

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

June 26, 2023

Dr. Ellen N. Junn, President
California State University, Stanislaus
One University Circle
Turlock, CA 95382

Dear Dr. Junn:

Subject: Audit Report 22-03, Student Health Services, California State University, Stanislaus

We have completed an audit of *Student Health Services* as part of our 2022-2023 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
Yammilette Rodriguez, Chair, Committee on Audit
Jean Picker Firstenberg, Vice Chair, Committee on Audit

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STUDENT HEALTH SERVICES

**California State University,
Stanislaus**

Audit Report 22-03
June 26, 2023

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 March 17, 2023, 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 the Student Health Center (SHC); however, we identified several areas that needed improvement in the sports medicine program (SMP). We found that the SMP had not obtained a formal designation from the campus president or designee for the appointment of the team physician and had not developed a quality assurance program (QAP). In addition, the SMP did not perform required annual inventories and periodic inspections of drug stock, and credentialing documentation for SMP contracted physicians was not always maintained. Further, the campus was not in compliance with CO policy regarding documented annual system access reviews of SMP information systems that stored protected health information.

At the SHC, we found that the SHC did not complete the required annual review of key cardholders with access to SHC facilities.

Specific observations, recommendations, and management responses are detailed in the remainder of this report. 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. ATHLETIC SPORTS MEDICINE PROGRAM

OBSERVATION

Administrative oversight of SMP and controls over the employee hiring and credentialing processes in SMP needed improvement.

We found that:

- Although the volunteer physician responsible for medical oversight of SMP had been in place since October 2022, SMP had not obtained a formal designation from the campus president or designee for the appointment of the team physician, as required by Executive Order (EO) 943, *Policy on University Health Services*.
- SMP had not developed or implemented a quality assurance program (QAP). EO 943 requires SMP to develop a QAP similar in scope to the program maintained by SHC as part of its accreditation to ensure continued quality of care.
- SMP policies and procedures had not been formally reviewed and approved in writing by the team physician, as required by EO 943.
- SMP policies and procedures did not include required written protocols describing periodic routine inspections and an annual inventory of medications maintained in athletic facilities and sports medicine travel kits, as required by EO 943.
- SMP did not have written policies and procedures outlining review of user access to information systems containing Level 1 and 2 data, and annual user-access reviews of these systems were not performed as required by the California State University (CSU) *Information Security Policy and Standards*. However, we performed a 100 percent review of users in ARMS and Sportware systems, and we noted that all were current employees and had access that appeared reasonable based on their position responsibilities.

In regard to hiring and credentialing, we found that:

- SMP policies and procedures did not include credentialing and re-credentialing requirements for physicians providing services.
- Two contracted physicians from an external clinic provided health services to student athletes from 2019 to 2022. Credentialing documentation, including medical board certifications, professional licenses, CPR certifications, and professional references, were not maintained for one physician. Also, physician privileges were not on file for either physician.
- Required volunteer forms for the current team physician, who is also a SHC employee, had not been completed.

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. Adequate controls over hiring, credentialing, and designation processes help to ensure that health services are provided by qualified personnel and comply with California State University policy.

RECOMMENDATION

We recommend that the campus:

- a. Obtain a formal designation from the campus president or designee establishing medical oversight responsibilities in the SMP.
- b. Develop and implement an appropriate QAP for the SMP similar to the one used by SHC.
- c. Obtain formal written approval for SMP policies and procedures from the team physician.
- d. Review and update SMP policies and procedures to include required written protocols for an annual inventory and periodic reviews of all medications maintained and stored in athletics, including those maintained in sports medicine travel kits, and to ensure that proper written documentation of inventory and inspections of medications is maintained.
- e. Develop and implement a process to perform and document annual user-access reviews for information systems storing Level 1 and Level 2 data in the SMP.
- f. Establish written policies and procedures for the credentialing and re-credentialing of physicians in the SMP.
- g. Develop a process to ensure compliance with CSU volunteer requirements for volunteer physicians in the SMP, and ensure that the process is completed for the current volunteer team physician.
- h. Communicate and distribute new and revised SMP policies and procedures to appropriate staff.

MANAGEMENT RESPONSE

We concur. The campus will:

- Obtain a formal designation from the campus president or designee establishing medical oversight responsibilities in the SMP. Expected completion date is June 30, 2023.
- Develop and implement an appropriate QAP for the SMP similar to the one used by SHC. Expected completion date is September 15, 2023.
- Obtain formal written approval for SMP policies and procedures from the team physician. Expected completion date is August 31, 2023.

- Review and update SMP policies and procedures to include required written protocols for an annual inventory and periodic reviews of all medications maintained and stored in athletics, including those maintained in sports medicine travel kits, and to ensure that proper written documentation of inventory and inspections of medications is maintained. Expected completion date is September 15, 2023.
- Develop and implement a process to perform and document annual user-access reviews for information systems storing Level 1 and Level 2 data in the SMP. Expected completion date is September 15, 2023.
- Establish written policies and procedures for the credentialing and re-credentialing of physicians in the SMP. Expected completion date is September 15, 2023.
- Develop a process to ensure compliance with CSU volunteer requirements for volunteer physicians in the SMP and ensure that the process is completed for the current volunteer team physician. Expected completion date is September 15, 2023.
- Communicate and distribute new and revised SMP policies and procedures to appropriate staff. Expected completion date is October 15, 2023.

2. PHYSICAL ACCESS REVIEW

OBSERVATION

Controls over facility access needed improvement.

We found that the SHC director or designee had not performed an annual review of all key cardholders with access to the SHC facility, as required by EO 943. However, we reviewed a report provided by the campus locksmith of individuals with access to the SHC facility and noted that access appeared appropriate and reasonable.

Periodic management review of SHC keyholders reduces the risk of inappropriate and/ or unauthorized access to SHC facilities.

RECOMMENDATION

We recommend that the campus perform and document a review of SHC key cardholders annually.

MANAGEMENT RESPONSE

We concur. The campus will perform and document a review of SHC key cardholders annually.

Expected completion date is September 15, 2023.

GENERAL INFORMATION

BACKGROUND

The primary health entity on each CSU campus is the student health center (SHC). EO 943, *Policy on University Health Services*, outlines the health services that campuses may provide, funding sources for these services, and the conditions for adding additional services or increasing fees. The EO also addresses qualifications of health care providers, operational expectations for pharmacies, facility safety and cleanliness, medical records management, accreditation, and oversight responsibilities. Although the EO focuses primarily on the scope and activities of the SHCs, it includes sections that are applicable to other campus programs providing student health care, such as intercollegiate athletics 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 Spring 2023 semester, Stanislaus students paid a health services fee of \$228 and a health center facilities fee of \$15 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 Office of the Chancellor, 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 health services 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 electronic medical records (EMR), including some vendor applications designed specifically for university health services. Regulation over these technologies include Health Insurance Portability and Accountability Act of 1996 (HIPAA), which establishes national standards for electronic health care transactions, and the Health Information Technology for Economic and Clinical Health Act, which addresses the privacy and security concerns associated with the electronic transmission of health information. Although this audit assesses the security of medical records, it does not address HIPAA in depth, which generally is reviewed as a separate audit.

At California State University, Stanislaus (Stanislaus State), the SHC provides eligible students with primary care, preventive services, and wellness education. It also has laboratory, X-ray, and pharmacy services available onsite at its main Turlock location. The SHC also performs physical examinations and provides concussion management services to student athletes. SHC is accredited by the AAAHC, and the pharmacy is licensed by the California State Board of Pharmacy. SHC uses Point and Click Solutions, an electronic health records system, and the pharmacy uses a pharmacy management system by ProPharm to manage prescriptions and track dispensed medications prescribed primarily by SHC providers. Oversight and responsibility of SHC is delegated to the director of the student health center, who reports to the associate vice president of student engagement and well-being, who reports to the vice president of student affairs.

Stanislaus State also has a SMP that provides medical services, including treatment of athletic injuries and illnesses. Sports medicine services are provided at the Fitzpatrick arena location and at the SHC. Sports medicine records are maintained using the ARMS and Sportsware systems. The program is overseen by the head athletic trainer and the team physician, who report to the director of athletics.

SCOPE

We performed fieldwork from January 30, 2023, through March 17, 2023. 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 January 1, 2021, to March 17, 2023.

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 the automated systems to determine that they are adequately controlled and limited to authorized persons.

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

Our testing and methodology, 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.

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:

- Code of Federal Regulations §164.308, *Administrative Safeguards*
- Government Code §13402 and §13403
- California Penal Code §11160 and §11161
- AAAHC Accreditation Standards
- 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*
- CSU Information Security Policy and Standards
- AA-2015-08, *Clarifications to EO 943*
- Coded memorandum Human Resources (HR) 2015-10, *CSU Volunteer Policy*
- California Senate Bill 24 – *College Student Right to Access Act*
- Stanislaus State *Student Health Center Policies*

- Stanislaus State *Athletics Policy and Procedures*

AUDIT TEAM

Audit Manager: Kyle Ishii
Internal Auditor: Janaki Nakum