

LOUISIANA STATE UNIVERSITY  
HEALTH SCIENCES CENTER IN SHREVEPORT  
LOUISIANA STATE UNIVERSITY SYSTEM  
STATE OF LOUISIANA



MANAGEMENT LETTER  
ISSUED JANUARY 2, 2013

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

**LEGISLATIVE AUDITOR**  
DARYL G. PURPERA, CPA, CFE

**FIRST ASSISTANT LEGISLATIVE AUDITOR**  
**AND STATE AUDIT SERVICES**  
PAUL E. PENDAS, CPA

**DIRECTOR OF FINANCIAL AUDIT**  
THOMAS H. COLE, 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 has been made available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and at the office of the parish clerk of court.

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 \$4.17. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at [www.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 3419 or Report ID No. 80120065 for additional information.

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 Kerry Fitzgerald, Chief Administrative Officer, at 225-339-3800.

# TABLE OF CONTENTS

---

	Page
Executive Summary .....	2
Management Letter .....	3

## **Appendix**

Management’s Corrective Action Plan and Response to the Finding and Recommendations .....	A
--	---

## EXECUTIVE SUMMARY

---

We conducted certain procedures at the Louisiana State University Health Sciences Center in Shreveport (Center) to evaluate its accountability over public funds and compliance with federal program requirements for the fiscal year ended June 30, 2012. We evaluated controls over compliance and financial reporting relating to cash, receivables, payables, net assets, hospital income, educational and general expenses, and hospital expenses. We also evaluated controls and compliance for the federal Research and Development Cluster. Our procedures disclosed the following:

- The Center granted excessive and inappropriate access to the new EPIC Electronic Health Records system to information technology staff and contractors.
- Financial information relating to the accounts above was fairly presented.
- Other than the finding previously mentioned, internal controls related to the accounts above, based on the sample items we tested, were operating effectively, and the Center complied with related state laws and regulations.
- We did not report any findings relating to internal controls or compliance for the federal Research and Development Cluster.
- We examined financial trends to look for unusual changes that did not follow logical patterns. We compared current and prior year financial information and determined the changes in accounts to be reasonable.
- We analyzed the Center's revenues, expenses, tuition, fees, enrollment, and completers over the last four years and observed that the Center has increased its medical school enrollment while addressing decreasing hospital income, state appropriations, and other revenues. The drop in hospital income was caused primarily because of changes in Medicare and Medicaid reimbursement rates and methodologies in fiscal year 2012.
- We analyzed the Center's in-patient visits for the last four years and determined that they have been fairly consistent with approximately 21,000 visits per year. Out-patient visits were approximately 450,000 between fiscal years 2009 and 2011, with a 9% drop in fiscal year 2012. It is unknown whether the drop in out-patient visits is indicative of future out-patient volume.

This report is a public report and has been distributed to state officials. We appreciate the Center's assistance in the successful completion of our work.



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

December 4, 2012

**LOUISIANA STATE UNIVERSITY  
HEALTH SCIENCES CENTER IN SHREVEPORT  
LOUISIANA STATE UNIVERSITY SYSTEM  
STATE OF LOUISIANA  
Shreveport, Louisiana**

As required by Louisiana Revised Statute 24:513 and as a part of our audit of the Louisiana State University System's (System) financial statements and the Single Audit of the State of Louisiana for the fiscal year ended June 30, 2012, we conducted certain procedures at Louisiana State University Health Sciences Center in Shreveport (Center) for the period from July 1, 2011, through June 30, 2012.

- Our auditors obtained and documented an understanding of the Center's operations and system of internal controls, including internal controls over major federal award programs administered by the Center, through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the Center.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the Center's financial reports and/or system-generated reports and obtained explanations from the Center's management for any significant variances. We also analyzed the Center's revenues, expenses, enrollment, completers, in-patient visits, and out-patient visits over the last four years.
- Our auditors considered internal control over financial reporting and examined evidence supporting the Center's account balances and classes of transactions as follows: cash and cash equivalents; receivables; accounts payable; net assets; hospital income; educational and general expenses; and hospital expenses. We also tested the Center's compliance with laws and regulations that could have a direct and material effect on the System's financial statements, as part of our audit of the System's Annual Financial Report for the fiscal year ended June 30, 2012, in accordance with *Government Auditing Standards*.

- Our auditors performed internal control and compliance testing in accordance with *Government Auditing Standards* and Office of Management and Budget Circular A-133 on the Research and Development Cluster for the fiscal year ended June 30, 2012, as part of the Single Audit of the State of Louisiana.

The financial report provided to the System by the Center was not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial report. The Center's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

Based on the application of the procedures referred to previously, we have included one significant finding that is required to be reported by *Government Auditing Standards*. This finding will not be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2012. Other than the finding noted below, we found no significant control deficiencies, noncompliance, or errors related to our analytical procedures or our other audit procedures that should be communicated to management.

### **Inappropriate System Access**

The Center granted excessive and inappropriate access to the new EPIC Electronic Health Records system to information technology (IT) staff and contractors, thereby potentially exposing patient and other confidential records to unauthorized individuals. Specifically, the Center did not limit access to those persons that had a strict business need, resulting in approximately 350 active user IDs with access to change data in multiple functions in EPIC as of August 2012. Although it may be reasonable for a few designated employees to have "change" access to all data in EPIC, this level of access should be limited, tightly controlled, and monitored.

EPIC was quickly implemented during fiscal year 2012 to qualify for federal funding under the Electronic Health Records Incentive Payment Program and the Center did not develop new policies or modify existing policies to address access to information. In addition, the Center granted IT staff broader access to assist new users with their job duties. As a result, there is an increased risk of accidental changes and fraud, as well as possible noncompliance with the Health Insurance Portability and Accountability Act Security Rule. The Center should (1) properly segregate IT staff and contractor duties and access, (2) control and closely monitor administrative system access, (3) establish or revise policies specific to EPIC, and (4) properly restrict access to patient and confidential information. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix A).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the Center. The nature of the recommendations, their implementation costs, and their potential impact on the operations of the Center should be considered in reaching decisions on courses of action. Since this finding relates to the Center's compliance with applicable laws and regulations, it should be addressed immediately by management.

This letter is intended for the information and use of the Center and its management, others within the Center, the System, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large initial "D".

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

KWB:BAC:BDC:THC:dl

LSUHSCS 2012

## Appendix A

---

### Management's Corrective Action Plan and Response to the Finding and Recommendations





SHREVEPORT

Chancellor, LSU Health Sciences Center at Shreveport

School of Medicine in Shreveport  
School of Allied Health Professions  
School of Graduate Studies  
LSU Hospital in Shreveport  
E.A. Conway Medical Center in Monroe  
Huey P. Long Medical Center in Pineville

December 17, 2012

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Purpera,

**RE: Fiscal Year 2011-2012 Legislative Audit  
Inappropriate System Access – EPIC**

The purpose of this memorandum is to address the finding: **Inappropriate System Access in EPIC**

- LSUHSC-S concurs with the finding and recommendations. As has been explained during the audit, the EPIC processes and procedures that define system controls have and will be under development until implementation is complete and meaningful use is achieved throughout the state. Audit recommendations have been considered and changes have begun as outlined below.
- Mr. Marcus Hobgood, Chief Information Officer is the direct contact person responsible for corrective action as follows:

The list of Administrative accounts had been pulled in May 2012 in between two very extensive implementation phases of the EHR System. Also, during the past year after the initial Shreveport implementation, it was found that the user security template strategy would have to be changed from the model system to a more custom application. This custom application is in process. Of the 350 administrative accounts originally pulled, 50 have been eliminated as inactive, terminated, or template demos and are no longer active in the system.

The model system for Breaking the Glass is not an emergency only system. Break the Glass access will be required by the system for any record flagged as confidential. Confidential status can be assigned according to policy or may be requested by any patient. Break the Glass under Confidential status

includes routine access to the record as well as emergency access. The LSU Health strategy for Breaking the Glass is to protect aspects of the patient record that require special access privileges that can be overridden in the case of an emergency. The Breaking the Glass user logs show defined and selectable justifications for use. The monitoring strategy is to periodically sample and investigate defined cases of Breaking the Glass from the Breaking the Glass selection logs. Programmatic changes to the system are required to separate the confidential access log definitions from the Breaking the Glass logs to accomplish this. At initial deployment, all psych crisis patients had to have every encounter with a break the glass for all encounters. We have since changed the settings to allow our psychiatrists to not have to break glass to access their patients.

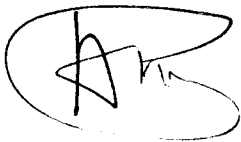
The broad scope of access for analysts and trainers within the EHR System was justified during implementation to achieve training, funding, and installation milestones according to meaningful use requirements and timely system transition. In many cases, analysts and trainers assisted users first hand to enter and edit patient records during the implementation phases. This access is being refined as the security template strategy is being customized and updated.

LSU Health IT supports, constructs, and maintains user security and user security templates. A vetted committee of supervisors acts as the control for access requests and security template design. Specific user access requirements are not inherently known by LSU IT. Security templates for access must be designed and updates requested by departmental representatives from the Users and Security Committee.

By June 30, 2013, written policies and procedures specific to EPIC will be developed with the need for modifications as the system matures.

If you have any questions or need additional information, please contact me at 318-675-4537.

Sincerely,

A handwritten signature in black ink, appearing to be 'H. Mighty', enclosed within a hand-drawn oval.

Hugh Mighty, M.D., MBA  
Vice Chancellor of Clinical Affairs