June 12, 2018

Dr. Jeffrey D. Armstrong, President
California Polytechnic State University, San Luis Obispo
1 Grand Avenue
San Luis Obispo, CA 93407

Dear Dr. Armstrong:

Subject: Audit Report 18-20, Student Health Services,
California Polytechnic State University, San Luis Obispo

We have completed an audit of Student Health Services as part of our 2018 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 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
STUDENT HEALTH SERVICES

California Polytechnic State University,
San Luis Obispo

Audit Report 18-20
May 21, 2018
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 April 27, 2018, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we noted that the campus had an appropriate framework for the administration of health services at the Campus Health and Wellbeing (CH&W) center; however, we identified a few areas needing improvement. For example, there was no formal designation from the campus president or designee defining the roles, responsibilities, and expectations for the physician overseeing the sports medicine program (SMP), and SMP policies and procedures were not regularly reviewed and updated. In addition, the SMP did not have a quality assurance program (QAP) and was not reviewing SMP travel kits and removing expired, deteriorated, or recalled medications. Also, the bylaws for the student health advisory committee (SHAC) did not always reflect systemwide requirements, and a new augmented service was not properly considered by SHAC or approved by the campus president. Further, documentation listing the individuals who had access to a secured pharmacy key was not maintained or reviewed, and administrative oversight of system user access needed improvement.

Specific observations, recommendations, and management responses are detailed in the remainder of this report. Information security-related observations, recommendations, and management responses are detailed in Appendix A.
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. ATHLETICS SPORTS MEDICINE PROGRAM

OBSERVATION

Administrative oversight of the SMP, including policies and procedures, a quality assurance program (QAP), and routine inspection of sports medicine travel kits, needed improvement.

We found that:

- Although the physician responsible for medical oversight of SMP completed a volunteer form, there was no formal designation from the campus president or designee to establish the position’s role, responsibilities, and expectations. Executive Order (EO) 943 states that the campus president or designee is responsible for ensuring appropriate oversight of all medical services provided to students participating in intercollegiate athletics.

- SMP policies and procedures were last reviewed in 2013, and at the time of the audit, were being updated for review and approval. EO 943 states that SMP policies and procedures should be approved in writing by the physician responsible for the medical oversight of the SMP. It further states that the scope of service for each healthcare provider should be in written protocols that should be reviewed biennially.

- The SMP had not developed a quality assurance program (QAP). EO 943 states that the SMP should develop a QAP similar to the one used by the campus health center. This QAP should address topics such as facility cleaning and maintenance, review of incident or injury reports and safety issues, security and confidentiality of health records, and periodic staff training and meetings.

- Two sports medicine travel kits contained expired over-the-counter (OTC) medications, such as sinus decongestants, with an expiration date of February 2017. Also, the SMP did not maintain a written log documenting the routine inspection of OTC medication for removal of expired, deteriorated, or recalled medications. EO 943 states that all emergency and travel kits containing prescription and OTC medications should be routinely inspected for quality and security. It further states that a written protocol and log should be maintained to ensure removal of expired, deteriorated, or recalled medications.

Effective oversight of SMP activities can help to ensure that administrative responsibilities are addressed, promotes compliance, and reduces campus exposure to potential litigation or regulatory sanctions.

RECOMMENDATION

We recommend that the campus:
a. Obtain formal designation from the campus president or designee establishing oversight responsibilities for the SMP, including the physician’s role, responsibilities, and expectations.

b. Finalize SMP policies and procedures, including the scope of services, and obtain approval in writing from the physician who has oversight responsibilities for the SMP.

c. Develop and implement a QAP for the SMP similar to the one used by the CH&W center.

d. Review all SMP travel kits and remove all expired, deteriorated, or recalled medications, and maintain proper documentation of routine medication inventory inspections.

**MANAGEMENT RESPONSE**

We concur.

a. We will obtain a formal designation from the campus president or his designee establishing oversight responsibilities for the SMP, including the physician’s role, responsibilities, and expectations.

b. We will be finalizing the Sport Medicine Policies and Procedures Manual that will include the scope of services and approval from the physician who is designated to oversee sports medicine.

c. We will be developing a QAP for the SMP.

d. We will review and remove all expired, deteriorated, and/or recalled medicine from the sports medicine travel kits. We will be creating a process to improve the documentation of routine medication inventory inspections.

Anticipated date of completion is August 31, 2018.

## 2. STUDENT HEALTH ADVISORY COMMITTEE AND AUGMENTED SERVICES

### OBSERVATION

SHAC bylaws did not always align with systemwide requirements, and a new augmented service was not properly considered by SHAC or approved by the campus president.

We found that the campus had established the required SHAC to serve as advisory to the president and CH&W center on the scope of service, delivery, funding, and other critical issues relating to campus health services, among other specific requirements and responsibilities. However, the SHAC bylaws were last updated in January 2014 and did not align with systemwide requirements and current processes. Specifically:

- The bylaws did not address the EO 943 requirement that any proposal to add new or retain existing augmented services be submitted to SHAC for consideration before review by the campus president or designee for approval. As such, the CH&W health center
added the specialized services of a registered dietitian in March 2016 without proper consideration by SHAC or approval from the campus president. Instead, the addition was reviewed and approved by CH&W management after consultation with medical providers and counselors.

- The bylaws indicated that SHAC was chartered as a campus club in order to enhance student involvement and resources. However, SHAC did not currently have an active charter with Associated Students, Inc. (ASI) Club Services. We noted that EO 943 was not explicit about requiring SHAC to be formally recognized as a student organization by ASI.

Current bylaws can help to ensure compliance with systemwide requirements, and proper consultation with SHAC can help ensure that the campus considers the appropriateness of adding new or retaining existing augmented services.

RECOMMENDATION

We recommend that the campus:

a. Update the SHAC bylaws to align with systemwide requirements and current processes.

b. Ensure that any proposal to add new or retain existing augmented services is properly submitted to SHAC before review by the campus president or designee for approval.

c. Determine whether SHAC needs an active charter with ASI Club Services, and if so, ensure compliance with the bylaw requirement. If not, update the bylaws appropriately.

MANAGEMENT RESPONSE

We concur.

a. We will revise the SHAC bylaws to align with systemwide requirements and current processes.

b. We will include in the revised SHAC bylaws the requirement that any proposal to add new or retain existing augmented services is properly submitted to SHAC before review by the campus president or designee for approval.

c. We will initiate SHAC as a university standing committee. The assistant vice president for student affairs, health, and wellbeing will chair the committee. The bylaws will be revised accordingly.

Anticipated date of completion is August 31, 2018.

3. PHYSICAL ACCESS

OBSERVATION

The campus did not maintain records listing individuals who accessed a secured pharmacy key.
We reviewed physical access to the pharmacy, and specifically access to a secured key to the secondary section of the pharmacy that was to be used by certain individuals in case of emergency. We found that the key was secured in a password-protected lockbox. However, there was no written log showing access to the secured pharmacy key. EO 943 states that a log showing the date, time, name, signature, and purpose for access must be maintained and reviewed by the pharmacist-in-charge.

Compliance with systemwide requirements related to documenting physical access to the secured pharmacy key decreases the risk of loss or theft.

RECOMMENDATION

We recommend that the campus maintain a written log showing the date, time, name, signature, and purpose of access for individuals with access to the secured pharmacy key, and review this log activity for appropriateness.

MANAGEMENT RESPONSE

We concur and will maintain a written log showing the date, time, name, signature, and purpose of access for individuals with access to the secured pharmacy key, and will review this activity for appropriateness. Anticipated date of completion is August 31, 2018.
GENERAL INFORMATION

BACKGROUND

The primary health entity on each California State University (CSU) campus is the student health center (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 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 (EMR), including some vendor applications designed specifically for university health services. Regulation over these emerging technologies include Health Insurance Portability and Accountability Act of 1996 (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 Polytechnic State University, San Luis Obispo (Cal Poly San Luis Obispo), oversight and responsibility for the CH&W center is delegated to the interim assistant vice president for the CH&W, who reports to the vice president for student affairs. The campus SHAC, primarily
composed of students, ensures that CH&W services align with the needs of campus students. The CH&W center provides eligible students with primary care, ambulatory care, lab testing, onsite X-rays, prescription medications, counseling services, and holistic wellbeing services. The CH&W center has been accredited by the Accreditation Association for Ambulatory Health Care (AAAHC), and the pharmacy is licensed by the California State Board of Pharmacy. The CH&W uses the PyraMed EMR system, which interfaces with other application systems, including ProPharm, the pharmacy system that facilitates prescriptions written by the CH&W and outside providers. The CH&W center’s student medical records are protected by the Family Educational Rights and Privacy Act (FERPA) and state medical privacy laws. However, the CH&W center is not defined as a HIPAA-covered healthcare provider, primarily because it does not transmit electronic health information to third-party insurance companies or participate in government subsidy programs.

SCOPE

We visited the Cal Poly San Luis Obispo campus from March 26, 2018, through April 27, 2018. 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, 2016, through April 27, 2018.

Specifically, we reviewed and tested:

- Campus administration of SHS, including clear reporting lines and defined responsibilities, risk assessment, and current policies and procedures.
- CH&W center 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 CH&W center, 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 CH&W center and other areas on campus.
- On a limited basis, 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, review of the campus formal risk assessment of applicable CH&W center information systems.
• 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 CH&W center, pharmacy, and athletics sports medicine program, as well as testing of a limited number of medical staff credentials, EMRs, and revenue and expenditure transactions. Our review focused primarily on the CH&W center 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 medical records and 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 803, Immunization Requirements
• EO 877, Designation of Health Care Components for Purposes of the Health Care Portability and Accountability Act of 1996 (HIPAA)
• 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
• ICSUAM §8000, Information Security
• AA-2015-08, Clarifications to EO 943
• Code of Federal Regulations §164.308, Administrative Safeguards
• Government Code §13402 and §13403
• California Penal Code §11160 and §11161
• AAAHC Accreditation Standards
• CH&W Policies and Procedures

AUDIT TEAM

Assistant Vice Chancellor and Deputy Chief Audit Officer: Janice Mirza
Audit Manager: Joanna McDonald
Senior Auditor: May Flores
APPENDIX A – INFORMATION SECURITY

Information security-related observations are not publicly posted as they may contain information exempt from disclosure under the California Public Records Act (PRA), California Government Code §6254.19. To make a PRA request, please contact itaudits@calstate.edu.