

CAPITAL AREA HUMAN SERVICES DISTRICT

LOUISIANA DEPARTMENT OF HEALTH

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Procedural Report
Issued April 11, 2024

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 5852 or Report ID No. 80230058 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.27. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Capital Area Human Services District

Louisiana Department of Health



April 2024

Audit Control # 80230058

Introduction

The primary purpose of our procedures at the Capital Area Human Services District (CAHSD) was to evaluate certain controls CAHSD uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken action to correct the finding reported in the prior report.

Results of Our Procedures

We evaluated CAHSD's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of CAHSD's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to information technology access, electronic health record system billing, and cash.

Follow-up on Prior-report Finding

We reviewed the status of the prior-report finding in CAHSD's procedural report dated June 16, 2021. We determined that management has resolved the prior-report finding related to Failure to Follow Public Bid Law Requirements.

Current-report Finding

Inadequate Monitoring of the Electronic Health Record System Access

CAHSD did not timely terminate employee access to its electronic health record system (EHR) or perform adequate monitoring of access in accordance with CAHSD policy. As a result, employees had inappropriate access to the EHR system.

In a review of 21 employees terminated in fiscal years 2022 and 2023, 7 (33%) employees did not have their EHR access removed by CAHSD until 4 to 494 days after the employees' termination date, resulting in these employees accessing the system from 2 to 39 days after termination. CAHSD policy 802-11 requires supervisors to immediately submit account deletion requests to the Human Resources Department upon termination of employees.

In addition, CAHSD did not perform quarterly and annual monitoring of EHR access as required by policy. CAHSD policy 810-15 establishes procedures designed to meet the requirements of the HIPAA Security Rule, which requires CAHSD to put into place appropriate administrative, technical, and physical safeguards to protect the integrity, confidentiality, and availability of electronic protected health information; therefore, CAHSD's policy requires the CAHSD-designated Security Officer to run quarterly EHR audit reports and yearly HIPAA-mandated risk assessments to monitor the electronic access by employees.

Lack of controls over access and monitoring increases the risk of errors and fraud in a system that billed and collected approximately \$3.38 and \$3.52 million in fees and self-generated revenues annually during fiscal years 2022 and 2023, respectively. CAHSD should ensure the removal of employee access to the electronic health record system immediately upon separation. In addition, CAHSD should ensure compliance with applicable agency policy and HIPAA requirements by monitoring EHR system user access using the required quarterly and yearly reports. Management concurred with the finding and provided a corrective action plan (see Appendix A).

Information Technology Access

We obtained an understanding of CAHSD's controls over the access to the EHR system, evaluated the monitoring of the system access, and reviewed appropriate employee access. Based on the results of our procedures, we found that CAHSD did not have adequate controls over monitoring system access to the EHR system to ensure appropriate access was maintained (see "Inadequate Monitoring of the Electronic Health Record System Access" in the Current-report Finding section).

Electronic Health Record System Billing

CAHSD uses an EHR system to bill for services provided to clients and maintain patient accounts. CAHSD implemented a new EHR system, CareLogic, in December 2021. We obtained an understanding of CAHSD's policies and procedures for billing using the Carelogic EHR system and determined that CAHSD has designed and implemented adequate controls to ensure proper billing of services provided and posting to patient accounts.

Cash

CAHSD maintains one bank account. Cash balances reported in the Annual Fiscal Reports as of June 30, 2022, and June 30, 2023, totaled \$4,625,829 and \$4,642,496, respectively. We obtained an understanding of CAHSD's controls over the bank accounts, evaluated the segregation of duties, and reviewed bank statements and bank reconciliations for the months of November 2021, May 2022, July 2022, and January 2023. Based on the results of our procedures, CAHSD had adequate controls in place to ensure proper segregation of duties; and timely preparation, review, and approval of bank reconciliations.

Trend Analysis

We compared the most current and prior-year financial activity using CAHSD Annual Fiscal Reports and/or system-generated reports and obtained explanations from CAHSD's management for any significant variances.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

JDS:EBT:BH:BQD:aa

CAHSD2023

APPENDIX A: MANAGEMENT'S RESPONSE



**CAPITAL AREA HUMAN SERVICES
ADMINISTRATION**

Mission: To deliver caring and responsive services, leading to a better tomorrow.

March 6, 2024

Michael J. "Mike" Waguespack, CPA
Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804

Re: CAHSD-Inadequate Monitoring of Electronic Health Record System Access

Dear Mr. Waguespack,

We concur with the finding, 'CAHSD-Inadequate Monitoring of Electronic Health Record System Access' as we did not terminate employee access timely to our electronic health record system (EHR) or perform adequate monitoring of access in accordance with agency policy.

As a corrective action plan; we have revised our internal policies and shall ensure that all CAHSD staff at the Executive and Management level, all individuals responsible for adding, deleting and managing user access to the EHR and those responsible for performing quarterly audits and the annual HIPAA-mandated Risk Assessment are properly trained on the revised policies no later than April 30, 2024 to ensure this type failure does not reoccur in the future. Not all revisions are listed, however, the most significant changes that we feel will ensure continued compliance going forward are inserted below.

CAHSD policy #802-11 Adding/Deleting User Accounts has been revised to include the following:

C. Adding/Deleting Users in the Electronic Health Record

1. Upon hiring new employees, contract providers, interns or residents, the Human Resources Director, or their designee, will send an email notification to the EHR Administrator, or their designee, including name, official position title, work location, supervisor and effective hire date for creation of a new User ID in the Electronic Health Record.
2. The EHR Administrator, or their designee, based on job title and functions of the new user will determine the need for access to the Electronic Health Record. If access is warranted, a new User ID with the appropriate credentials will be created during employee orientation. Account information and training on accessing and using the Electronic Health Record is provided during new employee orientation.
3. Upon termination of an employee, contract provider, intern or resident, the Human Resources Director, or designee, will send an email notification to the EHR Administrator, or their designee, informing them of

CAHSD Administration

7389 Florida Blvd, Suite 100A, Baton Rouge, LA 70806 | Mail: PO Box 66558, Baton Rouge, LA 70896
Telephone (225) 922-2700 | Fax (225) 362-5319 | cahsd.org | realhelpbr.com

"Equal Opportunity / Equal Access Employer"



Outpatient Treatment: Mental Health (Adults)
Outpatient Treatment: Mental Health (Children and Adolescents)
Outpatient Treatment: Substance Use Disorders/Addictions (Adults)
Outpatient Treatment: Substance Use Disorders /Addictions (Children and Adolescents)
Residential Treatment: Substance Use Disorders /Addictions (Adults)



the effective termination date and requesting the user's account be deactivated in the Electronic Health Record.

4. The EHR Administrator notifies the Human Resources Director, or their designee, that the account has been deactivated.

5. If the Human Resources Director, or their designee, has not received notification that the account has been deactivated no later than the next business day following the date the account should have been deactivated, a reminder is sent to the EHR Administrator, or their designee, by the Human Resources Director, or their designee.

D. Managing Users in the Electronic Health Record

Ongoing management of users in the Electronic Health Record will be a combined effort between the EHR Administrator, or their designee, and the Human Resources Director, or their designee. The Human Resources Director will provide a list of all terminated employees, contract providers, interns and residents to the EHR Administrator on a bi-weekly basis for verification that these individuals no longer have access to the EHR.

The Human Resources Director, IT Director and EHR Administrator shall be copied on all communications concerning adding and deleting user access, as is appropriate to ensure timely compliance.

CAHSD Policy 810-15 Electronic Health Record Security has been revised to include the following:

We have clearly defined roles and responsibilities in the policy.

EHR Administrator – the individual responsible for working with the Privacy Officer for the development and implementation of policies and procedures required by the HIPAA Security Rule **as it relates to the EHR** for the agency. The EHR Administrator maintains electronic access by employees and contractors, manages security profiles and *conducts the quarterly EHR Audit*.

HIPAA Security Officer - the individual(s) responsible for the development and implementation of policies and procedures governing **creating, receiving, using and maintaining ePHI in the agency Information Technology Network and protecting said ePHI through restricting access by CAHSD employees and other personnel in compliance with the HIPAA Security Rule and HIPAA Privacy Rule**. At the CAHSD, the **Information Technology Director** and the **Human Resources Director** shall share the roles and responsibilities of this function as it relates to their respective departments and will *jointly conduct the annual ONC Risk Assessment Audit*.

HIPAA Privacy Officer (Corporate Compliance Officer) – the individual who routinely handles protected health information, designated by an organization to develop, implement, and oversee the organization's compliance with the U.S. Health Insurance Portability and Accountability Act (HIPAA) privacy rules. Privacy officers ensure the privacy of private healthcare information among the beneficiary and their providers, and protect such private health information from unauthorized access. They also oversee all activities related to the development, implementation, maintenance, and adherence to the covered entity's policies and procedures. Privacy officers allow access to patient health information only in compliance with federal and state laws and the healthcare organization's information privacy practices.

In addition to revising policies, the EHR Administrator has taken the following steps to bring the EHR access into compliance.

- Run reports of all active users and compared to employee records in Human Resources
- All users no longer employed by CAHSD have been revoked
- Reviewed all privilege settings for each employee to ensure access level aligns with job duties
- Further restricted access to existing privilege groups (only program managers can delete documents), no one other than the system administrators have access to organization configurations
- Created a new privilege group for super-users removing access to employee and administration tabs.

The revisions to our policies have already been implemented by our Electronic Health Records, Human Resources and Information Technology departments.

The CAHSD Deputy Director, Ms. Shaketha Carter, will be responsible for ensuring implementation of this corrective action plan and continued compliance with EHR, ePHI and HIPAA Security Rule and Privacy Rule policies.

Sincerely,



Janzlean Laughinghouse, Ph.D., LCSW-BACS, LAC, CCS
Executive Director

Copy: Shaketha Carter, Deputy Director
Karen Thomas, Accountant Administrator

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Capital Area Human Services District (CAHSD) for the period from July 1, 2021, through June 30, 2023. Our objective was to evaluate certain controls CAHSD uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the CAHSD's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The CAHSD's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated CAHSD's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to CAHSD.
- Based on the documentation of CAHSD's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to information technology access, electronic health record system billing, and cash.
- We compared the most current and prior-year financial activity using CAHSD's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from CAHSD's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at CAHSD, and not to provide an opinion on the effectiveness of CAHSD's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purpose.