

THOMAS P. DINAPOLI
COMPTROLLER



110 STATE STREET
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

March 23, 2017

Howard Zucker, M.D., J.D.
Commissioner
NYS Department of Health
Corning Tower Building
Empire State Plaza
Albany, NY 12237

Re: New York City School-Based Health
Centers: Security and Controls Over
Medications and Related Supplies
Report 2016-F-29

Dear Dr. Zucker:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by the New York State Department of Health to implement the recommendations contained in our audit report, *New York City School-Based Health Centers: Security and Controls Over Medications and Related Supplies* (2013-S-34).

Background, Scope and Objectives

New York State's School-Based Health Center (SBHC) Program provides a campus-based health care alternative for preschool, elementary, middle, and high school students in low-income, high-risk communities. The New York State Department of Health (DOH) oversees administration of the SBHCs, including the licensing of the independent medical facilities (e.g., hospitals, diagnostic and treatment centers) that sponsor and operate SBHCs. Services are provided at no out-of-pocket cost to students or their families. SBHCs bill Medicaid and third-party insurance for reimbursement, as appropriate. SBHCs must provide, on-site, a core of age-appropriate primary care services that comply in content and frequency with New York State's Child/Teen Health Plan. A multidisciplinary team of medical professionals is available through each SBHC to provide comprehensive primary care and mental health services, including immunizations, urgent care, health screenings and assessments, counseling and referrals, reproductive health care, and health education. SBHC staff can also prescribe and dispense medications, which are procured from an independent pharmacy or the sponsoring organization.

As of January 26, 2017, there were 247 SBHCs throughout the State. During Fiscal Year

2015, SBHCs provided medical services to about 178,700 students statewide, accounting for approximately 703,000 health care visits. Over 60 percent (149) of the SBHCs are located on New York City Department of Education campuses, serving about 131,000 students.

Our initial audit report was issued on January 8, 2015 and found that the sampled SBHCs did not follow DOH inventory control requirements for medications and potentially hazardous medical supplies. Ten of the 11 SBHCs sampled had shortages in various medication categories (totaling 907 of 2,298 units of medications tested). Further, one school had an unexplained shortage of 2,712 hypodermic needles. Auditors determined that officials of the sampled SBHCs often did not: maintain proper inventory controls over student-supplied medications; record student medication transactions (e.g., medications received from or returned to the parent/guardian or student); and/or document their contacts with parents/guardians to notify them of expired medications or arrange the return of unused medications at the end of school years.

The objective of this follow-up review was to assess the extent of the implementation, as of February 14, 2017, of the three-part recommendation included in our initial report.

Summary Conclusions and Status of Audit Recommendations

DOH officials implemented the initial report's recommendation by issuing updated formal procedural guidance for the SBHC program in 2015. Nonetheless, although DOH issued updated guidance, we identified certain non-compliance with that guidance at two SBHC campuses that we site-visited during the follow-up review. Consequently, we urge DOH officials to take steps to effectively monitor SBHC compliance with the updated guidance. DOH officials acknowledged responsibility for ensuring compliance with program guidelines and indicated that a contractor had been hired to conduct annual SBHC program monitoring reviews.

Follow-up Observations

Recommendation

Develop guidelines for SBHCs to help ensure their compliance with governing regulations. The guidelines should include:

- *Requiring SBHCs to perform periodic physical inventories of their medications and sensitive medical supplies and reconcile discrepancies as appropriate;*
- *Documenting all student-supplied medication transactions, including the type and quantity of the medication received or dispensed, as well as pertinent contacts with parents/guardians; and*
- *Documenting the disposition of expired medications.*

Status - Implemented

Agency Action - On January 29, 2015, DOH officials met with SBHC sponsors to discuss our initial report's findings and to inform the sponsors that DOH's guidelines, Principles and Guidelines

for School Based Health Centers in New York State (Guidelines), had been updated to address the audit's recommendation. A follow-up letter was sent on February 6, 2015 to all SBHC Medical Directors, outlining their responsibilities for maintaining current and accurate records of all pharmacy transactions for SBHC patients. The letter also informed the Medical Directors that the updated Guidelines were available on DOH's website. In addition, the annual SBHC sponsor certification form (which already required sponsor attestation that program funds were used properly and that data was reported accurately) was updated to include an attestation of SBHC compliance with the Guidelines. Further, SBHCs were required to develop and implement policies for: documenting all transactions of sponsor-supplied and student-supplied medications; performing quarterly medication inventories and reconciling discrepancies; and disposing of expired medications. Finally, updates for medication and supply controls were added to DOH's monitoring tool used to assess SBHC and sponsor compliance with the Guidelines.

During the follow-up review, we visited two SBHCs, including Erasmus Hall High School (Erasmus) and Seward Park Educational Campus (Seward Park). In the initial audit, Erasmus was the SBHC which auditors visited with the most medication and supply inventory discrepancies. Seward Park opened in June 2015, under the sponsorship of the Community Healthcare Network, after our initial report was issued. Through our follow-up review, we found that neither Erasmus nor Seward Park officials performed the required periodic inventories of medications and supplies, as otherwise required by the Guidelines. In fact, representatives of Erasmus' sponsor (NYU - Lutheran Medical Center) informed us that formal documented inventories were not taken at any of the 18 SBHCs under its sponsorship. Thus, there was insufficient assurance that medications were controlled and dispensed properly, and used for students' needs. We further noted that Erasmus' and Seward Park's policies and procedures did not address periodic physical inventories of medications and sensitive medical supplies as well as the reconciliation of inventory discrepancies, as otherwise required.

We also found that:

- Erasmus officials and officials of its sponsor were aware of DOH's updated Guidelines and advised us that they had accessed them online from DOH's website. Nevertheless, neither Erasmus nor sponsor officials were well-versed in the Guideline's inventory control requirements; and
- Seward Park officials were not aware of the Guidelines. Instead, officials followed its sponsor's guidelines, which did not address the conduct of periodic and documented physical inventories of medications and medical supplies. Of note, Seward Park's attestation was signed by a representative of its sponsor, who certified that Seward Park operated in accordance with the Guidelines.

Major contributors to this report were Judy Grehl and Marsha Paretzky.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We thank the management and staff of the New York State Department of Health for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Michael Solomon
Audit Manager

cc: Diane Christensen, NYS DOH