychological Emergencies*
- Cal State LA SHC *Policy & Procedure Manual*
- Cal State LA Athletics *Training/Sports Medicine Services Manual*
- Cal State LA Speech Language Clinic *Clinicians' Manual 19th Edition*
- Cal State LA Mobility Center *Staff Manual*

AUDIT TEAM

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