**STUDENT HEALTH CENTERS**

**CALIFORNIA STATE UNIVERSITY,**
**LONG BEACH**

**Report Number 00-26**
**June 30, 2000**


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# CONTENTS

## INTRODUCTION

Purpose ..... 1

Scope and Methodology ..... 2

Background ..... 2

Opinion ..... 4

Executive Summary ..... 4

## OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

Health Services and Programs ..... 7

Pharmacy Operations ..... 8

Medical Records and Facilities ..... 9

- Medical Records ..... 9
- Key Control ..... 10

Program Administration/Health and Safety Training ..... 11

- Student Health Service and Athletics Operating Agreement ..... 11
- New Hires and Credentialing ..... 12
- Student Health Advisory Committee ..... 13

Fiscal Administration ..... 14

- Augmented Fee Review ..... 14
- Trust Fund Documentation ..... 15

Data Access and Physical Security ..... 16

- Data Security ..... 16
- Backup ..... 17

## APPENDICES


| | |
|---|---|
| APPENDIX A: | Personnel Contacted |
| APPENDIX B: | Campus Response |
| APPENDIX C: | Chancellor's Acceptance |


## ABBREVIATIONS

| | |
|---|---|
| CME | Continuing Medical Education |
| CPR | Cardio Pulmonary Resuscitation |
| CSU | California State University |
| DEA | Drug Enforcement Agency |
| LAN | Local Area Network |
| REP | Resolution on Educational Policy |
| SAM | State Administrative Manual |
| SHC | Student Health Center |
| SHS | Student Health Service |

# INTRODUCTION

## PURPOSE

The overall audit objective was to ascertain the effectiveness of existing policies and procedures related to the administration of the Student Health Center (SHC) and to determine the adequacy of controls over other campus areas providing student health services.

Within the overall audit objective, specific goals included determining whether:

- administration and management of the SHC provide an effective internal control environment; clear lines of organizational authority, delegations of authority and responsibility; formation of a Student Health Advisory Committee and documented policies and procedures;

- patient care quality and risks associated with health services are continually monitored and assessed;

- SHC and other employees providing patient care possess the necessary credentials and qualifications, and designations are maintained in favorable standing with licensing boards and medical associations;

- health services have been appropriately identified, approved, priced, and provided to all eligible personnel (including, but not limited to, students, university employees, visitors, etc.);

- ancillary services (e.g., laboratory, pharmacy, urgent care, diagnostic, etc.) are performed by qualified, licensed personnel and in compliance with state regulations and accreditation standards;

- pharmacy inventories are properly reported, safeguarded, and accounted for, and pharmacy security is maintained in accordance with CSU policy and state regulations;

- medical records are properly maintained, safeguarded, and retained in accordance with state and federal regulations and CSU policy, and automated medical records and other systems used by the SHC are adequately secured;

- sanitation and safety measures are adequately implemented and comply with CSU policy and state regulations;

- budgeting procedures adequately address SHC funding, ensure that student health center fees are used for their designated purpose, and include procedures to monitor budget vs. actual expenses;

- cash receipts, dishonored checks and other debts are adequately controlled and properly accounted for, and cash disbursements are adequately controlled and made solely for the support of the SHC; and

- areas providing student health services are appropriately included in campus medical disaster planning and that adequate training is provided to all affected personnel.

## SCOPE AND METHODOLOGY

This review emphasized but was not limited to compliance with state laws, Board of Trustee policies and Office of the Chancellor and campus policies, letters and directives. June 1999 to date was the primary period of review.

Our focus involved a wide variety of issues dealing with SHC operations and other areas providing student health services. Specifically, we reviewed and tested:

- use of a Student Health Advisory Committee for the development of new student health services and educational opportunities;
- procedures for monitoring the quality and effectiveness of patient care;
- processes to obtain and retain accreditation status;
- hiring, credentialing, and re-credentialing procedures;
- pharmacy operations, security, and inventory controls;
- procedures for maintaining and securing medical information;
- safety and sanitation procedures, including training of SHC and custodial staff;
- procedures for protecting the SHC and other health services facilities;
- budgeting procedures, fee authorization, and the management of trust accounts;
- procedures for controlling and processing cash receipts, refunds, dishonored checks, and other debts;
- procedures for controlling and processing cash disbursements; and
- data security, disaster recovery, and back-up procedures.

## BACKGROUND

As a result of a systemwide risk assessment conducted by the Office of the University Auditor during the last quarter of 1999, the Board of Trustees, at its January 2000 meeting, directed that *Student Health Centers* be reviewed.

The proposed scope of such audits, as presented in Attachment B, Agenda Item 3 of the January 25-26, 2000 meeting of the Committee on Audit, stated that the review would include all services rendered in or through student health facilities, including activities of doctors, nurses and other medical providers. Potential impacts include substandard medical care, inconsistent accessibility, erroneous dispensing of pharmaceuticals, inadequate health education, excessive costs and fees, and circumvention of state law/CSU policy. *Student Health Centers* was previously audited in 1986.

The *Policy of the Board of Trustees on Student Health Services* was adopted initially as a comprehensive systemwide policy in 1977. This original policy was revised in May 1988 and required that basic student health services, covering treatment for illnesses and injuries, family planning services, health education, and counseling for individual health problems, be available to all regularly enrolled students at no additional charge. In addition, the policy allowed campuses to offer additional elective, "augmented" services free of charge or for a fee.

In the early 1990's, a dramatic change to the fiscal climate prompted a reevaluation of the existing policy. Several campuses reported an inability to provide these health services without additional revenue. Accordingly, in November 1992, the Board of Trustees delegated to the Chancellor the authority to approve exceptions to the fee restrictions of the policy. Such exceptions were permitted with the understanding that a task force would undertake a comprehensive review of the provision and financing of student health services.

The CSU Task Force on Student Health Services was charged with reviewing the scope of service, funding, delivery mechanisms, health insurance, medical liability, and facilities in CSU student health services. In May 1993, the Board of Trustees approved four task force recommendations (REP 05-93-03) which would (1) establish a revenue fund for health services fee revenues; (2) ensure continued availability of basic health services through charging mandatory fees if necessary; (3) reinforce and reiterate the role of student health advisory committees in campus health service decisions, and (4) retain a consultant to explore additional revenue sources, health insurance, and potential partnerships with health care organizations.

In July 1993, the Board of Trustees approved five additional recommendations (REP 07-93-05). The most significant recommendation required that all mandatory health services fees, both fee revenue and interest earned, shall be used only to support student health services operations, whether the campus participates in a systemwide health services revenue fund or chooses to deposit fees locally in the General Fund. Another major task force recommendation was that the Chancellor should implement trustee policy based on task force recommendations and the May 1988 revision of the *Policy of the Board of Trustees on Student Health Services* through an Executive Order. In August 1995, Executive Order No. 637, *CSU Policy of Student Health Services* was issued.

Throughout this report, we will refer to the program as the Student Health Center (SHC). At California State University, Long Beach, the SHC is referred to as Student Health Service (SHS), which has primary responsibility for campus student health services.

## OPINION

We visited the California State University, Long Beach campus from February 28, 2000, through March 27, 2000, and audited the procedures in effect at that time.

In our opinion, the administration and management of the SHC program was adequate to ensure a viable student health function. Management at SHS placed great importance on providing quality health care and education to the student population as evidenced, in part, by the center's recent accreditation by the Accreditation Association of Ambulatory Health Care (AAAHC) and ongoing reviews/certifications by state agencies. Policies and procedures for all SHS operations were organized, well documented, and reflective of management's experience in the medical industry.

While initiatives are underway to enhance SHS operations, train staff on the new electronic medical records system, and participate in system-wide process improvement projects, additional attention is warranted in the areas mentioned in the executive summary below.

## EXECUTIVE SUMMARY

The purpose of this section is to provide management with an overview of conditions requiring their attention. Areas of review not mentioned in this section were found to be satisfactory. Numbers in brackets [ ] refer to page numbers in the report.

### HEALTH SERVICES AND PROGRAMS [7]

Student medical records and medications maintained in the campus athletics department were not adequately safeguarded and controlled. Adequate controls over medical records and pharmaceutical items decrease the risk of unauthorized disclosure of personal information and campus liability due to inappropriate activities.

### PHARMACY OPERATIONS [8]

A perpetual inventory system for pharmaceutical medications and supplies was not being maintained. Maintaining adequate inventory controls over pharmaceutical items reduces the risk of loss or theft and could result in lower overall pharmacy costs.

## MEDICAL RECORDS AND FACILITIES [9]

### MEDICAL RECORDS [9]

Physical security over medical records was not adequate. Adequate control over medical records decreases the risk of unauthorized disclosure and possible loss of patient medical information.

### KEY CONTROL [10]

Key control for the Student Health Service (SHS) center was not adequate. Maintaining adequate control over keys decreases the risk of unauthorized disclosure of personal information and breaches of confidentiality.

## PROGRAM ADMINSTRATION/HEALTH AND SAFETY TRAINING [11]

### STUDENT HEALTH SERVICE AND ATHLETICS OPERATING AGREEMENT [11]

The operating agreement between Student Health Service (SHS) and the campus athletics department was not current. Maintaining current written agreements reduces the risk of misunderstandings and inconsistencies between current practice and the intentions of campus management.

### NEW HIRES AND CREDENTIALING [12]

Controls over the new hire and re-credentialing processes needed improvement. Maintaining appropriate documentation in employee files strengthens internal controls over the hiring and re-credentialing process and ensures compliance with CSU policy and other hiring requirements.

### STUDENT HEALTH ADVISORY COMMITTEE [13]

The campus did not have a Student Health Advisory Committee. Maintaining a Student Health Advisory Committee ensures that health services meet student needs.

## FISCAL ADMINISTRATION [14]

### AUGMENTED FEE REVIEW [14]

The campus did not perform an annual review of augmented service fees. Performing annual augmented fee reviews ensures that fees are maintained at appropriate levels and comply with CSU policy.

### TRUST FUND DOCUMENTATION [15]

Trust accounts, and their supporting trust fund agreements, were not always properly maintained. Adequate documentation of trust fund agreements decreases the risk of inappropriate expenditures.

## DATA ACCESS AND PHYSICAL SECURITY [16]

### DATA SECURITY [16]

The set-up configuration for passwords in the network system that allows access to Student Health Service (SHS) software was not adequate. Adequate data security configurations for passwords prevent unauthorized access to automated systems and confidential data.

### BACKUP [17]

Backup data for the Student Health Service (SHS) local area network was not stored offsite. Offsite storage reduces the risk that data will be lost in the event of a disaster.

# OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

## HEALTH SERVICES AND PROGRAMS

Student medical records and medications maintained in the campus athletics department were not adequately safeguarded and controlled. We found that:

- Medical records were maintained in the team physician's desk, which did not have a locking mechanism; custodial staff and other individuals with a "grand-master" key had access to the team physician's office; and student assistants had access to the medical records for filing and other clerical duties but were not required to sign a confidentiality agreement.

- The athletics department had not established written policies and procedures for medical records management to ensure record maintenance, retention, disclosure, and confidentiality requirements in accordance with CSU policy and state laws/regulations.

- The team physician maintained prescription and non-prescription medications in a locked cabinet in his office. However, keys to the cabinet had been issued to the head athletic trainer and his assistant who were permitted to dispense medications on the verbal instructions of the team physician. The key to the cabinet was not considered a "restricted" key such that duplicates of the key were issued to other campus areas with the same locking mechanism.

- Inventory records were not maintained for the drugs in the athletics department, prescription drug distribution records were not current, and some of the medications were expired.

SAM §20003 states that a satisfactory system of internal accounting and administrative control includes a plan of authorization and record keeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures.

The *Information Practices Act of 1977,* Civil Code §1798.1 (c) states, in order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits.

The head trainer stated that additional controls over medical records and pharmaceutical items were not considered. He further stated that immediate steps would be taken to address these issues, and all pharmaceutical items maintained in the training room were destroyed immediately after the audit.

Inadequate controls over medical records and medications increase the risk of unauthorized disclosure of personal information and campus liability due to inappropriate activities.

**Recommendation 1**

We recommend that the campus establish written policies and procedures for the maintenance and security of student athlete medical information and implement appropriate controls over medications maintained for athletes.

**Campus Response**

We concur with the recommendation and have already implemented procedures to address the issues. Procedures addressing "Access to Medical Records and Health Information", "Security", and "Controls over Medications Maintained for Athletes" have been developed by the athletics department. Final approval and implementation of these procedures was completed on August 1, 2000. A copy of the procedures is being provided to the auditors. Corrective action on this item is complete.

## PHARMACY OPERATIONS

A perpetual inventory system for pharmaceutical medications and supplies was not being maintained.

SAM §20003 states that a satisfactory system of internal accounting and administrative control includes a plan of authorization and record keeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures.

Although CSU policy does not address the maintenance of an inventory system for the Student Health Center pharmacy, Executive Order No. 637, *CSU Policy of Student Health Services*, dated August 1, 1995, states that inventories shall be conducted at least annually in order to purge outdated medications and to maintain formularies consistent with CSU policy.

The student health service director stated that development of a perpetual inventory system had been included in the job responsibilities of the pharmacist-in-charge but had not been accomplished.

Not maintaining a perpetual inventory system for pharmaceutical items increases the risk of loss or theft and could result in higher overall pharmacy costs.

**Recommendation 2**

We recommend that the campus:

a. develop and implement a perpetual inventory system for pharmaceutical items, including periodic physical inventories and reconciliation to perpetual records; and
b. establish formalized internal policies and procedures for effective materials management in the pharmacy.

**Campus Response**

We concur with the recommendation and have already taken steps to address it. In March 2000, a perpetual inventory was established. The initial inventory was performed on March 31, 2000 and periodic inventories of pharmaceutical items performed since that date. Outdated medications are regularly purged using daily visual review, the pharmacy software dispensing program and supplier records.

Formalized policies and procedures for effective materials management in the pharmacy were prepared and implemented in July 2000. Documentation is being provided to the auditors. Corrective action on this item is complete.

## MEDICAL RECORDS AND FACILITIES

### MEDICAL RECORDS

Physical security over medical records was not adequate.

Medical files released during the day were not effectively accounted for at the end of the business day; and, the custodial staff had unrestricted access to the medical records.

Executive Order No. 637, *CSU Policy of Student Health Services*, dated August 1, 1995, states that medical records shall be maintained in a secure area, and only persons authorized by the health center director may gain access.

The *Information Practices Act of 1977*, Civil Code §1798.1 (c) states, in order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits.

The student health service director stated that access by the custodial staff had not been fully considered during prior security evaluations. The medical records supervisor stated that she was accounting for all medical records released for appointments and “walk-in” visits, but files released as “special requests” were inadvertently overlooked.

Inadequate security over medical records increases the risk of unauthorized disclosure and possible loss of patient medical information.

**Recommendation 3**

We recommend that the campus review and modify existing procedures to ensure adequate safeguards and controls over medical record information.

**Campus Response**

We concur. The Student Health Service recognizes its responsibilities regarding the confidentiality and physical security of medical records. Existing procedures have been reviewed and appropriate changes made. Access to the medical records office is by strictly controlled key assignments. The office is open, with continuous staff oversight of records, during clinic hours of operation. Staff authorized by the director control medical files released during the business day. Records out of file are noted with an "out card" system noting date, reason, and personnel assigned to the file. This system is now used for all appointment, walk-in and special request files. Also, weekly custodial access for cleaning the medical records office has been scheduled to occur during clinic hours of operation to insure medical records confidentiality. It was determined that the custodians had never been issued keys to this office so it was not necessary to recall any keys from them. Corrective action on this item is complete.

## KEY CONTROL

Key control for the Student Health Service (SHS) center was not adequate. We noted that:

- SHS procedures did not include a periodic physical verification and accounting of assigned keys to the campus Key Report maintained by the Plant Operations Department. Consequently, the Key Report did not accurately reflect key assignments.

- Keys to "sensitive" facilities were maintained in a key box, which was left opened at all times. These facilities included the file cabinet that contains psychiatric patient files; the room that contains the SHS safe and employee medical record files, and the front office room that also contains patient medical files.

Executive Order No. 637, *CSU Policy of Student Health Services*, dated August 1, 1995, states that access to keys to the medical file and/or record room shall be limited to those student health center employees authorized by the health center director to have such access.

*Confidentiality of Medical Information Act*, Civil Code §56.20 (a), states that each employer who receives medical information shall establish appropriate procedures to ensure confidentiality and protection from unauthorized use and disclosure of that information.

The *Information Practices Act of 1977*, Civil Code §1798.1 (c) states, in order to protect the privacy of individuals, it is necessary that the maintenance and dissemination of personal information be subject to strict limits.

The student health service director acknowledged there was no verification of assigned keys to the campus Key Report. She further stated that she was not aware of the "sensitive" keys in the key box.

Not maintaining adequate control over SHS keys increases the risk of unauthorized disclosure of personal information and breaches of confidentiality.

**Recommendation 4**

We recommend that the campus:

a. develop and implement procedures requiring the periodic verification and accounting of all SHS key assignments to the campus Key Report; and

b. establish formalized policies and procedures for the control and assignment of keys to "sensitive" SHS facilities.

**Campus Response**

We concur. The director of the health center completed a review of health center key assignments on March 21, 2000. The assignments were compared to the campus Key Report and appropriate recall of keys was made. The campus has developed and implemented procedures relating to the periodic verification and accounting of all SHS key assignments to the campus Key Report and established formalized policies and procedures for the control and assignment of keys to "sensitive" SHS facilities. Corrective action on this item is complete.

## PROGRAM ADMINISTRATION/HEALTH AND SAFETY TRAINING

### STUDENT HEALTH SERVICE AND ATHLETICS OPERATING AGREEMENT

The operating agreement between Student Health Service (SHS) and the campus athletics department was not current.

The agreement was dated September 16, 1993 and did not include drug testing services and the billing process between SHS and the athletics department for prescriptions and services provided.

SAM §20003 states that the elements of a satisfactory system of internal accounting and administrative control include an established system of practices to be followed in performance of duties and functions in each of the state agencies.

The student health service director was not aware of an agreement with the athletic department and stated that the agreement would be revised pending discussion with the campus athletic director.

Failure to maintain current written agreements can result in misunderstandings and inconsistencies between current practice and the intentions of campus management.

**Recommendation 5**

We recommend that the campus promptly update the agreement between SHS and the athletics department.

**Campus Response**

We concur and have updated the agreement. A copy is being provided to the auditors. Corrective action on this item is complete.

## NEW HIRES AND CREDENTIALING

Controls over the new hire and re-credentialing processes needed improvement.

- Our review of files for five new employees (three physicians, one registered nurse, and one non-physician) disclosed the following:

  - Written authorization was not obtained from the five employees to verify information (e.g., licensure, references) submitted.
  - Continuing Medical Education (CME) requirements were not verified in 3 of 4 instances.
  - Cardio pulmonary resuscitation (CPR) certification was not on file in 1 of 4 instances.
  - Physician privileges self-assessment forms were not on file for 2 of the 3 physicians.
  - Evidence to support verification of licensure was not on file in 1 of 4 instances.

- Our review of files for five existing employees (four physicians and one nurse-practioner) disclosed the following:

  - Evidence to support the re-verification of licensure was not on file for the four physicians.
  - Current CPR certification was not on file in 1 of 5 instances.
  - Approvals by the Student Health Service (SHS) governing body for re-appointment were not on file for the four physicians.

Executive Order #637, *CSU Policy of Student Health Services,* dated August 1, 1995, prescribes the minimum qualifications and hiring requirements for professionals in student health services. Such criteria includes, but is not limited to, possession of a valid professional California license; possession of a Drug Enforcement Agent number for prescribing physicians; compliance with continuing

educations as required by the particular profession; appropriate CPR certification, and written authorization to allow verification of all information submitted.

Student Health Services' *Bylaws of the Medical Staff*, dated February 9, 2000, prescribe hiring and re-credentialing requirements that include, but are not limited to, submission of signed physician application privilege forms, and reappointment and re-credentialing approvals by the governing body.

The student health service director stated that documentation to show compliance with hiring and re-credentialing requirements was inadvertently not maintained.

Inadequate documentation in employee files weakens internal controls over the hiring and re-credentialing process and does not ensure compliance with CSU policy and other hiring requirements.

**Recommendation 6**

We recommend that the campus establish procedures to ensure that compliance with hiring and re-credentialing requirements is adequately documented.

**Campus Response**

The campus does maintain policies and documentation for the hiring and credentialing of all licensed Student Health Service Staff through the university office of staff personnel services. These include the review of minimum qualifications for the hire of licensed professionals, as well as the mandatory verification of licensure as prerequisite for employment. These records are kept in the official personnel files of the employees in the staff personnel department and working copies are maintained in the Student Health Service. The Health Service has revised its procedures to include a requirement to verify Continuing Medical Education, Cardio Pulmonary Resuscitation and Drug Enforcement Agency Certification. A standard hiring packet has been developed for use with all new hires. A copy is being provided to the auditors. Corrective action on this item is complete.

## STUDENT HEALTH ADVISORY COMMITTEE

The campus did not have a Student Health Advisory Committee.

Executive Order #637, *CSU Policy on Student Health Services*, dated August 1, 1995, states that a Student Health Advisory Committee should be maintained on each campus to recommend scope of services, hours of operation, fee-for-service charges, mandatory fee levels, and annual budgeting.

The student health service director stated that she obtains student input via patient surveys, suggestion boxes placed in the facility, and ongoing dialogue with Associated Students representatives. She further stated that a Student Health Advisory Committee has not been in place since her arrival in 1997.

Failure to maintain a Student Health Advisory Committee increases the risk that health services will not meet student needs.

**Recommendation 7**

We recommend that the campus re-establish the Student Health Advisory Committee.

**Campus Response**

We concur. Executive Order No. 637 states that the Associated Students on each campus shall solicit nominations and shall make student appointments to the Student Health Advisory Committee within 45 days of the beginning of the academic year. The director of the student health service has initiated communication regarding the Advisory Committee with the incoming elected Associated Students leadership for the academic year 2000-2001. We expect to have the positions filled and the Student Health Advisory Committee re-established by October 31, 2000.

## FISCAL ADMINISTRATION

### AUGMENTED FEE REVIEW

The campus did not perform an annual review of augmented service fees.

We noted that the previous student health service director performed augmented service fee reviews prior to 1994.

Executive Order No 637, *CSU Policy of Student Health Services*, dated August 1, 1995, states that each augmented service fee shall be reviewed annually as to fee income and expenditures to ensure that fees are maintained at a level which does not exceed cost plus administrative expenses.

The campus controller stated that augmented health services fee reviews were suspended in January 1994 in anticipation of Executive Order #661.

Failure to perform annual augmented fee reviews increases the risk that fees will be maintained at inappropriate levels.

**Recommendation 8**

We recommend that the campus establish procedures to perform an annual review of augmented service fees.

**Campus Response**

We concur. As of April 2000, the campus business office reinstated procedures to conduct an "Annual Review of Student Fees", requesting every department, including the Student Health Service, to review all augmented fee activities for fiscal year 1999-2000. The campus review was completed at the end of July 2000. A copy of the documentation has been provided to the auditors. Corrective action on this item is complete.

## TRUST FUND DOCUMENTATION

Trust accounts and their supporting trust fund agreements were not always properly maintained.

We reviewed documentation for the six trust funds used by Student Health Service (SHS) and found that five of the agreements did not contain provisions for administrative or overhead costs and the required campus approval for new trust accounts. In addition, one agreement contained a ten-percent administrative fee, which exceeds the maximum fee allowed by policy.

SAM §19440.1 states that trust accounts are to be supported by documentation as to the type of trust, donor or source of trust moneys, purpose of the trust, time constraints, persons authorized to withdraw or expend funds, specimen signatures, reporting requirements, instructions for closing the account, disposition of any unexpended balances, and restrictions on the use of moneys for administrative or overhead costs.

Executive Order No 637, *CSU Policy of Student Health Services*, dated August 1, 1995, states that the business office may be reimbursed for costs incurred in the accounting and disbursement of fees at a rate not to exceed eight-percent of fees collected.

The student health service director indicated these exceptions were oversights.

Inadequate documentation of trust fund agreements increases the risk of inappropriate expenditures.

**Recommendation 9**

We recommend that the campus update the trust agreements for SHS and strengthen procedures to ensure that trust accounts are maintained in accordance with established policy and state requirements.

**Campus Response**

We concur and have completed the review and updating of trust agreements for the Student Health Service. Procedures have been implemented to ensure that trust agreements are maintained in accordance with University policy and State requirements. This process was completed at the end of July 2000. Corrective action on this item is complete.

## DATA ACCESS AND PHYSICAL SECURITY

### DATA SECURITY

The set-up configuration for passwords in the network system that allows access to Student Health Service (SHS) software was inadequate.

We found that passwords were not set to expire within a designated timeframe and password histories were not retained by the system.

SAM §4841 requires state agencies to provide for the proper use and protection of its information assets by establishing appropriate policies and procedures for preserving the integrity and security of automated files and databases.

The network analyst stated that these parameters were inadvertently overlooked.

Inadequate data security configurations for passwords could allow unauthorized users to gain access to automated systems and confidential medical data.

**Recommendation 10**

We recommend that the campus change the data security configuration on password requirements to include password expiration and histories to enforce periodic password changes and prevent reuse of passwords.

**Campus Response**

We concur. The Student Health Service Network Analyst turned on the automatic account policies feature in the software to force password changes every 90 days with a two-year history to be maintained. In addition, the password character requirements have been increased from six to eight. The Student Health Service personnel were trained on the new requirements and reminded of the importance of maintaining password confidentiality at several training sessions in May 2000. The auditors were provided with supporting documentation at the exit conference on June 30. Corrective action on this item is complete.

## BACKUP

Backup data for the Student Health Service (SHS) local area network (LAN) was not stored offsite.

We found that the applicable backup data was stored within the room containing the LAN.

Backup media should be periodically sent to a site that is not located within the same vicinity and subject to a concurrent disaster.

The network analyst stated that sending backup data to an offsite location was inadvertently overlooked.

In the event of a disaster, the campus could lose critical data that could affect operating capacity and efficiency.

**Recommendation 11**

We recommend that the campus establish procedures to send SHS backup information to a storage facility outside of the campus vicinity.

**Campus Response**

We concur. The Student Health Service began sending a weekly backup copy of their data to the campus ITS area immediately following the audit. It has now arranged for the data backup to be sent offsite on a weekly basis through the Arcus contract already in place for the other campus information systems. This weekly service began on August 3, 2000. Corrective action on this item is complete.

## APPENDIX A:
## PERSONNEL CONTACTED

| Name | Title |
|---|---|
| Dan Bailey | Head Athletic Trainer |
| Elizabeth Beall | Purchasing Manager |
| Victor Cannon | Student Health Center Budget and Operations |
| Patricia Convery | Physician |
| Joann Depew | Administration Operations |
| Lee Eames | Student Health Center Office Supervisor |
| Nancy Eckhous | Assistant University Controller |
| William Griffith | Vice President for Administration and Finance |
| Suse Harrell | Key Coordinator, Facilities Management |
| Betty Harris | Supervisor of Self-Supporting Operations |
| Doug Harris | Director of Budget and Human Resources for Student Services |
| Lawrence Harvey | Clinical Coordinator |
| Kathleen Hext | Director of Internal Auditing Services |
| Kris Howe | Medical Records and Insurance Coordinator |
| Jean Lafranier-Lliorca | Radiologist |
| Joseph Latter | Associate Vice President for Financial Management |
| Myron Mitzenmacher | Physician and Consultant |
| Leah Nieto | Assistant Coordinator for Enrollment Services |
| Marilyn Perkins | Medical Secretary |
| Doug Robinson | Vice President Student Services |
| MaryAnn Rozanski | Office of Safety and Risk Management |
| Thomas Sciortino | Pharmacist-in-Charge |
| Ray Soliman | University Controller |
| Karen Taylor | Laboratory Supervisor |
| Renee Twigg | Director of Student Health Center |
| Rebecca Wills | Chief Medial Physician |
| Gabriel Wilson | Network Analyst |

CALIFORNIA STATE UNIVERSITY, LONG BEACH

DIVISION OF ADMINISTRATION AND FINANCE

RECEIVED
University Auditor

AUG 09 2000

The California State University

August 8, 2000

Mr. Larry Mandel
University Auditor
Fourth Floor
California State University
401 Golden Shore
Long Beach, California 90802

Re: Student Health Centers Audit Report 00-26 – Campus Response

Dear Mr. Mandel:

On behalf of President Robert C. Maxson, I am providing the California State University, Long Beach, responses to the recommendations of Audit Report 00-26, dated June 30, 2000.

Recommendation 1: We recommend that the campus establish written policies and procedures for the maintenance and security of student-athlete medical information and implement appropriate controls over medications maintained for athletes.

**CAMPUS RESPONSE: We concur with the recommendation and have already implemented procedures to address the issues. Procedures addressing "Access to Medical Records and Health Information", "Security", and "Controls over Medications Maintained for Athletes" have been developed by the athletics department. Final approval and implementation of these procedures was completed on August 1, 2000. A copy of the procedures is being provided to the auditors. Corrective action on this item is complete.**

Recommendation 2: We recommend that the campus:

a. Develop and implement a perpetual inventory system for pharmaceutical items, including periodic physical inventories and reconciliation to perpetual records; and

b. Establish formalized internal policies and procedures for effective materials management in the pharmacy.

**CAMPUS RESPONSE: We concur with the recommendation and have already taken steps to address it. In March 2000, a perpetual inventory was established. The initial inventory was performed on March 31, 2000 and periodic inventories of pharmaceutical items performed since that date. Outdated medications are regularly purged using daily visual review, the pharmacy software dispensing program and supplier records.**



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**Formalized policies and procedures for effective materials management in the pharmacy were prepared and implemented in July 2000. Documentation is being provided to the auditors. Corrective action on this item is complete.**

Recommendation 3: We recommend that the campus review and modify existing procedures to ensure adequate safeguards and controls over medical record information.

**CAMPUS RESPONSE: We concur. The Student Health Service recognizes its responsibilities regarding the confidentiality and physical security of medical records. Existing procedures have been reviewed and appropriate changes made. Access to the medical records office is by strictly controlled key assignments. The office is open, with continuous staff oversight of records, during clinic hours of operation. Staff authorized by the director control medical files released during the business day. Records out of file are noted with an "out card" system noting date, reason, and personnel assigned to the file. This system is now used for all appointment, walk-in and special request files. Also, weekly custodial access for cleaning the medical records office has been scheduled to occur during clinic hours of operation to insure medical records confidentiality. It was determined that the custodians had never been issued keys to this office so it was not necessary to recall any keys from them. Corrective action on this item is complete.**

Recommendation 4: We recommend that the campus:

**a.** Develop and implement procedures requiring the periodic verification and accounting of all SHS key assignments to the campus Key Report; and

**b.** Establish formalized policies and procedures for the control and assignment of keys to "sensitive" SHS facilities.

**CAMPUS RESPONSE: We concur. The director of the health center completed a review of health center key assignments on March 21, 2000. The assignments were compared to the campus Key Report and appropriate recall of keys was made. The campus has developed and implemented procedures relating to the periodic verification and accounting of all SHS key assignments to the campus Key Report and established formalized policies and procedures for the control and assignment of keys to "sensitive" SHS facilities. Corrective action on this item is complete.**

Recommendation 5: We recommend that the campus promptly update the agreement between SHS and the athletics department.

**CAMPUS RESPONSE: We concur and have updated the agreement. A copy is being provided to the auditors. Corrective action on this item is complete.**

Recommendation 6: We recommend that the campus establish procedures to ensure that compliance with hiring and re-credentialing requirements is adequately documented.

**CAMPUS RESPONSE: The campus does maintain policies and documentation for the hiring and credentialing of all licensed Student Health Service Staff through the university office of staff personnel services. These include the review of minimum qualifications for the hire of licensed professionals, as well as the mandatory verification of licensure as prerequisite for employment. These records are kept in the official personnel files of the employees in the staff personnel department and working copies are maintained in the Student Health Service. The Health Service has revised its procedures to include a requirement to verify Continuing Medical Education, Cardio Pulmonary Resuscitation and Drug Enforcement Agency Certification. A standard hiring packet has been developed for use with all new hires. A copy is being provided to the auditors. Corrective action on this item is complete.**

Recommendation 7: We recommend that the campus re-establish the Student Health Advisory Committee.

**CAMPUS RESPONSE: We concur. Executive Order No. 637 states that the Associated Students on each campus shall solicit nominations and shall make student appointments to the Student Health Advisory Committee within 45 days of the beginning of the academic year. The director of the student health service has initiated communication regarding the Advisory Committee with the incoming elected Associated Students leadership for the academic year 2000-2001. We expect to have the positions filled and the Student Health Advisory Committee re-established by October 31, 2000.**

Recommendation 8: We recommend that the campus establish procedures to perform an annual review of augmented service fees.

**CAMPUS RESPONSE: We concur. As of April 2000, the campus business office reinstated procedures to conduct an "Annual Review of Student Fees", requesting every department, including the Student Health Service, to review all augmented fee activities for fiscal year 1999-2000. The campus review was completed at the end of July 2000. A copy of the documentation has been provided to the auditors. Corrective action on this item is complete.**

Recommendation 9: We recommend that the campus update the trust agreements for SHS and strengthen procedures to ensure that trust accounts are maintained in accordance with established policy and state requirements.

**CAMPUS RESPONSE: We concur and have completed the review and updating of trust agreements for the Student Health Service. Procedures have been implemented to ensure that trust agreements are maintained in accordance with University policy and State requirements. This process was completed at the end of July 2000. Corrective action on this item is complete.**

Recommendation 10: We recommend that the campus change the data security configurations on password requirements to include password expiration and histories to enforce periodic password changes and prevent reuse of passwords.

**CAMPUS RESPONSE: We concur. The Student Health Service Network Analyst turned on the automatic account policies feature in the software to force password changes every 90 days with a two-year history to be maintained. In addition, the password character requirements have been increased from six to eight. The Student Health Service personnel were trained on the new requirements and reminded of the importance of maintaining password confidentiality at several training sessions in May 2000. The auditors were provided with supporting documentation at the exit conference on June 30. Corrective action on this item is complete.**

Recommendation 11: We recommend that campus establish procedures to send SHS backup information to a storage facility outside of the campus vicinity.

**CAMPUS RESPONSE: We concur. The Student Health Service began sending a weekly backup copy of their data to the campus ITS area immediately following the audit. It has now arranged for the data backup to be sent offsite on a weekly basis through the Arcus contract already in place for the other campus information systems. This weekly service began on August 3, 2000. Corrective action on this item is complete.**

We wish to take this opportunity to thank the Trustees Auditors who conducted this audit for their work on our behalf. We found their suggestions helpful.

If you have any questions regarding these responses, please contact Kathleen Hext, Director of Internal Auditing Services, at 562-985-4890.

Sincerely,

William H. Griffith
Vice President for Administration and Finance

cc: Robert C. Maxson, President
Douglas W. Robinson, Vice President for Student Services
Joseph P. Latter, Associate Vice President, Financial Management
Douglas Harris, Director of Budget/HR, Student Services
Renee Twigg, Director, Student Health Services
Kathleen F. Hext, Director of Internal Auditing Services

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September 18, 2000

**MEMORANDUM**

TO: Larry Mandel
University Auditor

FROM: Charles B. Reed

SUBJECT: Draft Final Report Number 00-26 on *Student Health Centers,* California State University, Long Beach

In response to your memorandum of September 18, 2000, I accept the response as submitted with the draft final report on Student Health Centers, California State University, Long Beach.

CBR/cw

Enclosure

cc: Dr. Robert C. Maxson, President

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