



Columbus Consolidated Government

Georgia's First Consolidated Government

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Final Report Limited Scope Audit of the Sheriff's Office October 11, 2013

AUDIT AUTHORIZATION

Mayor Tomlinson requested an audit of the Sheriff's Office on March 14, 2013 addressing certain issues surrounding the Muscogee County Jail Clinic and its use of jail clinic and emergency medical care services for its inmates. These issues are contributory to the Department of Justice oversight of the Jail Clinic, pending or threatened litigation, and the financial impact of inmate's medical care on the budgetary performance of the Sheriff's Office and that of the Columbus Consolidated Government through the Indigent Care contract with a third-party provider. The audit was authorized in Resolution No. 390-10 approved by the City Council in November, 2010.

BACKGROUND/HISTORY

The Sheriff's Office operates a clinic at the Muscogee County Jail for the provision of medical, dental, vision care, mental health and other related services to the inmate population of the Jail, as required by law. For a number of years, the United States Department of Justice has provided oversight to ensure that the inmates have access to and receive appropriate care. The clinic handles a variety of healthcare services for the inmates including Intake Medical Screening and Testing for Contagious Diseases, Medication Administration, Medical Record Maintenance, Acute Care Sick Call, monitoring of chronic diseases and impairments, dental care, vision care and emergency and surgical care, as needed. Most of the services are provided within the clinic at the Jail through the employed and contracted staff of nurses, technicians, physicians, dentists, mental health providers and other healthcare professionals. Care beyond the scope of the clinic operations is referred out to hospital emergency facilities, surgical and specialized service facilities as necessary to address life-threatening injuries or illnesses. A portion of the outside services for Jail inmates and Muscogee County Prisoners of the Muscogee County Prison are funded from the Indigent Care Funds provided from tax revenues, through the Columbus Consolidated Government to The Medical Center. The portion of those funds allocated by contract for inmate and prisoner care is limited, and has been exceeded in recent years, resulting in budgetary stress to the City's General Fund. The jail contracts with Corizon Health Services for some services, including the provision of a Clinic Services Administrator during most of calendar year 2012. Prior to, and subsequent to that time, Paul Morris, R.N. has served as the Clinic Services Administrator for over 15 years. Mr. Morris had previous experience in prison/jail clinic

management and administration. He has performed a variety of duties during his time at the jail clinic, including policies and procedures development, medical intake/screening forms design, recruitment of medical practitioners and clinic staff, contracting for outside services and the review and negotiation of large dollars claims incurred by the inmates. He provides high-level direction to the clinic and is a primary advisor to Sheriff Darr and Jail Commander Collins on medical issues surrounding inmate care. Operational supervision of the clinic on clinical issues is handled by the Director of Nursing, Dorothy Boden, R.N., for most of the past several years, and the Jail Clinic Manager, Pam Mathis, who oversees the Medical Records staff and is responsible for reviewing outside medical claims and processing the bills of the clinic for staffing, supplies, medications and other expenses of the clinics at the jail and the prison.. Prior to August 2012, Mr. Ronnie Bodine served in that capacity and handled those duties.

A similar clinic is also maintained at the Muscogee County Prison. Up to this point, the oversight of that clinic and a portion of the cost is been borne by the Muscogee County Sheriff's Office. The prison clinic does get a portion of its prisoner medical cost reimbursed by the State and it also benefits from the indigent care funds mentioned above.

A. POLICIES AND PROCEDURES

COMPLAINT/ISSUE

Does the Muscogee County Jail Clinic have current Policies and Procedures that are effective, reasonable, and adequate; and do they include elements of internal control that specify boundaries of quality performance, authority, conduct and elicit the necessary communication and notification between functional areas to ensure the success of the clinical operation and adequacy and timeliness of healthcare services to the inmates?

AUDIT PROCESS

The audit process consisted of requesting a copy of the Policies and Procedures for the organization from management and testing the use of such by examination of documentation, observation, and the questioning of employees to discern whether or not available resources provided adequate guidance to staff in the absence of direct supervision.

The Clinic Services Administrator indicated at the beginning of the audit that he was in the process of writing new policies and procedures for the clinic, as most of the previous ones that existed before his departure from the organization in early 2012 and return in early 2013 had been discarded. When questioned by the auditors, various members of staff stated that the organization did not have a Formal Policies and Procedures Manual and that direction and instruction is provided by supervision by word of mouth or memorandums that are periodically issued. Later in the audit, the Clinic Services

Administrator was asked about the progress on the rewriting of the Policies and Procedures and he stated that since a decision had been made to outsource clinic management, that the clinic management company would install their policies and procedures that would be compliant with national correctional healthcare standards.

FINDINGS

There exists no formalized Policies and Procedures Manual. Several members of staff questioned were familiar with the procedures for their routine tasks while others were not. When asked about pharmacy inventories, the response was that the drugs on the cart were counted at the end of each shift and the outgoing and incoming responsible person verified the counts. They noted that patient charts reflect the medications administered to the inmates. Neither staff member was familiar with a procedure to verify a perpetual or periodic inventory of all medications, from a beginning inventory, plus purchases, minus items dispensed, minus items returned to vendor, to arrive at a current inventory. Without, such inventories, it is virtually impossible to account for all medications and whether such was properly dispensed or could have been misappropriated. Also, its absence makes it difficult to explain why pharmaceutical purchases increased substantially during FY2013. It was also noted from the vendor invoices, that the specific item nor its dosage or brand was indicated. It only referenced "current meds dispensed" and the date and amount for that date. A physical inventory would be impossible to value without a cost for each drug and its dosage.

When asked about the procedure for the maintenance of segregation logs, neither member of the nursing staff questioned could recite a policy or procedure for the process. While recent logs were available for inspection, each suggested that we speak with nurse that worked in that unit as they were unsure of the specific process.

RECOMMENDATIONS

It is recommended that once the new Clinic Management Company and its manager is selected and begins work, that a set of Policies and Procedures be developed for the Muscogee County Jail Clinic, compliant with national correctional healthcare standards, and consistent with those adopted by the Sheriff's Office and the City. Once developed, the Internal Auditor will evaluate the system of internal controls contained therein.

MANAGEMENT RESPONSE

The Muscogee County Sheriff's Office and the CCG have contracted with CHC to provide inmate medical care and support, thus privatizing the clinic. CHC will be implementing their policies and procedures, that they use nationwide. CHC will train all employees on their policies and procedures; therefore, eliminating any ambiguity on policies and procedures.

B. PAYROLL RECORDS OF THE JAIL CLINIC

COMPLAINT/ISSUE

Is the payroll being calculated accurately for the number of hours worked and are all employees being paid actually working? Is the amount of overtime worked reasonable? Is the clinic properly staffed to perform its responsibilities? Is the payroll total consistent with the amount budgeted? Are the hours worked reported accurately via the timecard system?

AUDIT PROCESS

Time cards were reviewed for recording accuracy and the number of manual entries was reviewed for reasonableness. Hours worked and pay rates were obtained and calculations were tested. Payroll checks and remittance advices were intercepted for one pay period and distributed by the auditor observing the physical existence of the employee and verifying identity by photo identification.

AUDIT FINDINGS

A review of time cards indicated that employees were generally compliant with time clock rules. One employee did have a number of manual entries for the pay period. A review of pay rates and calculations indicated compliance with regulations and were found to be accurately calculated. Employee pay was physically intercepted and distributed for one pay period and all employees of the jail clinic were required to show photo identification and physically sign for their pay to verify existence. No discrepancies were found to exist.

Reports revealed that several employees worked considerable overtime on a continuing basis. One employee actually earned more dollars in overtime than in base salary during a recent year. Discussion with management revealed that nurses were difficult to hire due to the salary ranges being lower than the prevailing community rate. As such, the clinic employed less nurses than were needed and overtime and contracted nursing services were used to fill the void. A review of actual versus budgeted expenses for wages and salaries indicated that actual compensation exceeded the budgeted amount by several hundred thousand dollars. Overtime pay accounted for a substantial portion of the overage. The use of agency personnel at higher hourly rates also contributed to the over-budget situation. During the audit, a hospital in a nearby community closed suddenly,

leaving nurses and other medical staff without jobs. This could have been a recruiting opportunity for the Jail Clinic had they participated in the job fair held for those workers.

RECOMMENDATIONS

- (1) If the Jail Clinic continues to employ the nursing staff, efforts need to be made to actively recruit full-time and part-time nurses to staff the clinic without the use of excessive overtime. Such efforts require management to constantly monitor news reports for hiring opportunities and to inform nurses employed in the area that additional work is available at the Jail Clinic should they desire extra work.
- (2) Overtime in the Jail Clinic and in others areas of the Sheriff's Office, is deemed to be excessive. Efforts need to be made to improve scheduling so that overtime is not built into the work schedules of employees.

MANAGEMENT RESPONSE

Privatizing the clinic will eliminate the need for employees having to work overtime. The process of privatizing the clinic showed that the clinic was inadequately staffed over the years, often leading to overtime. Salary is a fixed component of the contract with the CHC. CHC will be implementing their nationwide policies and procedures in regards to the handling of the payroll.

C. MEDICAL RECORDS REVIEW

COMPLAINT/ISSUE

Some of the Inmate Medical Screening forms and vital signs completed by one or more of the Intake Medical Screeners are alleged to have been photocopied or falsified before or during the intake process. Do the Medical records contain evidence to support this conclusion? Are medical record intake forms complete and do such include follow-up results of laboratory/other test performed during intake screening or initial examination? Do medical records include evidence of information from provider examinations, the dispensing of medications, and other care or treatments of the inmates?

AUDIT PROCESS

The auditor discussed the medical intake process with the Clinic Services Administrator, who provided a tour of the medical intake area. The discussion included the forms,

medical questionnaire and testing equipment used during the intake process. The medical intake screening is performed by Medical Technicians, Licensed Practical Nurses and Registered Nurses. The Administrator also provided the location and access to the medical charts of inmates for subsequent review. The chart review was performed by the Internal Auditor with the assistance of an outside medical auditor.

FINDINGS

The auditors performed reviews of fifty-five inmate medical charts. The random sample was selected from charts from the years of 2005 through 2012. The medical intake screening was performed by 15 different screeners, almost evenly distributed between Medical Technologists, Licensed Practical Nurses, and Registered Nurses. Charts are subsequently reviewed by higher level medical personnel, such as Registered Nurses or Physicians, before or during the inmate's initial clinic visit. The review process is important to identify any inmates that are seriously ill, those with medical or other conditions that might require isolation, and/or those that might require specialty care. Also recorded are tests, such as PPD, for Tuberculosis. While some charts indicated that a higher level review had occurred, other did not. Some vital sign values were missing as frequently was the case of recording the results of the PPD tests.

While the age, gender and ethnicity of the inmates varied widely, so did their vital signs, test results, and general health status. An earlier internal investigation performed by the Sheriff's Office Investigative Bureau reported that Justin Ramzy had photocopied some chart forms with normal values for Respiration Rate, Temperature and Pulse Oximetry, performing the Heart Rate, Height and Weight. Mr. Ramzy later admitted to having done so, however, he stated that other medical screeners at the jail clinic had also done the same or similar things during the intake process. He was subsequently terminated for this action and later appealed his termination. Our review indicated that Mr. Ramzy had performed 18 of the 55 intake records reviewed. Other reviewers had less as most of them had not worked in that capacity at the clinic for as long as had Mr. Ramzy. Seventeen of his 18 charts reviewed contained identical values for RR, Temp and Pulse Ox. The other chart matched on the first two values, but varied on the third one. We reviewed the charts of the other intake screeners and did not find similar values to exist. We concluded that Mr. Ramzy did record or photocopy such values on the intake form of the inmate charts. Healthcare professionals rely upon vital signs and other chart information to plan and administer further testing or treatment. Incorrect values could cause harm to the inmate as serious medical conditions may have been overlooked and left untreated. The Sheriff's Office is required by law to provide necessary medical care to the inmates in its custody. As such, we opine that management was justified in taking the action to terminate Mr. Ramzy. We did follow up on the status of these inmates and were unable to identify any of them that had any life-threatening events during their stay at the jail, nor following transfer or release from the jail.

RECOMMENDATIONS

It is recommended that medical intake screening at the jail clinic be performed by licensed medical personnel with the requisite training needed to perform the process and properly record the results. Supervision should be notified by the screener of abnormal results so that treatment can be expedited if so warranted.

It is further recommended that all such charts be reviewed by a Registered Nurse, a Nurse Practitioner, Physician Assistant or Physician as soon as practicable following the intake process, to identify inmates most in need of care to be examined and treated on a priority basis, similar to the triage process used to prioritize treatments in hospital or clinic emergency departments. Such reviews should be annotated in the chart indicating the reviewer, date and time of the review, and any pertinent review notes.

It is also recommended that the Director of Nursing be responsible for ensuring that chart reviews of new inmates be reviewed in a timely manner.

MANAGEMENT RESPONSE

CHC's policies and procedures will dictate personnel responsible for the inmate intake screening process and the review process of said intake screenings.

D. THIRD-PARTY PROVIDER CONTRACTS FOR EMERGENCY CARE

COMPLAINT/ISSUE

Emergency Care for inmates at the Muscogee County Jail (and the Muscogee County Prison) is provided by The Medical Center, partially funded by a \$500,000 annual allowance from the Indigent Care Funding provided by the City to cover the cost of indigent care for the community. The allowance is part of a 30-year contract executed between the City and The Medical Center in 1992.

AUDIT APPROACH

The audit approach for this issue was to review the City's record of Indigent/Prisoner Care funding and periodic independent audits thereon, and a review of the determination by Jail Clinic staff as to when emergency care is needed for such inmates.

AUDIT FINDINGS

For a number of years, the allowance was adequate to cover the cost of inmate and prisoner emergency care. That amount is fixed per the contract, and does not adjust to compensate for inflation or other increases in health care costs, nor does it adjust for an increasing number of inmates and prisoners that receive emergency care under this provision of the contract. As such, costs (at The Medical Center's Chargemaster Rates) have exceeded the allowance. For the three most recent complete years for which data is available, the excesses were \$1,705,887 for 2010, \$1,246,823 for 2011, and \$1,644,126 for 2012. Per the contract, the City is responsible for paying 50% of such excess, each calendar year. This resulted in supplemental payments for emergency inmate/prisoner care of \$852,944 in 2010, of \$623,412 for 2011, and \$822,063 for 2012, based on a recently completed audit of indigent care funding to The Medical Center. The excesses are not reflected in the Sheriff's Office Jail Clinic budgetary performance.

It should be noted that the Jail Clinic staff and management do have impact on the aforementioned amounts and on other costs of the Sheriff's Office, resulting from their decisions send inmates to The Medical Center for emergency care. While there are many legitimate occurrences where emergency care is needed for inmates, there are times when incoming inmates are received that have cuts and other injuries that may have been incurred immediately prior to or during the arrest process, that are sent out for emergency care at the hospital, rather than suturing and treating them at the jail clinic. Also, there were several cases, noted during audit review that was sent out to the hospital emergency department near the end of a shift that could have been treated at the clinic. Any of these cases that could have been handled at the clinic would have reduced the cost of the care and saved on the transport cost and the time that the accompanying guards spent with the inmate. Such cases, negatively impact the City and the Sheriff Office budgets in multiple ways.

AUDIT RECOMMENDATIONS

- (1) It is recommended that inmate care be provided at the jail clinic, whenever it is possible and would not endanger the inmate, to provide faster and most cost-efficient care.
- (2) It is recommended that the \$500,000 annual allowance for emergency care, via the Indigent Care Contract, be divided between the budgets of the Jail Clinic and the Prison Clinic, based on actual average usage for the past five years, and such expenses for emergency care provided outside of those clinics be charged against their respective budgets. As such, each would be incentivized to use the most efficient mode of care possible to provide care to the inmates and prisoners.

MANAGEMENT RESPONSE

Due to lack of information (cases that could've been handled at the clinic), I am unable to address this issue as far as sending inmates out at the end of shifts. Cases were not specifically listed. Our HAS, Mr. Paul Morris, has been successful at ensuring the city only pays for services rendered. Mr. Morris also kept up with the cases outsourced to the ER and when he noticed a high trend of outsourcing, he would investigate. The Muscogee County Sheriff's Office will work with CHC to monitor inmate transfers from the county jail to the ER.

E. BUDGETARY PERFORMANCE

COMPLAINT/ISSUE

How has the Jail Clinic performed in relation to its budget while providing care to the inmates in its custody? Does the clinic provide required inmate health services?

AUDIT APPROACH

The auditor discussed the spectrum of health services provided to inmates with clinic management, and then compared those services with the services required by state and federal regulations.

The auditor obtained budgetary performance report from reporting generated from the City's Accounting and Financial reporting system and reviewed items of concern with either clinic management or members of the City's Finance Department that monitor such budgets.

AUDIT FINDINGS

The jail clinic provides a variety of health services to its inmates, during their stay at the jail. Immediately following the intake process, inmates are screened using a questionnaire developed by the clinic administrator, to gather and assess information about the current health status of the inmate, taking of the inmates vital signs, followed by asking the inmate about medical history, current medications, communicable diseases, drug or alcohol usage, and any chronic conditions for which the inmate is being treated. The inmate is given a PPD test for tuberculosis, and tested for other conditions as indicated based on the inmate's response to the medical questionnaire. Within a few days after arrival at the jail, the inmate has an initial medical examination, performed by a physician or a physician extender. The provider then provides to or refers the inmate for care.

The inmates also receive sick call care, for which they are treated at the clinic by one of its in-house providers, or referred out as necessary. In house services include medical, dental, services, pharmacy, and mental health care. Some specialists are also contracted, such as ophthalmology/optometry services. Emergency services and other specialized and ancillary medical services and treatments are referred the hospital or area specialists. Based on our review of inmate medical records and observation, the clinic provides adequate services to its inmates.

The budgetary performance of the jail clinic has been problematic for a number of years. While some of the problem may be attributable to the variability of health status of inmates between years and/or outlier claims, much of it is attributable to the inability to recruit an ample supply of medical personnel and the excessive use of overtime and contracted agency personnel. Another cause of budgetary stress is the absence of Policies and Procedures necessary to provide guidance for acceptable and non-acceptable practices. While some outside services have been contracted by the Clinic Administrator at more favorable rates, others still exist that are billed at higher than the Medicaid Rate, which should be the targeted rate, as most inmates without healthcare coverage would likely qualify for Medicaid, if they were enrolled. In FY2013, pharmaceutical cost rose approximately 50% over the prior year, yet the invoices from the vendor only indicate total daily consumption billed, rather than a detailed invoice that delineates each drug purchase, dosage, and unit cost. As such, it is virtually impossible to perform and price an inventory, nor to enable staff to be aware of the comparative costs of similar medications. Without the inventory and a system for readily tracking medications dispensed by inmate, it is indeterminable whether all of those medications were dispensed or whether a portion might have been misappropriated.

Likewise, Policies and Procedures should include the skill level of personnel qualified to perform certain functions. Certain functions, such as the dispensing of medications and the medical assessment of new inmates, require the medical knowledge of a nurse or physician, and should not be performed by lesser skilled individuals. Medical Technicians can assist with the gathering of information or the taking of vital signs and obtaining fluid samples, but should not be assessing the medical condition of the inmate.

At the end of FY2013, there existed a sizable backlog of unvouchered and unpaid bills of the jail clinic. These bills were for pharmaceuticals, medical and other supplies, contracted services, and a variety of non-payroll items. It took approximately one month past the end of the fiscal year for the staff to provide a tally of the total outstanding bills; amounting to over \$900,000, including others that were discovered after the tally was provided. For a budgetary unit that was already over budget for the fiscal year, this backlog exacerbated the budget overage and undermined the credibility of the budget controls employed by the Sheriff's Office.

AUDIT RECOMMENDATIONS

- (1) Establish the necessary Policies and Procedures to provide a guideline of how decisions and processes are to be handled in the absence of direct management supervision. Ensure that such Policies and Procedures are consistent with City directives and that such are compliant with state and federal regulations.
- (2) Require vendors to provide detailed invoices including item, quantity, dosage or size and the unit and extended price of each line item.
- (3) Perform regular inventories of items such as pharmaceuticals, which are highly marketable inside and outside of the facility.
- (4) Assign personnel to tasks for which they are fully qualified. State and federal regulations can provide guidance in this area.
- (5) Process invoices, payroll and other cost items in a timely fashion, to allow management to review and act on budgetary and performance measures before they become unmanageable.
- (6) Employ a person, within the Sheriff's Office that is trained, skilled and experienced in the preparation of budgets, performing financial and operational analysis, and controlling expenses to budgeted levels.
- (7) Employ or contract management skilled in managing all critical aspect of the jail clinic operation.

MANAGEMENT RESPONSE

With the privatization of the clinic to CHC; CHC's policies and procedures should ensure that we are paying comparable Medicaid rates. CHC will also keep an accurate and accountable inventory of pharmaceuticals. CHC's policies and procedures will dictate how medication is dispensed, disposed of and tracked. CHC has the expertise to keep up with medical bills and ensure that no bill is significantly past its due date and is paid in an appropriate time frame.

AUDIT SUMMARY

During the course of the audit, management requested that bids be solicited for a professional clinic management company, with experience in managing the clinics of jails or prisons of a similar size, to assume full management responsibility for all aspects of the Muscogee County Jail Clinic. Bids have been

received, reviewed by the purchasing committee and a vendor selection has been made. Currently the contract with the vendor is being negotiated. Internal Audit supports that management decision and encourages management to include not only the management of clinical activities and costs, but to also include the jail clinic portion of the indigent care funds apportioned to inmate/prisoner care, so that the clinic management company must assume responsibility for managing those funds as well, and not refer out services that it prefers not to perform within the boundaries of its contract with the Sheriff's Office and cause expensive overages on the Indigent Care Contract with The Medical Center, thereby, sub-optimizing the cost of care to the Columbus Consolidated Government. It would also be in the best interest of the Sheriff's Office and the City to incentivize the management company to correct the deficiencies that cause the continued Department of Justice oversight and bring such to an end.

Additionally, Sheriff Darr has informed the Internal Audit that he plans to employ a financial manager, within the Sheriff's Office, that is trained and experienced in budget preparation, financial and operational analysis, employee scheduling, overseeing external contracts and fiscal control. Internal Audit supports this endeavor of the Sheriff and has offered assistance in developing a position description, recommending candidates, assisting with the review and selection of candidates and any other needed service to expedite the process. This employee could be crucial to not only improving cost control and operational and financial performance of the jail clinic, but also for the Sheriff's Office as a whole. Such could also contribute to and improve the financial health and stability of the Columbus Consolidated Government.

FINAL RESPONSES OF SHERIFF DARR

I have been the Sheriff for approximately 5 years and over those years the DOJ has not expressed any concerns of inmates' treatment and care. As a matter of fact, the DOJ medical analyst commended Mr. Morris on his care and treatment of inmates. Although there have been some issues with invoice control, the privatization of the clinic should eliminate this problem in the future. The majority of all issues raised in the audit will be handled by the privatization of the clinic.

John D. Redmond

John D. Redmond, Internal Auditor & Compliance Officer

10/11/13

Date