

Audit and Advisory Services
401 Golden Shore
Long Beach, CA 90802-4210

May 12, 2022

Dr. Stephen Perez, Interim President
San José State University
One Washington Square
San José, CA 95192

Dear Dr. Perez:

Subject: Audit Report 21-08, Student Health Services, San José State University

We have completed an audit of *Student Health Services* as part of our 2021-2022 Audit Plan, and the final report is attached for your reference. The audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

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

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

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

Sincerely,



Vlad Marinescu
Vice Chancellor and Chief Audit Officer

c: Jolene Koester, Interim Chancellor
Adam Day, Chair, Committee on Audit

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STUDENT HEALTH SERVICES

San José State University

Audit Report 21-08
May 12, 2022

EXECUTIVE SUMMARY

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of operational, administrative, and financial controls related to student health services (SHS) and to ensure compliance with relevant federal and state regulations; Trustee policy; Office of the Chancellor (CO) directives; and campus procedures.

CONCLUSION

Based upon the results of the work performed within the scope of the audit, except for the weaknesses described below, the operational, administrative, and financial controls for SHS as of February 18, 2022, taken as a whole, provided reasonable assurance that risks were being managed and objectives were met.

In general, we noted that the campus had an appropriate framework for the administration of SHS at the Student Health Center (SHC); however, we identified a few areas needing improvement. We found that the athletics sports medicine program (SMP) did not always perform required annual inventories of all drug stock for expired, deteriorated, or recalled medications and did not complete a log entry when conducting periodic inspections of over-the-counter (OTC) medication. In addition, the SMP did not have a quality assurance program (QAP), and SMP policies and procedures did not fully address all California State University (CSU) requirements.

We also found that the campus was not in full compliance with CO policy regarding documented annual system access reviews of the SHC information systems that stored protected health information. In addition, the SHC did not have a policy addressing physical access to the facilities, and evidence of required annual reviews of keyholders and/or access badge cardholders with access to SHC facilities was not maintained. Further the campus did not have an active student health advisory committee (SHAC), and the SHC did not have written authorization from the campus president or a designee for the filling of prescriptions from off-campus providers, as required by systemwide policy.

Specific observations, recommendations, and management responses are detailed in the remainder of this report. Additionally, on a limited basis, we reviewed access controls over SHC and SMP information systems. Certain information security-related observations, recommendations, and management responses are detailed separately in Appendix A, which is redacted from public release as they may be exempt from disclosure under the California Public Records Act (PRA), Cal. Govt. Code §6254.19. To make a PRA request, please contact auditreports@calstate.edu.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

1. ATHLETICS SPORTS MEDICINE PROGRAM

OBSERVATION

Administration of the SMP needed improvement.

We found that:

- Athletics did not conduct an annual inventory of OTC medication in 2020 or 2021, nor did it maintain a log demonstrating periodic reviews of the inventory on hand, as required by SMP policy and Executive Order (EO) 943, *Policy in University Health Services*. The stated purpose of these reviews is to ensure that expired, deteriorated, and recalled medication is purged from the inventory. We found expired single-dose packets in some boxes of OTC medication. In response to our observation, SMP conducted an inventory and purge in January 2022.
- SMP had not developed or implemented a QAP. EO 943 requires SMP to develop a QAP that is similar in scope to the program the SHC maintains as part of its accreditation to ensure continued quality of care.
- SMP policies and procedures did not include required written protocols describing the above-referenced periodic routine inspections of medication maintained in athletics facilities, as well as in all emergency and sports medicine travel kits.

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

RECOMMENDATION

We recommend that the campus:

- a. Establish a written protocol requiring the annual inventory and periodic reviews of all OTC medication maintained in athletics, and ensure that proper evidence of reviews is maintained.
- b. Maintain proper documentation of the periodic routine inspections of medication.
- c. Develop and implement an appropriate QAP for SMP similar to the one used by the SHC.
- d. Review and update SMP policies and procedures to include required written protocols describing the above-referenced periodic routine inspections of medication maintained in athletics facilities, as well as in all emergency and sports medicine travel kits, and communicate the updated policies and procedures to appropriate SMP staff.

MANAGEMENT RESPONSE

We concur. The campus will:

- a. Establish a written protocol requiring the annual inventory and periodic reviews of all OTC medication maintained in athletics, and ensure that proper evidence of reviews is maintained. This will be completed by August 4, 2022.
- b. Maintain proper documentation of the periodic routine inspections of medication. This will be completed by August 4, 2022.
- c. Develop and implement an appropriate QAP for SMP similar to the one used by the SHC. This will be completed by September 2, 2022.
- d. Review and update SMP policies and procedures to include required written protocols describing the above-referenced periodic routine inspections of medication maintained in athletics facilities, as well as in all emergency and sports medicine travel kits, and communicate the updated policies and procedures to appropriate SMP staff. This will be completed by August 4, 2022.

2. USER-ACCESS REVIEWS

OBSERVATION

The campus did not maintain documentation to show that required user-access reviews were conducted for the SHC information system storing protected health information (PHI).

Specifically, we requested but did not receive evidence of review of the following SHC systems:

- Point and Click (PNC) used for electronic medical records (EMR).
- ProPharm used in the pharmacy.
- Orchard-Harvest used in the laboratory.
- Viztek and OnePacs used for radiology.

Management indicated that user-access reviews were performed annually, but the campus had not maintained documentation of those reviews.

We confirmed during our review of the above-noted SHC information systems that all users as of January 2022 were active individuals with positions that appeared to need access to perform their job functions.

Integrated California State University Administrative Manual (ICSUAM) §8060.S000, *Access Control Standard*, states that at least annually, appropriate campus managers and/or their designated delegates must review user-access rights to information assets containing protected data, and results of the review must be documented.

ICSUAM §8060, *Access Control*, states that campuses are to develop procedures to detect unauthorized access and privileges assigned to authorized users that exceed the required access rights needed to perform their job functions.

Documented management review of user-access privileges for the SHC information systems containing PHI decreases the risk of mismanagement of PHI and ensures compliance with government regulations and CO regulatory information security requirements.

RECOMMENDATION

We recommend that the campus develop and implement procedures to document user-access reviews of SHC systems storing PHI, and to maintain evidence of the review.

MANAGEMENT RESPONSE

We concur. The campus will develop and implement procedures to document user-access reviews of SHC systems storing PHI, and to maintain evidence of the review.

This will be completed by July 5, 2022.

3. FACILITY SECURITY

OBSERVATION

The SHC did not maintain physical security policies or evidence of annual review of keyholders and/or access badge cardholders in accordance with EO 943, *Security of Health Facilities*.

We reviewed campus and SHC policies and procedures and found that:

- The SHC had not implemented a written policy for the control of access to the facility as required by EO 943.
- The SHC did not maintain records showing that the SHC director or appropriate designee had performed an annual review of all keyholders and access badge cardholders with access to SHC facilities as required by EO 943.

We confirmed during our review that all SHC keyholders and access badge cardholders as of January 2022 were active employees with positions that appeared to need access to perform their job functions.

Written policies for the control of access to SHC facilities ensures that unique security risks are addressed, such as maintaining patient confidentiality and protecting equipment and medical supplies. Periodic management review of SHC keyholders and access badge cardholders reduces the risk of inappropriate and/or unauthorized access to SHC facilities.

RECOMMENDATION

We recommend that the campus:

- a. Implement a written policy for the control of access to the SHC facility that addresses the requirements of EO 943.
- b. Perform and document the review of SHC keyholders and access badge cardholders annually, as required by EO 943.

MANAGEMENT RESPONSE

We concur. The campus will:

- a. Implement a written policy for the control of access to the SHC facility that addresses the requirements of EO 943.
- b. Perform and document the review of SHC keyholders and access badge cardholders annually, as required by EO 943.

This will be completed by July 5, 2022.

4. STUDENT HEALTH ADVISORY COMMITTEE

OBSERVATION

The campus did not have an active SHAC.

Specifically, we noted that the SHAC last met in April 2019 and had not been active since then. According to management, the campus is in the process of recruiting student members to be part of the SHAC.

SHACs are required by EO 943, *Policy on University Health Services*, which states that each president or designee shall establish a SHAC to serve as advisory to the president and to the SHC on the scope of service, delivery, funding, and other critical issues relating to campus health services, among other specific requirements and responsibilities.

Establishing a SHAC can help to ensure that students' input on university health services is obtained and enables communication between the committee, the campus president, and the SHC on critical health issues.

RECOMMENDATION

We recommend that the campus establish a SHAC in accordance with EO 943.

MANAGEMENT RESPONSE

We concur. The campus will establish a SHAC in accordance with EO 943.

This will be completed by August 4, 2022.

5. PRESCRIPTIONS

OBSERVATION

The campus was unable to provide written authorization from the campus president or designee permitting the pharmacy to fill prescriptions written by off-campus licensed health care professionals, as required by EO 943.

Proper written approval for significant elements of SHC operations helps ensure that responsibilities are identified and assigned, and provides greater assurance of compliance with CSU requirements.

RECOMMENDATION

We recommend that the campus obtain and maintain written authorization from the campus president or designee that permits the SHC pharmacy to fill prescriptions written by off-campus licensed health care professionals for eligible services.

MANAGEMENT RESPONSE

We concur. The campus will obtain and maintain written authorization from the campus president or designee that permits the SHC pharmacy to fill prescriptions written by off-campus licensed health care professionals.

This will be completed by June 6, 2022.

GENERAL INFORMATION

BACKGROUND

The primary health entity on each CSU campus is the SHC. EO 943, *Policy on University Health Services*, outlines the health services that campuses may provide, funding sources for these services, and the conditions for adding additional services or increasing fees. The EO also addresses qualifications of health care providers, operational expectations for pharmacies, facility safety and cleanliness, medical records management, accreditation, and oversight responsibilities. Although the EO focuses primarily on the scope and activities of the SHCs, it includes sections that are applicable to other campus programs providing student health care, such as intercollegiate athletics and intramural sports. In 2015, the systemwide office for Academic and Student Affairs issued coded memorandum Academic Affairs (AA) 2015-08, which provides additional clarification to requirements in EO 943, including oversight expectations for health-related services provided in conjunction with academic degrees, and guidelines for use of government agency programs.

Health services are funded in part by two mandatory student fees: a health services fee covering basic health services and a health facilities fee to support the health center facility. Each SHC may provide augmented services and either impose a fee-for-service for each augmented service rendered or a fee that allows unlimited use of all augmented services provided by the SHC. These fees are described in EO 1102, *California State University Fee Policy*, and can be changed only after a student referendum or a consultation that allows meaningful input and feedback from appropriate campus constituents. As of the Fall 2021 semester, San José State University (SJSU) students paid a student health fee of \$190 and a health center facility fee of \$35 per semester.

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

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

CSU campuses have implemented systems and applications that facilitate a transition to EMR, including some vendor applications designed specifically for university health services. Regulation over these emerging technologies include Health Insurance Portability and Accountability Act of 1996 (HIPAA), which establishes national standards for electronic health care transactions, and the Health Information Technology for Economic and Clinical Health Act, which addresses the privacy and security concerns associated with the electronic transmission of health information. Although this audit assesses the security of medical records, it does not address HIPAA in depth, which generally is reviewed as a separate audit.

At SJSU, the SHC is part of the Student Wellness Center (SWC), which houses the SHC, Counseling and Psychological Services, and Wellness, Health Promotion and Prevention. The SHC provides eligible students with primary care, preventive services, wellness education, and specialty care including podiatry, sports medicine, physical therapy, a travel immunization clinic, and elective immunizations. In addition, laboratory, physical therapy, X-ray, and pharmacy services are available onsite. The SHC is accredited by the AAAHC, and the pharmacy is licensed by the California State Board of Pharmacy. The SHC uses Point and Click Solutions, an EMR system, and the pharmacy uses a pharmacy management system by ProPharm to manage prescriptions and track dispensed medications prescribed primarily by licensed SHC healthcare providers. The SHC is under the leadership of the executive director of the SWC, who reports to the associate vice president of health and wellness and student services in the Division of Student Affairs.

SCOPE

Due to temporary operating procedures and limitations resulting from the COVID-19 public health emergency, we performed testwork remotely from January 10, 2022, through February 18, 2022. Our audit and evaluation included the audit tests we considered necessary in determining whether operational, administrative, and financial controls are in place and operative. The audit focused on procedures in effect from July 1, 2020, to February 18, 2022.

Specifically, we reviewed and tested:

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

- Services provided and invoiced as part of the governmental health program Family Pact.
- On a limited basis, access to information systems to determine that they are adequately control and limited to authorized persons.

As a result of changing conditions and the degree of compliance with procedures, the effectiveness of controls changes over time. Specific limitations that may hinder the effectiveness of an otherwise adequate system of controls include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. Establishing controls that would prevent all these limitations would not be cost-effective; moreover, an audit may not always detect these limitations.

Our testing and methodology, which was designed to provide a review of key operational, administrative, and financial controls, included interviews, walkthroughs, and detailed testing on certain aspects of student health services. Our review was limited to gaining reasonable assurance that essential elements of student health services were in place and did not examine all aspects of the program. Our review focused primarily on the health center and athletics sports medicine program but did not include review of academic areas that may be offering health-related services as part of their training programs.

CRITERIA

Our audit was based upon standards as set forth in federal and state regulations and guidance; Trustee policy; Office of the Chancellor directives; and campus procedures; as well as sound administrative practices and consideration of the potential impact of significant risks. This audit was conducted in conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

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

- EO 803, *Immunization Requirements*
- EO 877, *Designation of Health Care Components for Purposes of the Health Care Portability and Accountability Act of 1996 (HIPAA)*
- EO 943, *Policy on University Health Services*
- EO 1000, *Delegation of Fiscal Authority and Responsibility*
- EO 1069, *Risk Management and Public Safety*
- EO 1102, *CSU Student Fee Policy*
- ICSUAM §8000, *Information Security*
- AA-2015-08, *Clarifications to EO 943*
- Code of Federal Regulations §164.308, *Administrative Safeguards*
- Government Code §13402 and §13403
- California Penal Code §11160 and §11161
- AAAHC Accreditation Standards
- SJSU *Multi Factor Authentication Standard*
- SJSU *Sports Medicine Policies and Procedures*

AUDIT TEAM

Senior Audit Manager: Ann Hough
Senior Auditor: Marcos Chagollan