



**State of Florida
Department of Children and Families**

Ron DeSantis
Governor

Shevaun L. Harris
Secretary

June 3, 2021

Sherrill F. Norman, Auditor General
State of Florida Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Sherrill Norman:

In accordance with Section 20.55(6)(h), Florida Statutes, enclosed is our six-month corrective action status report on Auditor General Report No. 2021-043, *Oversight and Administration of State Mental Health Treatment Facilities*, issued October 16, 2020.

The Office of Substance Abuse and Mental Health (SAMH) provided an update to Findings #1 through #13 and indicated that corrective actions for all findings have been fully implemented.

Please let me know if I may be of further assistance.

Sincerely,

Shevaun L. Harris
Secretary

Enclosure

cc: Melinda Miguel, Chief Inspector General
Keith R. Parks, Inspector General
Patricia Babcock, Deputy Secretary
Shivana Gentry, Acting Assistant Secretary for SAMH
Wendy Scott, Acting Chief Hospital Administrator
Annette Culp, Administrative Assistant Program Information Unit
Jackie Young, Director of Policy and Programs
Kathy Dubose, Staff Director, Joint Legislative Committee

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Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

**OIG – Internal Audit Section
Six-Month Corrective Action Status Report
Department of Children and Families - Oversight and
Administration of State Mental Health Treatment Facilities
Auditor General Report No. 2021-043, Issued October 16, 2020**

Findings	Recommendation	Agency Response	Corrective Action Status
<p>Finding 1:</p> <p>The Department did not ensure that all facilities were licensed by the Agency for Health Care Administration in accordance with State law. A similar finding was noted in our report No. 2017-205.</p>	<p>We continue to recommend that facility management continue efforts to protect the health and safety of residents and staff and take appropriate actions to comply with the applicable standards of safety and quality established by State and Federal regulations. We also recommend that Department management, in consultation with the Legislature, evaluate the licensure needs for the NFETC, TCFTC, and FSH.</p> <p><u>Follow-Up to Management's Response</u> Department management indicated in their written response that "there exists no statute, case law, or rule which requires NFETC, TCFTC, and the two buildings at FSH, to be licensed as hospitals by AHCA." Additionally, Department management indicated that "no reading of the text of Section 916.105(2), Florida Statutes, suggests the need for forensic facilities to be licensed as hospitals" and that "even the Department's mental health 'hospitals' do not require licensure" because they do not meet subsection (b) of Section 395.002(12), Florida Statutes.</p> <p>Notwithstanding this response, nowhere in the finding do we suggest that Section 916.105(2), Florida Statutes, compels licensure of these facilities. However, as noted in the finding, our audit procedures, including observations at the facilities, indicated that clinical services, such as diagnostic, treatment, and therapeutic services, were provided to residents in beds that were not licensed by AHCA.</p>	<p>DCF submitted a Legislative Budget Request for \$1 million dollars for the planning and design of a new 500 bed forensic treatment center. The issue was not included in the Governor's recommendations to the Legislature.</p> <p>While the Department's mental health "hospitals" may meet subsection (a) of section 395.002(12), Florida Statutes, they do not meet subsection (b). The Department's facilities do not provide treatment facilities for surgery or obstetric care, or other definitive medical treatment of similar extent. Nor do the mental health "hospitals" meet the definition of "critical access hospital" found in section 408.07(15), Fla. Stat. Because the mental health "hospitals" do not meet the definition of a hospital requiring licensure under statute, then no license is required under Chapter 395, Florida Statutes. See Section 395.003, Florida Statutes.</p> <p>Succinctly and conclusively, there exists no statute, case law, or rule which requires NFETC, TCFTC, and the two buildings at FSH, to be licensed as hospitals by AHCA. These forensic facilities are not hospitals as defined by Florida Statutes, as they do not offer medical treatment or health care, other than what is required for managing minor health concerns of the clients. In fact, and specifically, local specialists and licensed hospitals handle serious or acute medical issues for those clients requiring more significant medical treatment.</p>	<p>Fully Implemented</p>

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<p>Finding 1:</p> <p>Continued...</p>	<p>Consequently, we find the requirements of paragraph 395.002(12)(b), Florida Statutes, to be met and, therefore, the finding and related recommendation that Department management, in consultation with the Legislature, evaluate the licensure needs for the NFETC, TCFTC, and FSH, stand as presented.</p>		
<p>Finding 2:</p> <p>As similarly noted in our report No. 2017-205, square footage information reported in the Florida State-Owned Lands and Records Information System for Department-managed facilities sometimes did not agree with Department records.</p>	<p>We again recommend that Department management establish policies and procedures for maintaining facility data in FL-SOLARIS and ensure that facility information reported in FL-SOLARIS, and any adjustments to reported information, is supported by Department records.</p>	<p>Department Design and Construction staff have coordinated with General Services staff handling insurance issues in FLAIR to ensure that square footages in SOLARIS match those in FLAIR. Design and Construction staff will continue to work with facility managers to ensure any square footage changes are properly recorded in SOLARIS and FLAIR.</p>	<p>Fully Implemented</p>
<p>Finding 3:</p> <p>The Department did not obtain Department of Management Services approval to utilize an alternate contract source contract in procuring a pharmaceutical inventory management system for the Department-managed facilities. Additionally, the pharmaceutical inventory management system did not promote the maintenance of accurate pharmaceutical inventory data.</p>	<p>We recommend that Department management strengthen controls to ensure that future procurements of goods or services using alternate contract source contracts comply with applicable DMS rules. In addition, we recommend that Department and facility management take steps to ensure that pharmaceutical records are appropriately maintained using a perpetual inventory management system that is compatible with other software, establishes appropriate reorder points, accurately accounts for pharmaceuticals, and can be used to identify and investigate discrepancies noted during physical inventory counts.</p>	<p>Procurement activity has been realigned to DCF Headquarters to ensure all guidelines are followed and enforced. The current pharmaceutical inventory management system, Cardinal Inventory Management (CIM), does not integrate with the facilities' pharmacy software; therefore, facility staff conduct manual audits as recommended by the CIM software. Additionally, DCF is in discussions with Cardinal Heath to modify the current CIM system software to accommodate facilities' pharmacy software and has requested Cardinal provide a plan for a solution within the next 30 days.</p>	<p>Fully Implemented</p>

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<p>Finding 4:</p> <p>The SFETC did not ensure that controlled substances pharmacy duties were appropriately separated.</p>	<p>We recommend that SFETC management ensure that pharmacy duties for controlled substances are appropriately separated. If incompatible pharmacy duties are necessary, we recommend that SFETC management establish and document effective compensating controls, such as independent reconciliations of pharmacy inventory records.</p>	<p>Protocols for the processing of controlled substances at SFETC have been revised to address this issue. See attached action plan for additional details.</p>	<p>Fully Implemented</p>
<p>Finding 5:</p> <p>As similarly noted in our report No. 2017-205, FSH did not always report to the Department critical events involving clients and staff in accordance with Department and FSH procedures.</p>	<p>We again recommend that Department and FSH management enhance controls to ensure that appropriate Department personnel are timely notified of critical events and all required reporting is completed in accordance with Department and FSH procedures.</p>	<p>DCF and FSH will develop enhanced controls to ensure timely notification of critical events. Additional training of key staff has begun at FSH. See attached action plan for additional details.</p>	<p>Fully Implemented</p>
<p>Finding 6:</p> <p>As similarly noted in our report No. 2017-205, FSH and NEFSH did not always comply with minimum staffing requirements.</p>	<p>We recommend that FSH and NEFSH management take steps to ensure compliance with established staffing minimums.</p>	<p>DCF will work with the facilities to comply with minimum staffing requirements. See attached action plan for additional details.</p>	<p>Fully Implemented</p>
<p>Finding 7:</p> <p>NFETC and TCFTC did not always properly account for or safeguard seized contraband. A similar finding for NFETC was noted in our report No. 2017-205.</p>	<p>We recommend that NFETC and TCFTC management enhance controls to ensure the proper accountability for and safeguarding of all seized contraband items. Such controls should include procedures for staff to maintain records describing the contraband, evidencing the date the contraband was seized and the date and manner of disposition, and identifying the witnesses to the disposal.</p>	<p>Steps to address this issue have been taken at NFETC and TCFTC. See attached action plan for additional details.</p>	<p>Fully Implemented</p>

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<p>Finding 8:</p> <p>FSH, NEFSH, and NFETC controls still need enhancement to ensure that expenditures are accurately recorded in the Florida Accounting Information Resource Subsystem and comply with statutory prompt payment requirements.</p>	<p>We again recommend that FSH, NEFSH, and NFETC management enhance procedures to ensure that expenditure transactions are accurately recorded in FLAIR.</p>	<p>Steps to address this issue have been taken. Quarterly training is now done with the SMHTF accounts payable staff. Part of this training is identifying and utilizing the correction transaction date for all disbursements.</p>	<p>Fully Implemented</p>
<p>Finding 9:</p> <p>As similarly noted in our report No. 2017-205, the costs for positions shared between Department-managed facilities were not allocated in a manner that accurately identified civil and forensic services costs among the facilities.</p>	<p>We recommend that Department management revise Department-managed facility cost allocation procedures to allocate the costs of shared positions between the facilities using an allocation base that reasonably associates the position costs with the facility activities that receive the benefits from which the costs are derived.</p>	<p>Time studies for shared positions are completed and submitted to the SMHTF Revenue Manager and included in the Centers for Medicare & Medicaid cost report. DCF is currently consulting with the Administrative Services Budget Office to develop cost allocations for shared positions.</p>	<p>Fully Implemented</p>
<p>Finding 10:</p> <p>Department controls over State Mental Health Treatment Facilities expenditure and procurement transactions need enhancement to ensure that such transactions comply with State law and other guidelines.</p>	<p>We recommend that Department management enhance policies and procedures to ensure that SMHTF expenditure and procurement.</p>	<p>SMHTF procurement has been realigned to DCF Headquarters. This will ensure that all purchasing guidelines are followed and enforced. In addition, all purchase orders over \$50K will be routed through DCF Headquarters Legal for approval.</p>	<p>Fully Implemented</p>
<p>Finding 11:</p> <p>FSH did not monitor contractor activities related to fleet management.</p>	<p>We recommend that FSH management ensure that contractor fleet management activities are subject to independent monitoring and the results of monitoring are documented in FSH records.</p>	<p>FSH Master Vehicle Log is maintained by Aramark Transportation Department and will be submitted to the FSH Contract Management Office monthly for review and oversight.</p>	<p>Fully Implemented</p>

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<p>Finding 12:</p> <p>FSH, NEFSH, and NFETC motor vehicle and fuel use controls need enhancement to ensure and demonstrate compliance with State law and the reasonableness of motor vehicle and fuel usage.</p>	<p>We recommend that facility management enhance motor vehicle and fuel use controls to ensure facility records demonstrate compliance with State law and that fuel is only used for official purposes.</p>	<p>Facility processes are being modified to address this issue. See attached action plan for details.</p>	<p>Fully Implemented</p>
<p>Finding 13:</p> <p>FSH transportation shop controls need improvement to appropriately track and account for the use of motor vehicle parts and supplies and related costs.</p>	<p>We recommend that FSH management ensure that the transportation shop contractor accounts for the use of all parts and supplies and related costs.</p>	<p>Facility processes are being modified to address this issue. See attached action plan for details.</p>	<p>Fully Implemented</p>