

STUDENT HEALTH CENTERS
CALIFORNIA STATE UNIVERSITY,
BAKERSFIELD

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ABBREVIATIONS

AAAHC	Accreditation Association of Ambulatory Health Care
CBA	Collective Bargaining Agreement
CPR	Cardio Pulmonary Resuscitation
CSU	California State University
CSUB	California State University, Bakersfield
EO	Executive Order
NCAA	National Collegiate Athletic Association
REP	Resolution On Educational Policy
SAM	State Administrative Manual
SHC	Student Health Center
SHS	Student Health Services

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 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 on Student Health Services* was issued.

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

OPINION

We visited the California State University, Bakersfield campus from May 1, 2000, through May 26, 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); the recent hire of a full-time health educator; and ongoing coordination with the campus Student Health Outreach Team. Policies and procedures for all SHS operations were organized, well documented, and reflective of management's experience in the medical industry. 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.

PERSONNEL QUALIFICATIONS AND TRAINING [7]

Controls over the new hire and re-credentialing processes needed improvement. Adequate controls over these processes ensure compliance with CSU policy and quality services provided by qualified health care professionals.

HEALTH SERVICES AND PROGRAMS [8]

ATHLETICS DEPARTMENT – CREDENTIALING [8]

Controls over the hiring and credentialing of team physicians were not adequate. Adequate controls in these processes reduce the risk health care services will be provided by unqualified personnel.

ATHLETICS DEPARTMENT – MEDICAL RECORDS [9]

The athletics department had not established comprehensive written policies and procedures for medical records. Adequate controls over medical records decrease the risk of unauthorized disclosure of personal information.

EMPLOYEE SERVICES [10]

The campus president had not authorized the provision of employee services. Obtaining appropriate approval from the campus president helps ensure that current practices are aligned with the intentions and risk evaluations of management.

Subsequent to our visit the campus provided evidence of the president's approval.

PROGRAM ADMINISTRATION/HEALTH AND SAFETY TRAINING [11]

Student assistants were not always included in health and safety training. Properly trained employees reduce job related injuries and ensure appropriate knowledge and escalation of health and safety issues.

PHARMACY OPERATIONS [12]

INVENTORY [12]

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.

PRESCRIPTIONS [13]

The campus president had not authorized the filling of written or oral prescriptions from off-campus providers. Obtaining appropriate approval from the campus president helps ensure that current practices are aligned with the intentions and risk evaluations of management.

Subsequent to our visit the campus provided evidence of the president's approval.

MEDICAL RECORDS [13]

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

FISCAL ADMINISTRATION [14]

TRUST AGREEMENTS [14]

Health services trust agreement administration was in need of improvement. Adequate accounting and control over trust accounts decrease the risk of inappropriate or unauthorized expenditures.

CASH COLLECTION AND SAFEKEEPING [16]

Controls over the cash collection and safekeeping function needed improvement. Maintaining adequate controls over this function reduces the risk that misappropriation of funds will not be detected.

DATA ACCESS AND PHYSICAL SECURITY [17]

BACKUP [17]

Back-up data for the SHS pharmacy system was not stored offsite. Offsite storage reduces the risk that data will be lost in the event of a disaster.

KEY CONTROL AND BUILDING SECURITY [18]

Controls over key documentation and building security needed improvement. Maintaining adequate control over keys and building security decreases the risk of unauthorized access and disclosure of personal information and breaches of confidentiality.

OBSERVATIONS, RECOMMENDATIONS, AND CAMPUS RESPONSES

PERSONNEL QUALIFICATIONS AND TRAINING

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

Our review of files for seven employees (two physicians and five non-physician staff) disclosed the following:

- A current physician privilege list was not on file for one physician.
- Evidence to support verification of licensure was not on file for one physician and one registered nurse.
- Evidence of specialty board certification was not on file for one physician.
- Award of permanent status by the campus president or designee was not on file for one physician.
- Written authorization was not obtained from one employee to verify information (e.g., licensure, references) submitted.

Executive Order #637, *CSU Policy on 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 education as required by the particular profession; appropriate CPR certification; current medical board certification appropriate to assigned duties for physicians hired after September 1, 1988; and written authorization to allow verification of all information submitted.

Article 11.19 of the Collective Bargaining Agreement (CBA) between the CSU Board of Trustees and the California Federation of the Union of American Physicians and Dentists, for July 1, 1998 through June 30, 2001, states that an employee shall be notified in writing by the President as to the award of permanent status. A probationary employee who serves full-time for two (2) years shall be awarded permanent status on beginning his/her third year of such service.

The student health services associate director stated that documentation to evidence compliance with hiring and re-credentialing requirements was inadvertently overlooked. She also stated that the campus was not aware that the CBA provisions applied to temporary physicians.

Inadequate controls over the hiring and re-credentialing process increase the risks of non-compliance with CSU policy and the provision of health care services by unqualified personnel.

Recommendation 1

We recommend that the campus:

- a. strengthen procedures to ensure that credentialing files are appropriately documented; and
- b. review collective bargaining agreements to ensure compliance with employment provisions

Campus Response

- a. The Student Health Service (SHS) has reviewed all credentialing files and has documents up-to-date in keeping with the policies found in the SHS Standard Operating Practices. The Director and the Quality Improvement Committee Chair will review these files on an annual basis to verify compliance. The SHS has developed a checklist, as recommended by the auditor, to easily review the current status of employees.
- b. The authority to award permanent status has been designated by the President to the Director of Personnel. Accordingly, Personnel Services has revised their evaluation process regarding Unit 1 employees. The final evaluation for Unit 1 employees will indicate whether permanent status is granted. If permanency is recommended, the evaluation will be forwarded to the Director of Personnel who will generate a letter to the employee outlining his status.

HEALTH SERVICES AND PROGRAMS

ATHLETICS DEPARTMENT – CREDENTIALING

Controls over the hiring and credentialing of team physicians were not adequate.

We noted that team physicians were used to provide health services to athletes in addition to SHS providers. The team physicians were considered “volunteer” employees; however, there was no documentation on file to support this status for the primary team physician. We also noted that responsibility for obtaining this and other documentation (e.g., medical licensure, CPR certification, insurance policies, etc.) for the team physicians was not sufficiently defined and documented by the athletics department or other campus personnel.

Executive Order #637, *CSU Policy on 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 education as required by the particular profession; appropriate CPR certification, and written authorization to allow verification of all information submitted.

The head athletic trainer, campus personnel director, and assistant vice president of fiscal services acknowledged the need for improvement in this area and stated that the practice of using volunteer physicians had been in place for many years.

Inadequate controls over the hiring and credentialing process increase the risk of providing health services by unqualified personnel.

Recommendation 2

We recommend that the campus:

- a. define and sufficiently document the status and employment qualifications of team physicians;
- b. clarify and document responsibilities for obtaining employment and credentialing documentation for team physicians; and
- c. establish formalized monitoring procedures to ensure ongoing compliance with procedures is maintained.

Campus Response

- a. The Athletic Department has completed annual contracts for volunteer team physicians, which define their commitment, expectations and qualifications for practice.
- b. The Health Services Policy for the Department of Athletics outlines the credentialing process and approval for team physicians. At the time of contracting the Athletic Department is responsible for obtaining all insurances, certifications and credentials. These documents are forwarded to the Director of Student Health Services for approval then returned to the Athletics Department for filing.
- c. For compliance with current policies of the Athletic Department the SHS Director will review contracts and credentialing documents annually. The SHS Director has reviewed the contract and credentialing file for the current team physician and placed a copy on file in the SHS. The appointments will expire annually on June 30, re-appointments ensure the process is reviewed in a timely manner.

ATHLETICS DEPARTMENT – MEDICAL RECORDS

The athletics department had not established comprehensive written policies and procedures for medical records management.

We noted that the athletics department was maintaining medical information for student athletes in addition to Student Health Services. The athletic trainer implemented a viable process for obtaining

and charting necessary medical information; however, there were no written policies and procedures to support the existing process.

The *1999-2000 NCAA Sports Medicine Handbook*, Guideline 1B, states that a training record is a medical record, and therefore is subject to state and federal laws with regard to confidentiality and content.

Executive Order # 637, *CSU Policy on Student Health Services*, dated August 1, 1995, states, in part, that medical records shall be maintained in a secure area; when not in use, medical records shall be stored in either locked files or in a locked room; and confidentiality of medical records shall be maintained in accordance with the California Information Practices Act and applicable state and federal laws.

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 athletic trainer acknowledged the need for written policies and procedures for medical records management. He further stated that he would consult with Student Health Services to resolve this issue.

Inadequate controls over medical records increase the risk of unauthorized disclosure and/or loss of personal information.

Recommendation 3

We recommend that the campus establish written policies and procedures for the maintenance, retention, and security of student athlete medical information.

Campus Response

The Athletic Department has established policies for athletes' medical records including maintenance, retention and security. The SHS has reviewed these policies and the record storage area and believe that they meet the requirements for medical records including security.

EMPLOYEE SERVICES

The campus president had not authorized the provision of employee services.

Executive Order (EO) #637, *CSU Policy on Student Health Services*, dated August 1, 1995, states that the president is delegated the authority to approve the provision of employee services on individual campuses.

The student health services assistant director stated that workers' compensation services have been

provided by SHS for many years, and the requirement for presidential authorization was overlooked when EO #637 was established.

Internal controls over student health services are compromised when the provision of employee services is not properly approved.

Subsequent to our visit the campus provided evidence of the president's approval.

PROGRAM ADMINISTRATION/HEALTH AND SAFETY TRAINING

Student assistants were not always included in health and safety training.

We noted that although student assistants were provided initial health and safety training during orientation, they were not always included in SHS in-service training meetings.

The Center for Disease Control Morbidity and Mortality Weekly Report (MMWR) 36 (SU02) 001, states in part, that employers of health-care workers should ensure that policies exist for initial orientation and continuing education and training of all health-care workers – including student and trainees – on the epidemiology, modes of transmission, and prevention of HIV and other blood-borne infections and the need for routine use of universal blood and body-fluid precautions for all patients.

The student health services safety committee chair stated that student assistants were provided periodic health and safety training; however, training efforts were inadvertently not documented.

Improperly trained employees increase job-related injuries and untimely escalation of health and safety issues.

Recommendation 4

We recommend that the campus:

- a. strengthen procedures to ensure that student assistants are provided timely health and safety training; and
- b. maintain documentation of training efforts for student assistants on file.

Campus Response

- a. Training of the student assistants has been assigned to the SHS Safety Committee Chair, a registered nurse. She has updated the current student workers in blood borne pathogens, safety, and confidentiality issues.

- b. The SHS Safety Committee Chair will continue current students' health and safety training on

the same schedule as the regular employees. All student assistant training has been documented and can be retrieved for review on an annual basis.

PHARMACY OPERATIONS

INVENTORY

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

California State Business and Professions Code, §4181(a), states, in part, that the clinic shall comply with all applicable laws and regulations of the State Department of Health Services relating to the drug distribution service to insure that inventories, security procedures, training, protocol development, record keeping, packaging, labeling, dispensing, and patient consultation occur in a manner that is consistent with the promotion and protection of the health and safety of the public.

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 #637, *CSU Policy on 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 services associate director stated that a perpetual inventory system was implemented for controlled substances. However, the campus was not aware that all other medications and supplies required a similar system.

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 5

We recommend that the campus:

- a. implement a perpetual inventory system for all pharmaceutical items and supplies, 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

a.&b. The CSUB Pharmacy has established a perpetual inventory for all pharmaceutical items and supplies. The Pharmacist completed the initial inventory June 30th. The Pharmacist will complete a physical inventory the end of June annually and reconcile to the perpetual records.

PRESCRIPTIONS

The campus president did not approve the filling of written or oral prescriptions from off-campus providers.

Executive Order #637, *CSU Policy on Student Health Services*, dated August 1, 1995, states, in part, that with the written approval of the president, the director of the student health center may implement a policy that permits the campus pharmacy to fill prescriptions written by off-campus physicians or other appropriate health care professionals.

The student health services associate director stated that the requirement for authorization was inadvertently overlooked.

Internal controls over pharmacy operations are compromised, and liability increased, when the filling of prescriptions from off-campus providers is not properly approved.

Subsequent to our visit the campus provided evidence of the president's approval.

MEDICAL RECORDS

Physical security over medical records was not adequate.

We noted that the rear door to the SHS medical records room remained open throughout the business day and allowed unrestricted access to this area. In addition, medical files released during the day were not effectively accounted for at the end of the business day.

Executive Order # 637, *CSU Policy on 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 services associate director stated the rear door of the medical records office was left open during the day to facilitate access by staff performing administrative services. She also stated that medical records staff routinely pick up completed medical records during the day and, because no records had been lost, end-of-day accounting was not considered.

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

Recommendation 6

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

Campus Response

The SHS has made the recommended steps to insure security of the medical records. The back door to the medical records office is closed during the day. Daytime access to the medical records is limited to SHS employees or those patients or personnel accompanied by a SHS employee. Access to the medical records office when the building is closed is limited to the three medical records staff and two SHS administrators. Any records outside of the medical records office are kept in provider offices, which are locked at night. No records are allowed to leave the facility. The entire building is protected by a burglar alarm, which alerts the Campus Police.

FISCAL ADMINISTRATION

TRUST AGREEMENTS

Health services trust agreement administration was in need of improvement.

We noted that:

- ▶ trust agreements were not established for mandatory health fees and health facilities fees maintained in trust accounts;
- ▶ the pharmacy trust account agreement did not state the duration of the trust and the disposition of funds at the termination of the trust project; and
- ▶ two expenditures for supplies and magazines, respectively, were not authorized disbursements per the pharmacy trust account agreement.

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.

The assistant vice president of fiscal services stated that because legislation clearly prescribes the purpose of the trust funds, the establishment of trust agreements was not previously considered. The

student health services assistant director indicated that exceptions with existing trust agreements and expenditures were oversights.

Inadequate accounting and control over trust accounts increase the risk of misappropriation or loss of funds and inappropriate expenditures.

Recommendation 7

We recommend that the campus:

- a. establish trust account agreements for mandatory health fees and health facilities fees;
- b. strengthen procedures to ensure that trust account agreements are properly completed and include all required provisions; and
- c. strengthen procedures to ensure that account activity is properly authorized and in accordance with the trust agreement.

Campus Response

- a. The campus does not feel the entire scope of business affiliated with running the Health Center can be documented in a Trust Agreement. The Health Center fund was regulated by the FRS codebook before the additional flexibility of AB2812 - which allowed mandatory health fee dollars to be moved to a trust. The campus is currently reviewing their options but will probably shift the accounting of the Health Center back to the funds guided by the FRS codebook and only use the trust fund for investment of health fees. If this is the option chosen, then we will establish a Trust Fee Agreement for Health Center fee investments. The campus is currently establishing an agreement for the Health Facilities fee.
- b. The trust agreement forms and procedures on all trust accounts are currently under construction. We are moving the form on-line and are protecting cells that cannot be changed and building logic that will not allow the form to be submitted until all mandatory blocks are completed.
- c. Accounts payable has been supplied with a copy of all trust agreements. All expenditures will be reviewed to ensure they are authorized expenditures per the agreements prior to processing payments.

CASH COLLECTION AND SAFEKEEPING

Controls over the cash collection and safekeeping function needed improvement.

We noted that:

- ▶ Access to cash receipts by three student health service staff was not documented as required by campus policy.
- ▶ Payment for certain laboratory services was not always accepted in the front office area. In order to maintain lower costs for students, the laboratory technologist accepted monies for services and forwarded them directly to the contract vendor. In addition, patients were not provided receipts for these collections.
- ▶ The SHS safe was not locked during the business day.

CSUB policy “*Cash Handling Requirements*,” revised 6/99, states, in part, that accountability and security of cash must be maintained at all times and that any employee providing a cash collection service will sign for cash received at the beginning of each day.

SAM §8020 through §8022 requires, in part, that:

- agencies will prepare receipts for all collections of coin or currency received in person from patients who are not given press-numbered documents of fixed value at the time of the payment;
- separate series of transfer receipts will be used to localize accountability for cash or negotiable instruments to a specific employee from the time of its receipt to the time of its deposit; and
- records will contain information as to the type of collection, such as cash, check, or money order, received from each payer.

SAM §20003 states, in part, that there should be an established system of authorization and record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures.

The student health services associate director stated that locking the safe door was not considered due to the limited amount of cash that was stored during the business day. She also stated that, in order to maintain lower costs for students, cash payments for certain laboratory tests were a requirement of the contract lab. Providing patient receipts for these services was inadvertently overlooked.

Inadequate accounting and control of cash collections and safekeeping increases the risk that misappropriation of funds may not be detected.

Recommendation 8

We recommend that the campus:

- a. strengthen procedures to ensure that cash accountability is appropriately documented;
- b. review the practice of collecting laboratory fees outside of the main cashiering area and take appropriate action to protect and appropriately receipt the payments; and
- c. establish procedures to lock the department safe during the business day.

Campus Response

- a. The campus policy on cash handling requirements states that accountability and security must be maintained at all times. Employees collecting cash will sign for cash at the beginning of each day. Any time another employee assumes responsibility for cash, a joint count will be made and a written transfer of accountability will be maintained by the immediate supervisor. However, the size of the Health Center, the limited personnel available and the minimum amount of cash collected require these procedures be modified to allow multiple cashier entry into one cash drawer while protecting accountability. Accordingly, the Administrative Support Assistant in the Health Center has made changes in the existing procedures to comply with the recommendations of the Auditor. Those personnel who worked at the reception desk and made change from the register initial the daily report documenting that they had access. Deposits are made each morning. The safe is now kept locked during the day.
- b. All cash payments will be accepted in the front office and receipted using the AT&T One Card System. A separate transaction type code will be assigned to the pharmacy identifying laboratory costs in the system if needed. The "Location Sales Report" will be generated at least weekly and reconciled with the cash collected for laboratory services. The reconciled sales report and the cash collected will be forwarded to the accounting office for deposit. The Student Health Center will process a check request for the amounts collected to pay the vendor. All monies collected in the SHS are collected at the reception desk and receipted. The contract lab has agreed to bill the SHS for tests run without an increase in the contracted prices. No money is collected in areas outside the front desk.
- c. The campus policy on cash handling requirements also states that cash must be secured in a locked drawer during normal working hours and in a safe during non-working hours. We will again require that the Student Health Center comply with the campus policy. The Health Center staff states the safe is now kept locked during the day.

DATA ACCESS AND PHYSICAL SECURITY

BACKUP

Back-up data for the SHS pharmacy system was not stored offsite.

We found that applicable backup data was stored within the pharmacy.

SAM §4989.7, *Security of Workgroup Computing Configurations*, states that there should be agency policies in operation, which mandate standards for the regular back up of all data; the method and frequency depend on the nature of the data. Additionally, adherence to the policies and procedures should be periodically checked.

The student health services associate director stated that sending backup data to an offsite location was not a requirement and was inadvertently overlooked.

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

Recommendation 9

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

Campus Response

The SHS Pharmacy has kept a backup of all patient information for many years. SHS has an agreement with the campus computer department to send this backup copy on a weekly basis to the off-campus storage site along with other sensitive campus computer backup tapes. The Pharmacy will rotate backup copies so that a recent copy is always on file at a secured location.

KEY CONTROL AND BUILDING SECURITY

Controls over key documentation and building security needed improvement.

We noted that:

- ▶ The SHS key report did not indicate assignments of certain “sensitive” keys (e.g., keys to the sample medication cabinet and the emergency crash cart), and did not reflect all persons who have a key and/or building code to the student health center building.
- ▶ The provision of permitting non-health center employees continuing access to the student health center facility was not formally approved by the student health services director and the campus president as required.

Executive Order #637, *CSU Policy on Student Health Services*, dated August 1, 1995, states, in part, that:

- access to the student health center during the hours the facility is closed shall be limited to health center personnel and other individuals authorized by the health center director; and
- provisions permitting non-health center employees continuing access to the facility may be made if medical records, medications and equipment are maintained in locked rooms and/or health center staff is on duty. Authorization for such access shall be provided by the health center director and approved by the president.

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.

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 student health services associate director stated that key documentation issues and building access approvals were oversights.

Inadequate controls over keys and building security increases the risk of unauthorized access to, and disclosure of confidential data; lost or stolen medications and supplies; and non-compliance with CSU policy.

Recommendation 10

We recommend that the campus:

- a. establish formalized policies and procedures for the control, assignment, and documentation of keys and/or codes to the student health services building and other “sensitive” facilities; and
- b. strengthen procedures to ensure that continuing access to the facility by non-health center employees is properly approved.

Campus Response

- a. The Campus Police and the Health Center have a complete list of health center and counseling/testing employees who have key access to the SHS building. In addition, the SHS Administrative Support Assistant has a list of each employee and the individual keys they possess including sample cabinets, crash cart, and the emergency drug cabinet. The list will be updated as employees change. The Pharmacist is the only authorized person to carry a key to the Pharmacy and the SHS Director keeps a backup key in a secure location. And, as noted previously, there is limited access to the Medical Records Office and patient records.

- b. The building is alarmed and only those employees authorized by SHS and Counseling have access. Codes for the alarm system are kept by the Director in a locked cabinet. The Director and the campus President have approved the use of the building by the Counseling Center, Testing and their support staff as long as the space is not needed for health services.

APPENDIX A: PERSONNEL CONTACTED

<u>Name</u>	<u>Title</u>
Tomás A. Arciniega	President
Casilda Alvarez	Health Services Assistant
Brian Baker	Director of Public Safety
Jane Bedford	Accounting Manager
Barbara Brenner	Hazard Material Safety Coordinator
Rudy Carvajal	Director of Athletics
Janet Chambers	Radiology Technician
Jean Christian	Medical Records Technician
Armanda Ghilarducci	Registered Nurse and SHS Safety Committee Chair
Kellie Garcia	Director of Personnel
Cindy Goodman	Athletic Business Officer
George Hibbard	Vice President for Student Affairs
Susan Howard	Public Safety Secretary
Carolyn Krone	Associate Director of Student Health Services
Daryl Martin	Pharmacist-In-Charge
Michael Neal	Vice President for Business and Administrative Services
Glenn Nishimori	Head Athletic Trainer
Oscar Rico	Director of Student Health Services
Marilyn Scott	Health Services Assistant
Richard Swank	Division Director Counseling
Sandy Swiecki	Laboratory Technician
Sharon Taylor	Assistant Vice President for Fiscal & Support Services
Michael Williams	Procurement Support Services Director
Jeffrey Zielinski	Physician



Office of the President
 California State University, Bakersfield
 9001 Stockdale Highway
 Bakersfield, California 93311-1099

661/664-2241
 FAX 661/664-3188



RECEIVED
 University Auditor

2000

The California State
 University

October 27, 2000

Mr. Larry Mandel, University Auditor
 c/o The California State University
 401 Golden Shore
 Long Beach, CA 90802

Subject: Campus Response to Recommendations of Audit Report Number 00-28, Student Health Centers at California State University, Bakersfield

Dear Mr. Mandel:

In response to your letter of September 27, 2000, the following is submitted in response to Recommendations one through ten. The campus has implemented processes, procedures and documentation in response to each of the recommendations in an effort to bring closure to the findings with the exception of Recommendation #7 which is currently under campus review. We anticipate closure of Recommendation #7 by March 2001.

PERSONNEL QUALIFICATIONS AND TRAINING

Recommendation 1

We recommend that the campus:

- a. strengthen procedures to ensure that credentialing files are appropriately documented; and
- b. review collective bargaining agreements to ensure compliance with employment provisions

Campus Response

- a. The Student Health Service (SHS) has reviewed all credentialing files and has documents up-to-date in keeping with the policies found in the SHS Standard Operating Practices. The Director and the Quality Improvement Committee Chair will review these files on an annual basis to verify compliance. The SHS has developed a checklist, as recommended by the auditor, to easily review the current status of employees.
- b. The authority to award permanent status has been designated by the President to the Director of Personnel. Accordingly, Personnel Services has revised their evaluation process regarding Unit 1 employees. The final evaluation for Unit 1 employees will indicate whether permanent status is granted. If permanency is recommended, the evaluation will be forwarded to the Director of Personnel who will generate a letter to the employee outlining his status.

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HEALTH SERVICES AND PROGRAMS

ATHLETICS DEPARTMENT – CREDENTIALING

Recommendation 2

We recommend that the campus:

- a. define and sufficiently document the status and employment qualifications of team physicians;
- b. clarify and document responsibilities for obtaining employment and credentialing documentation for team physicians; and
- c. establish formalized monitoring procedures to ensure ongoing compliance with procedures is maintained.

Campus Response

- a. The Athletic Department has completed annual contracts for volunteer team physicians, which define their commitment, expectations and qualifications for practice.
- b. The Health Services Policy for the Department of Athletics (**ATTACHMENT 1**) outlines the credentialing process and approval for team physicians. At the time of contracting the Athletic Department is responsible for obtaining all insurances, certifications and credentials. These documents are forwarded to the Director of Student Health Services for approval then returned to the Athletics Department for filing.
- c. For compliance with current policies of the Athletic Department the SHS Director will review contracts and credentialing documents annually. The SHS Director has reviewed the contract and credentialing file for the current team physician and placed a copy on file in the SHS. The appointments will expire annually on June 30, re-appointments ensure the process is reviewed in a timely manner.

ATHLETICS DEPARTMENT – MEDICAL RECORDS

Recommendation 3

We recommend that the campus establish written policies and procedures for maintenance, retention and security of student athlete medical information.

Campus Response

The Athletic Department has established policies for athletes' medical records including maintenance, retention and security. (**ATTACHMENT 1**) The SHS has reviewed these policies and the record storage area and believe that they meet the requirements for medical records including security.

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PROGRAM ADMINISTRATION / HEALTH AND SAFETY TRAINING

Recommendation 4

We recommend that the campus:

- a. strengthen procedures to ensure that student assistants are provided timely health and safety training; and
- b. maintain documentation of training efforts for student assistants on file.

Campus Response

- a. Training of the student assistants has been assigned to the SHS Safety Committee Chair, a registered nurse. She has updated the current student workers in blood borne pathogens, safety, and confidentiality issues.
- b. The SHS Safety Committee Chair will continue current students' health and safety training on the same schedule as the regular employees. All student assistant training has been documented and can be retrieved for review on an annual basis.

PHARMACY OPERATIONS

Inventory

Recommendation 5

We recommend that the campus:

- a. implement a perpetual inventory system for all pharmaceutical items and supplies, 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

- a. & b. The CSUB Pharmacy has established a perpetual inventory for all pharmaceutical items and supplies. The Pharmacist completed the initial inventory June 30th. The Pharmacist will complete a physical inventory the end of June annually and reconcile to the perpetual records.

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October 27, 2000
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MEDICAL RECORDS

Recommendation 6

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

Campus Response

The SHS has made the recommended steps to insure security of the medical records. The back door to the medical records office is closed during the day. Daytime access to the medical records is limited to SHS employees or those patients or personnel accompanied by a SHS employee. Access to the medical records office when the building is closed is limited to the three medical records staff and two SHS administrators. Any records outside of the medical records office are kept in provider offices, which are locked at night. No records are allowed to leave the facility. The entire building is protected by a burglar alarm, which alerts the Campus Police.

FISCAL ADMINISTRATION

TRUST AGREEMENTS

Recommendation 7

We recommend that the campus:

- a. establish trust account agreements for mandatory health fees and health facilities fees;
- b. strengthen procedures to ensure that trust account agreements are properly completed and include all required provisions; and
- c. strengthen procedures to ensure that account activity is properly authorized and in accordance with the trust agreement.

Campus Response

- a. The campus does not feel the entire scope of business affiliated with running the Health Center can be documented in a Trust Agreement. The Health Center fund was regulated by the FRS codebook before the additional flexibility of AB2812 – which allowed mandatory health fee dollars to be moved to a trust. The campus is currently reviewing their options but will probably shift the accounting of the Health Center back to the funds guided by the FRS codebook and only use the trust fund for investment of health fees. If this is the option chosen, then we will establish a Trust Fee Agreement for Health Center fee investments. The campus is currently establishing an agreement for the Health Facilities fee.

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- b. The trust agreement forms and procedures on all trust accounts are currently under construction. We are moving the form on-line and are protecting cells that cannot be changed and building logic that will not allow the form to be submitted until all mandatory blocks are completed.
- c. Accounts payable has been supplied with a copy of all trust agreements. All expenditures will be reviewed to ensure they are authorized expenditures per the agreements prior to processing payments.

CASH COLLECTIONS AND SAFEKEEPING

Recommendation 8

We recommend that the campus:

- a. strengthen procedures to ensure that cash accountability is appropriately documented;
- b. review the practice of collecting laboratory fees outside of the main cashiering area and take appropriate action to protect and appropriately receive the payments; and
- c. establish procedures to lock the department safe during the business day.

Campus Response

- a. The campus policy on cash handling requirements states that accountability and security must be maintained at all times. Employees collecting cash will sign for cash at the beginning of each day. Any time another employee assumes responsibility for cash, a joint count will be made and a written transfer of accountability will be maintained by the immediate supervisor. However, the size of the Health Center, the limited personnel available and the minimum amount of cash collected require these procedures be modified to allow multiple cashier entry into one cash drawer while protecting accountability. Accordingly, the Administrative Support Assistant in the Health Center has made changes in the existing procedures to comply with the recommendations of the Auditor. Those personnel who worked at the reception desk and made change from the register initial the daily report documenting that they had access. Deposits are made each morning. The safe is now kept locked during the day.
- b. All cash payments will be accepted in the front office and receipted using the AT&T One Card System. A separate transaction type code will be assigned to the pharmacy identifying laboratory costs in the system if needed. The "Location Sales Report" will be generated at least weekly and reconciled with the cash collected for laboratory services. The reconciled sales report and the cash collected will be forwarded to the accounting office for deposit. The Student Health Center will process a check request for the amounts collected to pay the vendor. All monies collected in the SHS are collected at the reception desk and receipted. The contract lab has agreed to bill the SHS for tests run without an increase in the contracted prices. No money is collected in areas outside the front desk.

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- c. The campus policy on cash handling requirements also states that cash must be secured in a locked drawer during normal working hours and in a safe during non-working hours. We will again require that the Student Health Center comply with the campus policy. The Health Center staff states the safe is now kept locked during the day.

DATA ACCESS AND PHYSICAL SECURITY

BACKUP

Recommendation 9

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

Campus Response

The SHS Pharmacy has kept a backup of all patient information for many years. SHS has an agreement with the campus computer department to send this backup copy on a weekly basis to the off-campus storage site along with other sensitive campus computer backup tapes. The Pharmacy will rotate backup copies so that a recent copy is always on file at a secured location.

KEY CONTROL AND BUILDING SECURITY

Recommendation 10

- a. We recommend that the campus formalized policies and procedures for the control, assignment, and documentation of keys and/or codes to the student health services building and other "sensitive" facilities; and
- b. strengthen procedures to ensure that continuing access to the facility by non-health center employees is properly approved.

Campus Response

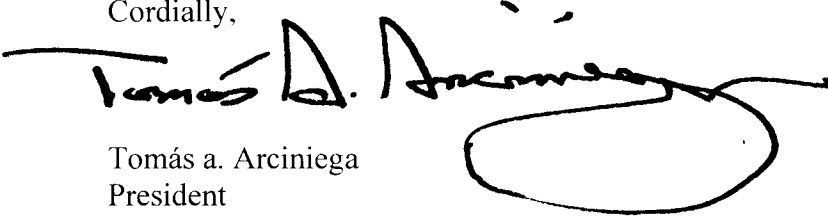
- a. The Campus Police and the Health Center have a complete list of health center and counseling/testing employees who have key access to the SHS building. **(ATTACHMENT 2)** In addition, the SHS Administrative Support Assistant has a list of each employee and the individual keys they possess including sample cabinets, crash cart, and the emergency drug cabinet. The list will be updated as employees change. The Pharmacist is the only authorized person to carry a key to the Pharmacy and the SHS Director keeps a backup key in a secure location. And, as noted previously, there is limited access to the Medical Records Office and patient records.

Mr. Larry Mandel
October 27, 2000
Page 7

- b. The building is alarmed and only those employees authorized by SHS and Counseling have access. Codes for the alarm system are kept by the Director in a locked cabinet. The Director and the campus President have approved the use of the building by the Counseling Center, Testing and their support staff as long as the space is not needed for health services. **(ATTACHMENT 3)**

Please feel free to contact me should you have any questions concerning our campus responses.

Cordially,



Tomás a. Arciniega
President

Attachments

- c: Michael Neal, Vice President, BAS
Sharon Taylor, Assistant Vice President, F&SS
George Hibbard, Vice President, Student Affairs
Oscar Rico, M.D., SHS Medical Director
Suzanne Muller, General Accounting Manager
Rudy Carvajal, Director, Athletics

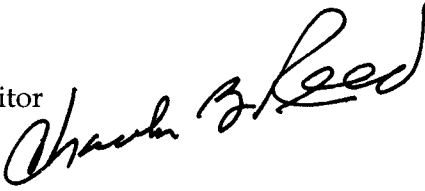
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SAN JOSE
SAN LUIS OBISPO
SAN MARCOS
SONOMA
STANISLAUS

November 15, 2000

MEMORANDUM

TO: Larry Mandel
University Auditor

FROM: Charles B. Reed 

SUBJECT: Draft Final Report Number 00-28 on *Student Health Centers*,
California State University, Bakersfield

In response to your memorandum of November 15, 2000, I accept the response as submitted with the draft final report on Student Health Centers, California State University, Bakersfield.

CBR/cw

Enclosure

cc: Dr. Tomás A. Arciniega, President