



The University of Texas Medical Branch
Audit Services

Audit Report

Correctional Managed Care Pharmacy Compliance

Engagement Number 2023-022

July 2024

The University of Texas Medical Branch
Audit Services
301 University Boulevard, Suite 4.100
Galveston, Texas 77555-0150

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Background

The University of Texas Medical Branch (UTMB Health) Correctional Managed Care (CMC) organization was established as a partnership with the Texas Department of Criminal Justice (TDCJ) and Texas Tech University of Health Sciences Center (TTUHSC) in 1993. UTMB Health CMC Pharmacy Services provides services to approximately 126,000 adult and juvenile inmates housed at more than 100 locations including those managed by TTUHSC throughout the state. CMC Pharmacy Services is part of UTMB's Offender Health Services department. The Associate Vice President of CMC Pharmacy Services is responsible for providing operational and financial oversight for UTMB CMC Pharmacy Services.

Since April 2002, UTMB Health CMC Pharmacy Services has participated in a federal drug discount program known as the 340B Drug Pricing Program. The 340B program allows qualified hospitals and clinics to access medications at discounted prices thus allowing them to stretch scarce resources and expand health services to the patients and communities they serve. CMC Pharmacy Services inventory expenses totaled \$46,129,363 and saved approximately \$93,176,609 for fiscal year 2022 and inventory expenses totaled \$47,484,397 and saved approximately \$104,574,523 in fiscal year 2023.

Part of the 340B program requirements includes maintaining trackable records and documentation for audit purposes such as, a listing of active providers who may prescribe medication. Prescribers can be defined as physicians, dentists, psychologists, anesthesiologists, residents, fellows, nurse practitioners and pharmacists who have the privileges, authority, and system access to write prescriptions.

Currently, the 340B team performs monthly audits to review the prescription data for the preceding month, to include whether the relationship between UTMB Health and the individual met 340B standards (i.e., verification of clinic, prescriber, and patient eligibility) and to ensure internal controls comply with 340B standards. Further, UTMB Health engaged Huron, an external third party, to conduct an annual independent audit of its entire 340B program in which CMC Pharmacy participates. Prescriber data is necessary to provide when participating in these monthly and annual audits. Additionally, CMC Pharmacy is required to provide a prescriber list daily to Sentury, UTMB's third party administrator, and to Health Resource and Service Administration (HRSA) when confirming 340B compliance.

In preparation for internal and external audits performed by Huron and HRSA, the 340B team identified significant challenges in maintaining an up-to-date list of prescribing providers since the university does not have a central identity management system. The audit process involved multiple hours spent performing a detailed review of prescription activities recorded in the electronic health record system, cross-referenced with provider start and resignation dates to

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ensure prescriptions were issued by active and current employees at the time. Consolidating provider data from various sources has posed a considerable challenge for the 340B team. The task involves compiling provider information from disparate databases and organizing complex information effectively, including essential unique identifiers such as National Physician Identification numbers (NPI) or employee identification numbers. This data integration hurdle has impeded the team's ability to compile a comprehensive and accurate provider list efficiently, due to the fact the databases are maintained by multiple department system owners outside of the management and control of the 340B team.

Efforts have been made by the 340B team working with the Human Resource Solutions and Analytics team to implement an ongoing complete and automated comprehensive provider list while working with the different system owner departments that maintain employee provider data such as Human Resources, Medical Staff Services, Healthcare System Staffing, and House Office Staff – Graduate Medical Education (GME). The current databases contain some of the same provider information; however, there are data inaccuracies and missing data fields, which require system owner reviews of each of the databases, and requirements to provide an updated listing to the Analytics Team monthly. The diverse databases housing provider information are outlined in detail in the following table, highlighting the complexity and scope of the data consolidation issue faced by the 340B team.

Database	System Owner	Provider Data Maintained	Provider Data in PeopleSoft	Unique Identifiers
PeopleSoft	Human Resources	Physicians, Locum Tenants, and Agency Providers	Yes	Employee ID, User ID, SSN, No NPI
MD Staff	Medical Staff Services	Credentialed Providers (Physicians, Without Salary Providers)	Yes	Employee ID, User ID, NPI
Paycom	HealthCare System Staffing	Locum Tenants and Agency Providers	Partial	Employee ID, User ID, SSN, No NPI
New Innovations	House Staff Office – Graduate Medical Education	Residents, Visiting Residents, and Fellows	Partial	NPI, SSN, No Employee ID, No User ID

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Objective, Scope, and Methodology

Objective

The objective of the engagement was to evaluate the accuracy and completeness of consolidating multiple provider databases to develop a comprehensive and current prescriber listing.

Scope of Work and Methodology

The scope of the engagement included provider data as of September 2023 from UTMB Health information systems.

The methodologies used to conduct this engagement included a review of policies and procedures, process walkthroughs with Medical Staff Services, Human Resources, Healthcare System Staffing, and House Office Staff – Graduate Medical Education (GME) and data analytics to identify duplications, gaps, and anomalies in the provider data.

Executive Summary

The 340B team is required to provide a listing of current prescribers to demonstrate compliance with the 340B program. This requires working with multiple departments' system owners that maintain provider data in their respective database. However, each database is developed independently and contains different data fields as they are intended to manage different populations and serve different purposes, which require different unique identifiers. While the recent efforts have improved the accuracies of the data, opportunities exist to consolidate provider information into a centralized database.

Detailed Results

Centralized Provider Listing

UTMB Health employees and employees under contract (i.e., locums and agency employees) are currently maintained separately within each database such as Human Resources PeopleSoft main active directory of employees, Health Care System Staffing maintains non-UTMB employees (locum tenants and agency providers) within Paycom, Medical Staff Services maintains credentialed providers within MD Staff, House Staff Office – Graduate Medical Education (GME) maintains, residents, and visiting residents and fellows within New Innovations Software. There can be significant movement with the roles of the providers with multiple employment date ranges. For example, a provider could start and stop as a resident in one department and change to a resident in another department, which establishes another start and stop date within the employee record.

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Audit Services reviewed the efforts of Human Resource Solutions and Analytics team to determine whether the project would achieve the intended goal and determined that there would need to be continued manual processes and resources needed to update inconsistencies between databases.

Through process walkthroughs and interviews with key individuals, Audit Services identified, there is no one true source to obtain an accurate provider listing. Provider data is maintained in different database systems and the provider data does not contain all the appropriate information to combine the listing effectively since the data is incongruous at times. Audit Services utilized data analytics to combine and analyze each of the system owner's database provider listings, review each of the system owner's process flows for adding/removing providers and identify missing data fields and different hire and termination dates.

As a result of the review, Audit Services worked with Human Resources Administration to identify a potential central identity management system for providers that would include all employees as well as employees under contract and have the ability to include an additional field for NPI numbers and prescriber classification. Through discussions with Human Resources, PeopleSoft was identified as a potential system to use as a true source of provider information. PeopleSoft already contains employed providers, residents, without salary, nurse practitioners, and agency employees.

Recommendation 001 – Centralized Provider Listing - High:

Human Resources Administration should work with the 340B Team and the Information Technology Department to develop a process to ensure all provider data is entered into one central database. Additionally, the different database owners for Medical Staff Services, Healthcare System Staffing, and House Office Staff – Graduate Medical Education should work with Human Resource Administration and Information Technology Department to develop a process to ensure their respective provider data is entered into this centralized database on a timely basis. This central repository serves as the authoritative and definitive source for employee data within the organization. This practice facilitates coherent decision-making, promotes data integrity, and enhances organizational efficiency by eliminating discrepancies and duplication of records and inconsistent records as well as improve the control environment.

Management's Response:

Phase I:

Human Resource Solutions and Analytics at the direction of Human Resource Administration will work with each of the database owners (e.g., Medical Staff Services, Healthcare System Staffing, and House Office Staff – Graduate Medical Education to craft a centralized database using currently available technology, specifically, an Azure database with a PowerBI reporting layer. Additionally, Human Resource Administration

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and Human Resource Solutions and Analytics will work with the respective database owners to create and formalize a process to include, but not be limited to consistent systematic updates to the central database and include timelines and/or deadlines for periodic updates on a regular interval to the central database to ensure accountability. In addition, the formal process will include timely reconciliations to identify discrepancies such as missing National Physician Identification Numbers (NPIs), employee or master IDs, birth dates, or other demographic identifiers.

Implementation Date: October 31, 2024.

Responsible Party: Interim Chief Human Resources Officer, Associate Vice President, Human Resources Total Rewards.

Phase II:

Human Resource Administration will work with various leadership and administrative bodies as well as the appropriate IT governance committees to provide a more global and permanent solution:

Human Resource Administration will craft a proposal for the implementation of a university-wide resolution for granting, maintaining, and terminating UTMB identity rights to individuals from all possible entry points (e.g., employees via HR, contractors via Health Care System Staffing, providers via Medical Staff Services) to a consolidated, single source for granting, maintaining, and terminating identities utilizing the PeopleSoft HCM database as the maintenance hub for this repository. In addition, Human Resource Administration will commission the project management and capital (if necessary) from proposal and obtain approval.

Human Resource Administration will work with various leadership and administrative bodies as well as the appropriate IT governance committees to:

- 1) Craft a proposal for the implementation of a far-reaching plan for UTMB identities by the end of Quarter 2, FY25 (January 31, 2025); and,
- 2) Commission the necessary project management and capital (if necessary) proposals as well as coordinate an estimated timeline for this work to develop a process to update the central database on a systematic and consistent interval to reconcile discrepancies such as missing NPIs, employee or master IDs, birth dates, or other demographic identifiers.

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Responsible Party: Interim Chief Human Resources Officer, Associate Vice President, Human Resources Total Rewards.

Implementation Date: January 31, 2025.

Conclusion

We appreciate the assistance provided by CMC Pharmacy staff and the Human Resource Solutions and Analytics team. We hope that the information presented in our report is beneficial.

This audit was conducted in conformance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. Additionally, we conducted the audit in accordance with Generally Accepted Government Auditing Standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives.