



# MICHIGAN

OFFICE OF THE AUDITOR GENERAL

## AUDIT REPORT

PERFORMANCE AUDIT  
OF THE

OVERSIGHT OF HEALTH PROFESSIONS

BUREAU OF HEALTH CARE SERVICES  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

February 2015



Doug A. Ringler, CPA, CIA  
AUDITOR GENERAL

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– Article IV, Section 53 of the Michigan Constitution

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## Report Summary

*Performance Audit*  
*Oversight of Health Professions*  
*Bureau of Health Care Services*  
*Department of Licensing and Regulatory*  
*Affairs*

**Report Number:**  
**641-0430-14**

**Released:**  
**February 2015**

The mission of the Bureau of Health Care Services (BHCS) is to protect, preserve, and improve the health, safety, and welfare of Michigan's citizens through the licensing and regulation of health professionals, health facilities, and long-term care facilities. BHCS performs oversight of health professionals to ensure compliance with the Public Health Code, which includes issuing licenses and registrations, processing allegations, investigating authorized allegations, processing complaints, monitoring sanctions, maintaining a controlled substance prescription database, and administering the Health Professional Recovery Program (HPRP). As of May 31, 2014, BHCS had 124 employees who performed oversight activities for health professions.

Audit Objective			Audit Conclusion
Objective 1: To assess the effectiveness of BHCS's efforts to collect and analyze controlled substance prescription data.			Moderately effective
Finding Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Health Professional Investigation Division (HPID) could not ensure that it had complete and accurate data in the Michigan Automated Prescription System for all required controlled substances that were dispensed. This limits the ability of prescribers, dispensers, law enforcement, pharmacy benefit managers, and HPID to analyze those who abuse or divert controlled substances ( <a href="#">Finding 1</a> ).	X		Agrees

Audit Objective			Audit Conclusion
Objective 2: To assess the effectiveness of BHCS's efforts to monitor the HPRP contractor's compliance with the terms and conditions of the contract.			Not effective
Finding Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Health Professional Licensing Division did not effectively monitor the performance of the HPRP contractor, whose responsibility entails most of the day-to-day operations of HPRP ( <a href="#">Finding 2</a> ).	X		Agrees

Audit Objective			Audit Conclusion
Objective 3: To assess the effectiveness of BHCS's efforts to investigate health profession allegations.			Moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
HPID did not consistently conduct complete investigations of Public Health Code violations filed against health professionals. Weaknesses existed in 4 (9.8%) of 41 files reviewed ( <u>Finding 3</u> ).	X		Agrees
HPID did not always complete investigations within the time frames specified in the <i>Michigan Compiled Laws</i> . Delays occurred to complete both preliminary and final actions ( <u>Finding 4</u> ).		X	Agrees

Audit Objective			Audit Conclusion
Objective 4: To assess the effectiveness of BHCS's efforts to monitor health profession disciplinary or corrective actions authorized by the licensing boards against licensed or registered health professionals.			Moderately effective
Finding Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Sanctions Monitoring Unit (SMU) did not sufficiently monitor sanctions imposed against health professionals to ensure that licensees complied with consent orders. Also, SMU did not refer noncompliant licensees to the Allegation Section of the Enforcement Division for further follow-up. Seven (17.5%) of 40 sampled files with disciplinary actions were not properly monitored ( <u>Finding 5</u> ).		X	Agrees

Audit Objective			Audit Conclusion
Objective 5: To assess the effectiveness of BHCS's efforts to prepare and present the health profession allegations to the appropriate licensing board for authorization to investigate.			Effective
Finding Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
The Enforcement Division had not developed policies and procedures requiring its Allegation Section to complete the initial allegation review in a specified time frame. Delays occurred in 11 (44.0%) of 25 cases we reviewed ( <u>Finding 6</u> ).		X	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>

Office of the Auditor General  
201 N. Washington Square, Sixth Floor  
Lansing, Michigan 48913

**Doug A. Ringler, CPA, CIA**  
Auditor General

**Laura J. Hirst, CPA**  
Deputy Auditor General



# OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • <http://audgen.michigan.gov>

**Doug A. Ringler, CPA, CIA**  
Auditor General

February 20, 2015

Mr. Mike Zimmer, Director  
Department of Licensing and Regulatory Affairs  
Ottawa Building  
Lansing, Michigan

Dear Mr. Zimmer:

This is our report on the performance audit of the Oversight of Health Professions, Bureau of Health Care Services, Department of Licensing and Regulatory Affairs.

This report contains our report summary; a description of agency; our audit objectives, scope, and methodology and agency responses and prior audit follow-up; comments, findings, recommendations, and agency preliminary responses; three exhibits, presented as supplemental information; and a glossary of abbreviations and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's response at the end of our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler  
Auditor General



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## Description of Agency

The mission\* of the Bureau of Health Care Services (BHCS), Department of Licensing and Regulatory Affairs (LARA), is to protect, preserve, and improve the health, safety, and welfare of Michigan's citizens through the licensing and regulation of health professionals, health facilities, and long-term care facilities. BHCS performs oversight of health professionals through activities in the Health Professional Licensing Division, Health Professional Investigation Division, and Enforcement Division to ensure compliance with Articles 7 and 15 of the Public Health Code:

a. Health Professional Licensing Division (HPLD)

HPLD is responsible for processing applications for licensure and examination and issuing new and renewed licenses and registrations for 25 health professions that are overseen by 23 licensing boards, one task force, and LARA staff. This includes monitoring continuing education requirements, performing continuing education audits, and maintaining license and registration records. HPLD provides executive direction and administrative support for the licensing boards and task forces established under the Public Health Code. HPLD also provides customer services for licensees and registrants. HPLD is also responsible for administering the Health Professional Recovery Program\* (HPRP), a program that assists licensed health professionals with substance abuse or other issues that may reduce their ability to practice their profession. As of May 31, 2014, 141 regulatory and approximately 480 voluntary participants\* were enrolled in HPRP.

In addition, HPLD is responsible for administering the State's Medical Marijuana Program and issuing registrations for marijuana use; however, this program was not within the scope of this audit.

As of March 19, 2014, HPLD had licensed or registered approximately 429,000 health professionals in Michigan (see Exhibit 1, presented as supplemental information, for a summary of regulated health professions).

b. Health Professional Investigation Division (HPID)

HPID is responsible for investigating authorized allegations of statutory violations filed against licensed or registered health professionals. HPID works closely with

\* See glossary at end of report for definition.

the Enforcement Division's Allegation Section. This Section receives allegations and prepares and presents them to the licensing board or BHCS director for authorization to investigate. Upon completing its investigation, HPID provides recommendations to the Enforcement Division's Enforcement Section to close a case, review further, or draft a formal complaint. HPID is also responsible for maintaining the Michigan Automated Prescription System\* (MAPS). HPID collects MAPS information from health professionals who dispense certain controlled substances\*. HPID runs periodic reports to analyze patterns of inconsistent reporting or nonreporting and potential abuses of controlled substances to follow up with health professionals.

During the period October 1, 2011 through March 31, 2014, HPID investigated 2,587 authorized allegations that it received from the licensing boards or the BHCS director. As of March 31, 2014, 2,350 investigations were closed and 237 were open.

c. Enforcement Division

BHCS's Enforcement Division performs preinvestigative and postinvestigative activities for health professionals. The Enforcement Division consists of the Allegation Section and the Enforcement Section. The Allegation Section is responsible for receiving allegations filed against health professionals licensed or registered by HPLD. The Allegation Section gathers all preliminary information regarding the allegation and determines whether to prepare and present the allegation to the licensing board or the BHCS director for authorization to investigate or to close the allegation without further action. If the licensing board or the director authorizes the allegation for investigation, it is then forwarded to HPID for investigation.

After investigation of the allegation by HPID and confirmation that the allegation is a violation of the Public Health Code, the Enforcement Section drafts a formal complaint. Enforcement Section staff may also attend compliance conferences to attempt to resolve the complaints with the licensee, as necessary. In addition, the Enforcement Section processes applications for reinstatement of revoked or suspended licenses or reclassification of disciplinary limited licenses. Further, the Enforcement Section's Sanctions Monitoring Unit maintains and monitors disciplinary records for health professionals to ensure that these professionals are in compliance with the sanctions imposed upon them by the disciplinary subcommittees through consent order.

\* See glossary at end of report for definition.

During the period October 1, 2011 through March 31, 2014, the Enforcement Division monitored and closed 1,630 sanction cases and, as of March 31, 2014, the Enforcement Division was monitoring 918 open sanctions cases.

BHCS and the Department of Attorney General have a memorandum of understanding that the Enforcement Division will refer complaints to the Department of Attorney General for complaint processing. As of June 2014, the Enforcement Division had 623 open referrals cases with the Department of Attorney General.

As of May 31, 2014, BHCS had 124 employees who performed oversight activities for health professions.

## Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

### Audit Objectives

Our performance audit\* of the Oversight of Health Professions, Bureau of Health Care Services (BHCS), Department of Licensing and Regulatory Affairs (LARA), had the following objectives:

1. To assess the effectiveness\* of BHCS's efforts to collect and analyze controlled substance prescription data.
2. To assess the effectiveness of BHCS's efforts to monitor the Health Professional Recovery Program (HPRP) contractor's compliance with the terms and conditions of the contract.
3. To assess the effectiveness of BHCS's efforts to investigate health profession allegations.
4. To assess the effectiveness of BHCS's efforts to monitor health profession disciplinary or corrective actions authorized by the licensing boards against licensed or registered health professionals.
5. To assess the effectiveness of BHCS's efforts to prepare and present the health profession allegations to the appropriate licensing board for authorization to investigate.

### Audit Scope

Our audit scope was to examine the Bureau of Health Care Services' programs and records related to the oversight of health professions. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, analysis of agency responses, and quality assurance, generally covered the period October 1, 2011 through May 31, 2014.

\* See glossary at end of report for definition.

As part of our audit report, we prepared supplemental information that relates to our audit objectives (Exhibits 1, 2, and 3). Our audit was not directed toward expressing an opinion on this information.

### Audit Methodology

We conducted a preliminary survey of BHCS's operations relating to the licensing and regulation of health professionals. Our preliminary survey included:

- Interviewing Health Professional Licensing Division (HPLD), Health Professional Investigation Division (HPID), and Enforcement Division staff.
- Reviewing applicable sections of the Public Health Code, related administrative rules, and BHCS policies and procedures.
- Analyzing available data and statistics from BHCS's licensing system (License 2000®, known as L2000\*) and the Michigan Automated Prescription System (MAPS) to obtain an understanding of HPLD, HPID, and Enforcement Division operational activities.

To accomplish our first audit objective, we reviewed:

- State statutes regarding HPID's responsibility to collect certain controlled substance information from dispensers of controlled substances.
- HPID procedures and processes for the review of controlled substance data reported in MAPS.
- Error thresholds that BHCS utilized to accept the reporting of controlled substances to assess whether data collected in MAPS was complete and accurate.
- Pharmacy dispensers registered to report controlled substance information in MAPS.
- Pharmacy dispensers licensed in Michigan.
- Information that HPID provided to those dispensers of controlled substances required to report and use the MAPS data.
- The procedure and process for users to request MAPS information.
- MAPS reports developed by HPID to identify patterns of abuse.

\* See glossary at end of report for definition.

- HPID follow-up procedures for monthly reports that detailed dispensers of controlled substances who were not reporting and patients suspected of visiting more than one physician to obtain multiple prescriptions for the same drug.

To accomplish our second audit objective, we:

- Reviewed the HPRP contract to identify HPLD's and the HPRP contractor's responsibilities.
- Interviewed HPLD staff to determine how they monitored the contractor's performance on the HPRP contract (see Exhibit 2, presented as supplemental information, for a flow chart of the HPRP intake and monitoring process.)
- Reviewed available reports, data, and contract deliverables from HPLD and the HPRP contractor to ascertain if the contractor appropriately complied with the contract requirements.
- Reviewed files for regulatory participants monitored in the Sanctions Monitoring Unit (SMU) to ensure that the HPRP contractor and SMU properly monitored for compliance with the monitoring agreement.

To accomplish our third audit objective, we:

- Interviewed HPID staff to determine the process for investigating authorized allegations filed against health professionals (see Exhibit 3, presented as supplemental information, for a flow chart of the allegations and complaints process).
- Identified the statutory requirements regarding the completion of investigations of authorized allegations within specified time frames.
- Analyzed authorized allegations investigated from October 1, 2011 through March 31, 2014 to determine if HPID staff conducted the investigations in accordance with statutory requirements.
- Reviewed a sample of authorized and investigated allegations to determine if BHCS or the appropriate licensing board authorized the allegation, HPID staff investigated and documented its investigation of the authorized allegation, and documentation was maintained to support the investigators' recommendations.

- Analyzed completed investigations by investigator, type of investigation, and time to complete the investigation to determine the effectiveness with which HPID assigns and utilizes staff resources to investigate authorized allegations.

To accomplish our fourth audit objective, we:

- Interviewed SMU staff and reviewed the processes utilized for receiving consent orders, establishing the sanction file, monitoring the sanction, and closing the sanction file upon the completion of the monitoring requirements.
- Analyzed sanctions to determine if SMU properly monitored and ensured that the terms of the consent order were met and appropriately recorded in L2000.
- Selected a random sample of complaints referred to the Department of Attorney General by SMU to determine whether SMU properly monitored and appropriately recorded the status of these cases in L2000.

To accomplish our fifth audit objective, we:

- Reviewed BHCS procedures and BHCS's processing of allegations from receipt of the allegation to submission to the licensing board or the BHCS director for authorization.
- Analyzed open and closed allegations within L2000 from October 1, 2011 through March 31, 2014 to determine the number of allegations received; nature of the allegation; disposition of the allegation; and timeliness of case establishment, allegation preparation, and investigation authorization.

We based our audit conclusions on our audit efforts as described in the preceding paragraphs and the resulting material conditions\* and reportable conditions\* noted in the comments, findings, recommendations, and agency preliminary responses section. The material conditions are more severe than a reportable condition and could impair management's ability to operate effectively or could adversely affect the judgment of an interested person concerning the effectiveness of BHCS. The reportable conditions are less severe than a material condition but represent deficiencies in internal control\*.

\* See glossary at end of report for definition.

When selecting activities or programs for audit, we direct our efforts based on risk and opportunities to improve the operations of State government. Consequently, we prepare our performance audit reports on an exception basis.

#### Agency Responses and Prior Audit Follow-Up

Our audit report contains 6 findings and 7 corresponding recommendations. LARA's preliminary response indicates that it agrees with all 7 recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion at the end of our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, and Section 100) require LARA to develop a plan to comply with the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We released our prior performance audit of the Bureau of Health Services, Department of Community Health (63-430-03), in April 2004. Within the scope of this audit, we followed up 5 of the 8 prior audit recommendations. BHCS complied with 1 of the 5 recommendations. We rewrote 3 prior audit recommendations for inclusion in Findings 2, 4, and 5 of this audit report. We determined that the 1 other prior audit recommendation was no longer applicable.

COMMENTS, FINDINGS, RECOMMENDATIONS,  
AND AGENCY PRELIMINARY RESPONSES

## **EFFORTS TO COLLECT AND ANALYZE CONTROLLED SUBSTANCE PRESCRIPTION DATA**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of the Bureau of Health Care Services' (BHCS's) efforts to collect and analyze controlled substance prescription data.

**Audit Conclusion: Moderately effective.**

Factors leading to this conclusion included:

- The Health Professional Investigation Division (HPID) produced, analyzed, and appropriately reviewed periodic reports from the Michigan Automated Prescription System (MAPS) to determine patterns of inconsistent reporting or nonreporting dispensers and potential abuse of controlled substances.
- HPID timely provided MAPS access and requested reports to prescribers, dispensers, law enforcement, and pharmacy benefit managers to aid these groups in analyzing patterns of controlled substance dispensing and use.
- Our review disclosed a material condition related to the completeness and accuracy of MAPS data.

### **FINDING**

1. **Completeness and Accuracy of MAPS Data**

HPID could not ensure that it had complete and accurate data in MAPS for all required controlled substances that were dispensed. This limits the ability of prescribers, dispensers, law enforcement, pharmacy benefit managers, and HPID to analyze those who abuse and divert controlled substances.

According to the June 2014 issue of *Governing* magazine, since 1999, the number of prescription painkillers sold has quadrupled nationwide. In 2009, overdoses involving opioid painkillers, such as OxyContin, Percocet, and Vicodin, killed nearly 15,500 people, more than twice as much as heroin and cocaine combined. Also, according to the October 2013 report from Trust for America's Health, in Michigan alone, prescription drug related deaths outnumber those from heroin and cocaine combined. In addition, such deaths tripled from 4.6 per 100,000 in 1999 to 13.9 per 100,000 in 2010.

MAPS, authorized by Section 333.7333a of the *Michigan Compiled Laws*, was established to recognize the legitimate need for controlled substances in health care and to promote the appropriate use of controlled substances for legitimate prescribing and dispensing, while determining drug abuse, theft, and illegal sale of these drugs. Using MAPS, HPID collects information on certain dispensed controlled substances. A dispenser of controlled substances may report electronically through a MAPS on-line account or in paper form. HPID staff periodically run queries of MAPS data to analyze reporting and prescription drug usage.

Our review disclosed:

- a. HPID could not ensure that all dispensers required to report the dispensing of controlled substances in MAPS were reporting.

Section 333.7333a(5) of the *Michigan Compiled Laws* requires a veterinarian, pharmacist, or dispensing prescriber to report specific information into MAPS when certain controlled substances are dispensed.

Since the prior audit, HPID developed reports based on previously submitted MAPS data to identify inconsistent reporting and nonreporting pharmacies. However, HPID still could not ensure that all dispensers required to report were actually reporting. In addition, other than the inconsistent reporting and nonreporting pharmacy reports, HPID did not have a process to ensure that other dispensers or practitioners registered and reported in MAPS, as required.

- b. HPID established error thresholds that allowed data required by *Michigan Administrative Code R 338.3162b* to contain errors, yet be accepted in MAPS.

For example, when a dispenser electronically submits prescription data, errors up to a specified percentage could exist in several fields of the submission. Error thresholds were established for 15 data fields and ranged from 2% to 70%. Data fields with error thresholds included the dispenser's federal Drug Enforcement Administration (DEA) number, patient date of birth, practitioner's DEA number, national drug code, quantity, prescription numbers, and days of supply.

*Michigan Administrative Code R 338.3162b* requires that specific information be reported for each dispensed prescription of certain controlled substances. HPID informed us that it preferred to have dispensers report in MAPS, which allowed for a certain number of errors that HPID felt would eventually be corrected. In addition, as of June 2014, HPID eliminated all reporting error thresholds because dispensers are now required to report daily in MAPS.

- c. HPID did not maintain documentation of waivers approved for dispensers requesting to report in paper form rather than electronically in MAPS. Also, HPID did not retain claim forms for prescriptions reported in paper form. As a result, we could not verify and HPID could not substantiate that prescription data manually entered into MAPS was appropriately authorized, complete, and accurate.

Section 333.7333a(5) of the *Michigan Compiled Laws* and HPID procedures allow dispensers who lack certain technical capabilities to request a waiver from electronically submitting controlled substance data. Dispensers whose waivers are approved must report by the 1st and 15th of each month using a paper claim form provided by the Department of Licensing and Regulatory Affairs (LARA). HPID should retain waivers and claim forms in order to validate the completeness and accuracy of MAPS data.

## **RECOMMENDATION**

We recommend that HPID develop additional processes to help ensure that it has complete and accurate data in MAPS for all required controlled substances that are dispensed.

## **AGENCY PRELIMINARY RESPONSE**

LARA provided us with the following response:

*LARA agrees and will comply.*

*BHCS is taking steps to ensure that dispensers of controlled substances comply with their MAPS registration and reporting requirements by increasing the number of inspections of dispensers and updating procedures for compliance monitoring. Currently, HPID has only four (4) pharmacy*

*inspectors tasked with conducting inspections of over 3,000 pharmacies and 2,500 practitioners that hold drug control licenses which allows them to order and stock medications for dispensing from their office. HPID plans to review statutes and procedures to determine if an adequate inspection format can be developed that may allow someone other than a pharmacy inspector the ability to conduct an inspection.*

*BHCS has addressed the issue of allowing erroneous data to be input into MAPS. Once BHCS became aware of the problem, it established a rule mandating that errors and/or inconsistencies noted by the system be reported to the dispensing prescribers, and they would be instructed to correct them within seven (7) calendar days after notification of the error [Michigan Administrative Code R 338.3162d(4)].*

*Waiver documentation related to dispensing prescribers requesting to report controlled substance data on paper forms rather than electronically in MAPS in accordance with Michigan Administrative Code R 338.3162c, will now be maintained in accordance with our approved retention schedule. It should be noted that HPID received several waiver requests that were made by requesting prescribers under the misconception that the waiver would excuse them of all future data reporting (paper or electronic). Once this issue was clarified, several withdrew their waiver applications, and HPID mistakenly failed to retain the related documents and forms for its records. New procedures will help to ensure that future waiver documentation is maintained.*

## **EFFORTS TO MONITOR THE HPRP CONTRACTOR**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of BHCS's efforts to monitor the Health Professional Recovery Program (HPRP) contractor's compliance with the terms and conditions of the contract.

**Audit Conclusion:** Not effective.

Factors leading to this conclusion:

- Contractor's compliance not monitored with the contract terms and conditions related to the voluntary participants, representing 76.5% of the total HPRP participants.
- No documentation of monitoring the contractor's compliance with 31 of the 60 contract terms and conditions related to regulatory participants, representing 23.5% of the total HPRP participants.
- Material condition related to the Health Professional Licensing Division's (HPLD's) lack of monitoring the HPRP contractor, who served over 970 participants during the audit period under a \$5.8 million contract.

## **FINDING**

### **2. Monitoring of HPRP Contractor**

HPLD did not effectively monitor the HPRP contractor's performance.

Nationally and in Michigan, a frequent cause of regulatory action against health care professional licensees or registrants involves substance use and/or mental health disorders that lead to impaired practice or have the potential to lead to impaired practice. These behaviors may include the diversion of prescription drugs in the workplace, the use of illegal/illicit drugs, alcohol abuse or alcoholism, severe depression that causes problems within the workplace, or mood/personality disorders.

Act 80, P.A. 1993, established HPRP as a confidential, nondisciplinary, treatment-oriented approach to address health professionals with substance abuse and/or mental health disorders. The authorizing legislation requires that LARA enter into a contract with a private entity to act as a consultant to assist the Health Professional Recovery Committee\* with the administration of HPRP. In compliance with the Act, the State entered into a \$5.8 million contract (effective September 1, 2012 through August 31, 2015 with a one- or two-year renewal option) with a private entity to assist the Committee with the administration of HPRP. The contract contains requirements and lists certain required deliverables.

\* See glossary at end of report for definition.

The licensing board may impose sanctions requiring licensed health care professionals, who will become regulatory participants, to be evaluated by the HPRP contractor. The contractor is responsible for the day-to-day operations of HPRP. Also, health professionals may voluntarily enter into HPRP. Of the 428,807 licensed health professionals as of March 19, 2014, 141 regulatory and approximately 480 voluntary participants were enrolled in HPRP.

Our review of the contract, various deliverables, and HPLD's monitoring of the HPRP contractor disclosed:

a. HPLD neither ensured that the HPRP contractor appropriately monitored both regulatory and voluntary participants nor used an independent evaluator to perform a review of contractor performance as allowed in the contract. The use of an independent contractor maintains participant confidentiality pursuant to the Public Health Code. We noted:

(1) HPLD did not ensure that the HPRP contractor performed complete reviews of voluntary participant case files. As a result, HPLD was unable to determine the contractor's compliance with contract requirements for voluntary participants, which comprised 76.5% of total HPRP participants as of March 31, 2014. HPLD informed us that because of the confidential nature of the licensed health professionals who voluntarily participate in HPRP, HPLD did not require the contractor to provide information to verify if proper services were performed.

(2) HPLD and the Sanctions Monitoring Unit within the Enforcement Division did not effectively monitor HPRP regulatory participants. We reviewed 11 randomly selected HPRP sanctioned case files. For 7 cases managed by the HPRP contractor, we noted missing documentation, incomplete reports, or late reporting.

The contract requires the HPRP contractor to review each participant's file on a quarterly basis to ensure that noncompliance issues are identified and addressed and to report patterns of noncompliance to LARA for potential action pursuant to mandates in the Public Health Code.

In addition, an independent evaluator could have reviewed the regulatory and voluntary HPRP participant files to determine if the HPRP contractor

appropriately administered HPRP in compliance with contract requirements and applicable policies and procedures.

HPLD informed us that staff responsible for monitoring contractor performance were not provided training or resources to oversee the contract until after a new manager was hired in 2013.

- b. HPLD and the contractor did not have a functional database. As a result, HPLD was unable to access regulatory participant information directly from the database to ensure participant compliance for more than 21 months of the contract period. Also, as of May 2014, neither HPLD nor BHCS were aware of the number of regulatory participants being monitored by the contractor.

The contract agreement specifies that the HPRP contractor must maintain a computer-generated database that will facilitate intake and case management services. The contract further states that LARA needs electronic access to the records of regulatory participants on a daily basis.

- c. HPLD did not require written reports. Although the contract requires that the following reports or processes be provided to HPLD in written form, HPLD informed us that the information was provided verbally:

- Monthly progress reports.
- Proposed plan to ensure that the intake process is completed within 45 days.
- Process to ensure that participant case files are timely monitored for compliance or noncompliance.
- Report on number of participants in pain management, including status of participants, ability to return to work, issues, and recommendations.

In addition, the HPRP contractor is required to report quarterly proof of credential verifications for vital treatment service providers, written explanation of removals/additions of treatment service providers, and identification of geographical areas in the State in need of additional treatment service providers. We noted that these reports were delayed from 3 to 23 months.

## **RECOMMENDATION**

We recommend that HPLD effectively monitor the HPRP contractor's performance.

## **AGENCY PRELIMINARY RESPONSE**

LARA provided us with the following response:

*LARA agrees and will comply.*

*HPLD has begun implementing quarterly compliance reviews of HPRP contractor's required deliverables, with specific attention given to those listed under Section 1.030 of the contract - Roles and Responsibilities. HPLD is developing formal policies and procedures to address compliance issues uncovered during the compliance reviews. HPLD also plans to amend Section 10.022 - Work and Deliverable Non-Negotiable Items of the HPRP contract to conform to the statutory confidentiality provision Section 333.16170a(2) of the Michigan Compiled Laws.*

*Database delays were caused by a change in contractor and the unexpected inability to obtain required data due to the lack of a functional database from the previous contractor. The regulatory participant information resulting from the new arrangement (available June 2014) was implemented as timely as possible under the circumstances.*

*LARA and BHCS will explore options of either contracting with an independent evaluator, or using internal staff to perform periodic evaluations of the contractor's performance with regard to this contract. The frequency and methodology of these evaluations will be determined by LARA.*

*HPLD will henceforth require the HPRP contractor to submit all reports in writing. HPLD recognized many of these issues when BHCS moved to a new contractor and with the implementation of a revised contract, these issues will be resolved.*

## EFFORTS TO INVESTIGATE ALLEGATIONS

### COMMENT

**Audit Objective:** To assess the effectiveness of BHCS's efforts to investigate health profession allegations.

**Audit Conclusion:** **Moderately effective.**

Factors leading to this conclusion included:

- HPID's effective process to assign cases to staff for investigation based on the complexity of the case and within the 7-day time frame specified by HPID.
- Material condition related to consistently conducting complete investigations and reportable condition related to completing investigations within the time frames specified in the *Michigan Compiled Laws*.

### FINDING

#### 3. Completeness of Investigations

HPID did not consistently conduct complete investigations of Public Health Code violations filed against health professionals. As a result, public safety may be at risk because violations may not be confirmed and appropriate disciplinary action taken. Also, public safety may be at risk as violations may continue because actions to prevent recurring violations are delayed or do not occur.

Quality investigations are critical to ensure that HPID provides all pertinent information to the BHCS Enforcement Division and, subsequently, to the disciplinary subcommittee of the appropriate licensing board. This information is essential for allowing the boards to make informed decisions regarding further action related to the authorized allegation.

HPID conducts investigations of authorized allegations, including interviewing witnesses and collecting relevant information. In addition, HPID may refer the authorized allegation to an expert to determine if the licensee provided care below the minimal standards for the profession. At the completion of the investigation, HPID refers the authorized allegation and information obtained from the

investigation to the Enforcement Division. The Enforcement Division is responsible for determining whether sufficient evidence exists to support a violation of the Public Health Code. The Enforcement Division either closes the authorized allegation if it determines that there was no violation of the Public Health Code or drafts a complaint, negotiates a resolution with the licensee, and/or refers the complaint to the Department of Attorney General for resolution if it determines that sufficient information exists to support a violation of the Public Health Code.

HPID conducted 2,587 investigations of authorized allegations filed against licensees for alleged Public Health Code violations from October 1, 2011 through March 31, 2014. Our review of 41 judgmentally selected investigation case files disclosed that HPID did not fully address the authorized allegations in 4 (9.8%) of the files:

- a. HPID investigation staff did not fully investigate authorized allegations to determine if a violation of the Public Health Code existed in 2 (4.9%) of the 41 investigation case files. In one case, HPID did not investigate the allegation of improper administration of patient medication and chemotherapy treatments as stated in the authorized allegation, but rather investigated the sanitary condition of the health professional's new facility. Also, HPID did not conduct an initial on-site investigation at the prior facility and did not interview all witnesses associated with the allegation. In the other case, HPID did not interview all witnesses and did not review the facility's internal investigation report.
- b. HPID investigation staff did not conduct investigations of authorized allegations for violations of the Public Health Code against a licensee in 2 (4.9%) of 41 investigation case files. In one case, HPID closed a case because the facility reinstated the health professional. However, an investigation should have occurred to determine if the health professional violated the Public Health Code. In the other case, HPID conducted its investigation of the new nursing home administrator, rather than investigating the prior nursing home administrator who was in charge at the time of the immediate jeopardy violations.

HPID informed us that it did not have policies or procedures requiring staff to document the complete investigation of an authorized allegation. HPID did not

require investigation staff to use a checklist or other documentation to help ensure that staff conducted a complete investigation of the authorized allegation. Such a document could include items ensuring that HPID investigated all specific Public Health Code or administrative rule violations as requested by the licensing board, HPID interviewed all witnesses, the investigation addressed the authorized allegation, and HPID obtained all reports and documentation.

## **RECOMMENDATION**

We recommend that HPID consistently conduct complete investigations of Public Health Code violations filed against health professionals.

## **AGENCY PRELIMINARY RESPONSE**

LARA provided us with the following response:

*LARA agrees and will comply.*

*HPID recently implemented business process improvement measures to better ensure that investigations are performed in a consistent and complete manner. Outcomes will include written policies and procedures and a new investigation report format that will make investigative actions clearer and consistently documented.*

*It should be noted that while four (4) closed cases were identified during the audit that led to the findings and recommendation, LARA is bound to maintain confidentiality of details concerning each of these cases in accordance with Section 333.16238(1) of the Michigan Compiled Laws. Thus, specifics about how an investigation was handled, including those documents obtained and reviewed, witness interviews to the extent these were conducted, and other investigative methodology cannot be specifically disclosed.*

## **FINDING**

### **4. Timeliness of Investigations**

HPID did not always complete investigations within the time frames specified in the *Michigan Compiled Laws*. Untimely investigations result in delayed enforcement actions and could represent a public safety risk.

Section 333.16231(5) of the *Michigan Compiled Laws* states that, within 90 days after an investigation is initiated, LARA shall issue a formal complaint, conduct a compliance conference, issue a summary suspension, issue a cease and desist order, or dismiss the complaint. Section 333.16231(5)(f) of the *Michigan Compiled Laws* allows one written extension of not more than 30 days. In addition, Section 333.16237(5) of the *Michigan Compiled Laws* states that the compliance conference, the hearing before the hearings examiner, and final disciplinary subcommittee action shall be completed within one year after LARA initiates an investigation under Section 333.16231(2) or Section 333.16231(3) of the *Michigan Compiled Laws*.

The Allegation Section within the Enforcement Division is responsible for gathering information about health profession allegations and presenting the allegation and supporting documentation to the appropriate licensing board. The licensing board determines whether to close the allegation or authorize an investigation. If the Enforcement Division does not receive a determination from the appropriate licensing board within 7 days, the BHCS director will authorize the investigation. After the authorization is received, HPID performs an investigation and makes a recommendation to the Enforcement Division to close the allegation, pursue disciplinary action, or obtain an expert review. The Enforcement Division makes the determination whether there is sufficient evidence to pursue a complaint against the licensee. If the Enforcement Division determines that sufficient evidence exists, it drafts a complaint, negotiates a resolution with the licensee, and/or refers the complaint to the Department of Attorney General for resolution. The process from authorization to investigate through resolution is required to be completed within 365 days.

The licensing boards or the BHCS director authorized investigations for 2,587 allegations filed against health professionals from October 1, 2011 through March 31, 2014. Our review of HPID's allegation investigations disclosed:

- a. For 1,376 (53.2%) allegations, preliminary actions were not completed within the maximum period of 120 days allowed by Section 333.16231(5) of the *Michigan Compiled Laws*. As shown in the following chart, the completion

dates for these preliminary actions ranged from 121 days to 593 days after the allegations were authorized for investigation:

Investigation Status	Total Number of Investigations	Investigations Over 120-Day Requirement				
		Number of Investigations	Percent of Investigations	Days to Complete	Average Number of Days to Complete	Mode in Days to Complete
Open	237	50	21.1%	124 - 413	198	152
Closed	2,350	1,326	56.4%	121 - 593	219	134
Total	2,587	1,376	53.2%	121 - 593	217	

b. For 667 (25.8%) allegations, final actions were not completed within the maximum period of 365 days after LARA initiated the investigation as allowed by Section 333.16237(5) of the *Michigan Compiled Laws*. As shown in the following chart, the completion dates for these final actions ranged from 366 days to 946 days after the allegations were authorized for investigation:

Complaint Status	Number of Complaints	Number of Complaints	Percent of Complaints	Range of Days to Complete	Cases Over 365-Day Requirement	
					Average Number of Days to Complete	Mode in Days to Complete
Open	725	230	31.7%	368 - 915	593	404
Closed	1,862	437	23.5%	366 - 946	510	384
Total	2,587	667	25.8%	366 - 946	538	

HPID informed us that circumstances beyond its control, such as uncooperative witnesses and delays caused by scheduling conflicts of the licensee, investigator, and/or attorney, may impact HPID's ability to timely investigate allegations. In addition, the investigators' caseloads and the time required to collect and assemble documentation impact the timeliness of an investigation.

HPID also informed us that, prior to August 2013, the Allegation Section presented allegations to the licensing boards before obtaining all required documentation. As a result, HPID staff were often required to obtain further documentation, which delayed the investigations.

## **RECOMMENDATION**

We recommend that HPID complete investigations within the time frames specified in the *Michigan Compiled Laws*.

## **AGENCY PRELIMINARY RESPONSE**

LARA provided us with the following response:

*LARA agrees and will comply.*

*LARA concurs that opportunities exist for improving timeliness for conducting investigations and completing final actions in spite of experiencing time delays beyond our control such as: uncooperative witnesses, scheduling delays due to the licensee, and investigator and/or attorney calendar conflicts. HPID has recently instituted a series of business process improvement measures designed to improve case completion. These measures include having the Allegation Section within the Enforcement Division obtain required documents prior to transferring the file for investigation and requiring that managers hold scheduled case reviews with their investigators to ensure case progression. LARA will continue to review its processes to determine if there are additional efficiency opportunities or other steps that it can take to complete investigations more timely.*

*Existing case law holds that the statutory time frames in the Public Health Code are primarily for guidance and that exceeding the time frames do not jeopardize the outcome of an investigation. Further, Section 333.16241(8)(e) of the Michigan Compiled Laws provides for annual reporting to the Legislature to identify delays with case processing.*

## **EFFORTS TO MONITOR DISCIPLINARY OR CORRECTIVE ACTIONS AUTHORIZED BY LICENSING BOARDS**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of BHCS's efforts to monitor health profession disciplinary or corrective actions authorized by the licensing boards against licensed or registered health professionals.

## **Audit Conclusion: Moderately effective.**

Factors leading to this conclusion included:

- The Enforcement Division provided an appropriate level of oversight and monitoring for cases referred to the Department of Attorney General.
- BHCS's licensing system (License 2000®, known as L2000) appropriately reflected sanctions and sanction monitoring performed by the Enforcement Division.
- Reportable condition related to sufficiently monitoring sanctions imposed against health professionals and not referring noncompliant licensees to the Enforcement Division for further follow-up.

## **FINDING**

### 5. Sanctions Monitoring

The Sanctions Monitoring Unit (SMU) did not sufficiently monitor sanctions imposed against health professionals to ensure that licensees complied with consent orders. Also, SMU did not refer noncompliant licensees to the Allegation Section of the Enforcement Division for further follow-up. As a result, the public's health may be at risk because sanctioned health professionals were allowed to continue to practice without demonstrating compliance with consent orders issued by the licensing boards.

Section 333.16226 of the *Michigan Compiled Laws* specifies sanctions that may be imposed on a health professional as the result of actions constituting grounds for disciplinary subcommittee action as defined by Section 333.16221 of the *Michigan Compiled Laws*. Sanctions may include community service; denial, limitation, revocation, suspension, or permanent revocation of the health professional's license; fines; probation; reprimand; restitution; educational, training, or treatment programs; and/or mental, physical, or professional competence examinations. SMU is responsible for monitoring that the licensed health professional complies with the consent order from the licensing board. If SMU staff determine noncompliance, the licensee's violation of the licensing board's consent order is referred to the Allegation Section for further disciplinary action by the board.

As of March 31, 2014, SMU was responsible for monitoring 918 cases with open sanctions. During the period October 1, 2011 through March 31, 2014, SMU closed 1,630 sanctioned cases. We tested a random sample of 40 of the 2,548 disciplinary sanction cases. SMU could not demonstrate that it properly monitored the consent order in 7 (17.5%) of the 40 disciplinary sanction case files reviewed. We noted:

- a. SMU could not locate and provide 1 (2.5%) of 40 case files. As a result, SMU could not demonstrate that the case was properly closed and that the licensee had complied with the consent order.
- b. SMU did not sufficiently monitor the consent orders for 6 (15.0%) of 40 cases. As a result, SMU could not ensure that licensees paid fines, completed continuing education requirements, and met probation requirements as stipulated in the consent orders. In addition, SMU did not refer these 6 cases to the Allegation Section for further follow-up to help ensure compliance with consent orders or to determine if further disciplinary action should be taken by the licensing board.

SMU informed us that it can produce a report showing overdue actions from consent orders. However, SMU had not produced the report since August 2013 because of staff shortages. Thus, SMU could not proactively use the report to follow up on sanctions in a timely manner.

### **RECOMMENDATIONS**

We recommend that SMU sufficiently monitor sanctions imposed against health professionals to ensure that licensees comply with consent orders.

We also recommend that SMU refer noncompliant licensees to the Allegation Section for further follow-up.

### **AGENCY PRELIMINARY RESPONSE**

LARA provided us with the following response:

*LARA agrees with both recommendations and will comply.*

*SMU has implemented steps to better ensure timely sanctions monitoring and referral of noncompliant licensees to the Allegation Section. The steps include implementing process performance improvements, developing a tracking mechanism, and designating personnel reassignments for better efficiency. Additionally, in November 2014, a restructuring of the Enforcement Division took place to provide additional management oversight of SMU monitoring activities.*

*The Enforcement Division has completed follow-up reviews for each of the seven (7) complaint cases identified in the audit as either having untimely or insufficient monitoring and has taken actions where necessary to ensure full compliance with consent order provisions.*

## **EFFORTS TO PREPARE AND PRESENT ALLEGATIONS TO THE LICENSING BOARD FOR AUTHORIZATION TO INVESTIGATE**

### **COMMENT**

**Audit Objective:** To assess the effectiveness of BHCS's efforts to prepare and present health profession allegations to the appropriate licensing board for authorization to investigate.

**Audit Conclusion: Effective.**

Factors leading to this conclusion included:

- The Enforcement Division reviewed 10,830 allegations from October 1, 2011 through May 31, 2014. On average, allegations were presented to the appropriate licensing board within an acceptable time frame of 57 days after the allegation was received.
- An appropriate level of coordination existed with 23 licensing boards and one task force to obtain authorization to investigate the allegations.
- Reportable condition related to the Enforcement Division's lack of policies and procedures regarding the initial allegation review.

## **FINDING**

### **6. Timely Preparation and Presentation of Allegations to the Licensing Boards**

The Enforcement Division had not developed policies and procedures requiring its Allegation Section to complete the initial allegation review in a specified time frame. Because health professionals may continue to practice while allegations are reviewed, untimely reviews could present a public safety risk.

Section 333.16237 of the *Michigan Compiled Laws* requires that allegations be resolved within one year after LARA initiates an investigation. However, this time frame does not begin until after the Allegation Section has completed its review and the appropriate licensing board authorizes an investigation of the allegation.

The Allegation Section is responsible for gathering information about health profession allegations and presenting the allegations and supporting documentation to HPID, the Enforcement Division, or the appropriate licensing board. The Allegation Section could also close an allegation based on the information obtained. The appropriate licensing board reviews each health profession allegation and supporting documentation received and determines whether to authorize an investigation by HPID. The licensing boards have preapproved HPID to initiate investigations for allegations of sexual misconduct, substance abuse, drug diversion, disciplinary actions in other states, and criminal convictions.

We reviewed 10 health profession allegations forwarded to various licensing boards, 5 health profession allegations closed as nonjurisdictional, and 25 health profession allegations closed or consolidated by the Allegation Section.

Our review disclosed that the Allegation Section did not timely review 11 (44.0%) of 25 health profession allegations closed or consolidated by the Allegation Section. The Allegation Section did not act to prepare, review, or obtain information for these 11 allegations ranging from 63 days to 329 days from the date the allegation was received. During this time period, these allegations were reassigned to other staff, but reviews of the allegations were not initiated. These allegations included operating a motor vehicle while intoxicated, disciplinary actions by another state, and substance abuse. Seven (63.6%) of these 11 allegations included health professionals with active licenses during the allegation review period. Health professionals can continue to practice while the allegation is being processed.

The Enforcement Division informed us that vacant positions contributed to a backlog of allegations. The Enforcement Division also informed us that the information gathering process may delay the allegation review.

### **RECOMMENDATION**

We recommend that the Enforcement Division develop policies and procedures requiring its Allegation Section to complete the initial allegation review in a specified time frame.

### **AGENCY PRELIMINARY RESPONSE**

LARA provided us with the following response:

*LARA agrees and will comply.*

*In November 2014, the Enforcement Division updated and implemented procedures to improve timeliness of presentation of allegation to the licensing board.*

*However, the procedure does not mandate that an initial allegation review must occur within a specified time frame. It is BHCS's position that each allegation is unique and requires different tasks for completing a final review. Therefore, it is not practical to establish a specified standard time frame for completion of each task. However, a 7- day requirement was implemented for guidance to assigned staff to complete an initial review.*

*The Allegation Section manager currently conducts a review of each staff's caseload every two weeks to determine the progress of each allegation received. Additionally, monthly reports of caseload by worker are generated and reviewed monthly to ensure that allegations are processed as timely as possible.*

# SUPPLEMENTAL INFORMATION

OVERSIGHT OF HEALTH PROFESSIONS  
 Bureau of Health Care Services (BHCS)  
 Department of Licensing and Regulatory Affairs (LARA)  
 Summary of Regulated Health Professions  
 As of March 19, 2014

Licensing Board	Section of the <i>Michigan Compiled Laws</i>	Number of Active Licenses and Registrations (see Note 5)	Regulated Health Profession(s)
Acupuncture	333.16521	129	Acupuncture
Athletic Trainers	333.17903	1,167	Athletic Trainers
Audiology	333.16805	551	Audiologists
Chiropractic	333.16421	2,872	Chiropractors
Counseling	333.18103	9,402	Licensed Professional Counselors and Limited License Professional Counselors
Dentistry	333.16621	20,632	Dentists, Dental Specialists (Prosthodontists, Endodontists, Oral and Maxillofacial Surgeons, Orthodontists, Pediatrics, Periodontists, and Oral Pathologists), Dental Hygienists, and Dental Assistants
Dietetics and Nutrition	333.18355	(see Note 6)	Dietitians and Nutritionists
Marriage and Family Therapy	333.16907	779	Marriage and Family Therapists
Massage Therapy	333.17955	2,445	Massage Therapists
Medicine	333.17021	37,261	Medical Doctors
Nursing	333.17221	178,670	Registered Nurses, Licensed Practical Nurses, and Nurse Specialists (Nurse Practitioner, Nurse Anesthetist, and Nurse Midwife)
Nursing Home Administrators	333.17305	1,177	Nursing Home Administrators
Occupational Therapists	333.18305	6,979	Occupational Therapists and Occupational Therapy Assistants
Optometry	333.17421	1,674	Optometrists
Osteopathic Medicine and Surgery	333.17521	8,259	Osteopathic Doctors
Pharmacy	333.17721	88,984	Pharmacy Stores, Pharmacists, Manufacturers/Wholesalers, Sodium Pentobarbital Facilities, Physician's Methadone Programs, Research Laboratories, and Analytical Laboratories
Physical Therapy	333.17821	13,554	Physical Therapists and Physical Therapy Assistants
Physician's Assistants (Task Force)	333.17025	4,331	Physician's Assistants
Podiatric Medicine and Surgery	333.18021	858	Podiatrists
Psychology	333.18221	7,255	Psychologists and Limited Licensed Psychologists (Doctoral, Masters, and Temporary)
Respiratory Care	333.18705	5,044	Respiratory Therapists
LARA	(see Note 7)	391	Sanitarians
Social Work	333.18501	25,639	Licensed Master's Social Workers, Licensed Bachelor's Social Workers, and Registered Social Service Technicians
Speech-Language Pathology	333.17605	4,250	Speech-Language Pathologists
Veterinary Medicine	333.18821	6,504	Veterinarians and Veterinary Technicians
Total		<u>428,807</u>	

The accompanying notes facilitate the understanding of this exhibit.

*This exhibit continued on next page.*

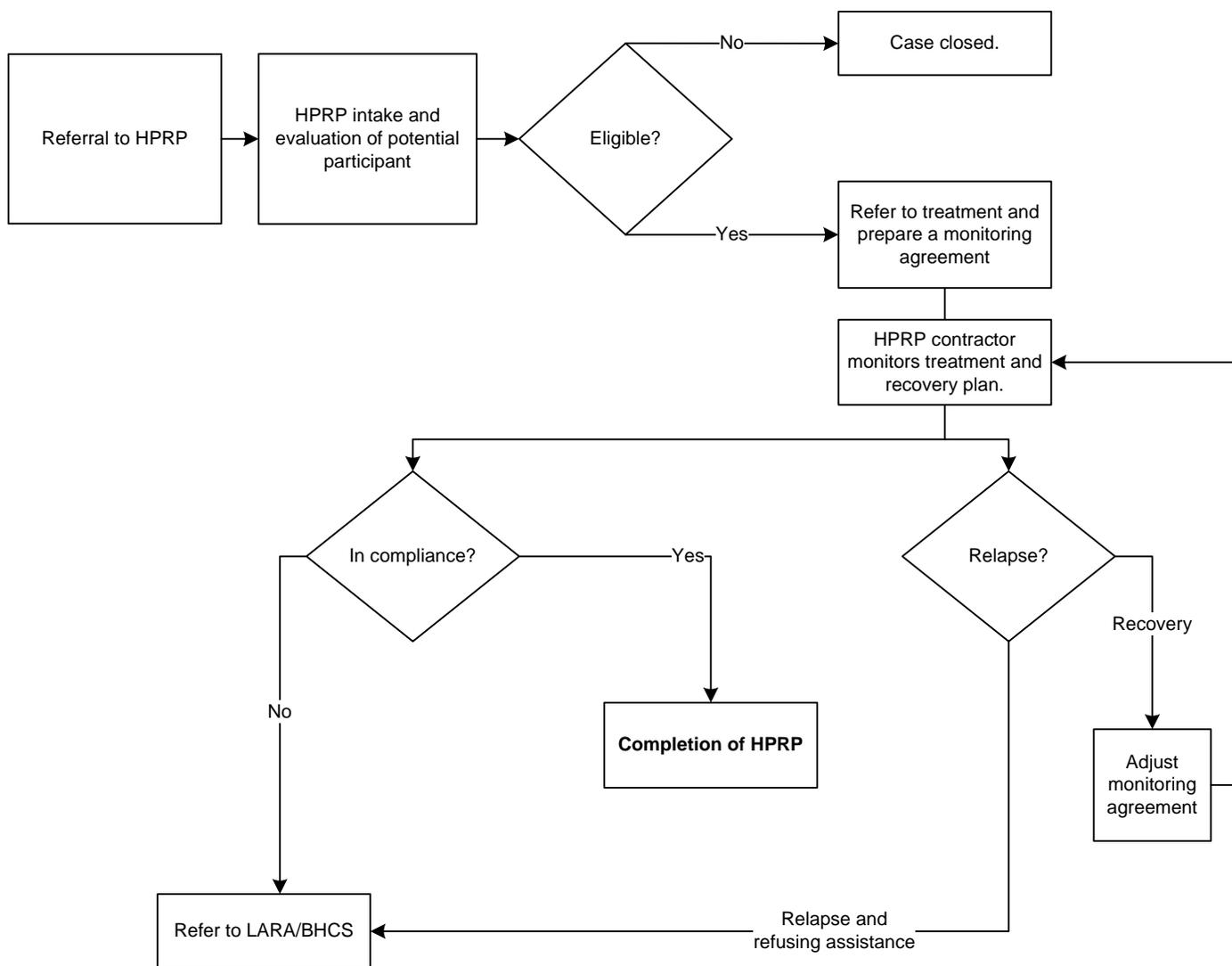
OVERSIGHT OF HEALTH PROFESSIONS  
Bureau of Health Care Services (BHCS)  
Department of Licensing and Regulatory Affairs (LARA)  
Summary of Regulated Health Professions  
As of March 19, 2014  
*Continued*

Notes:

- (1) All board members are appointed by the Governor and typically serve for two terms of four years each.
- (2) According to Section 333.16146 of the *Michigan Compiled Laws*, a board shall grant a license/registration to an applicant meeting the requirements for licensure in the Public Health Code and the rules promulgated thereunder. In addition, Section 333.16411 of the *Michigan Compiled Laws* applies to the Michigan Board of Chiropractic.
- (3) According to Section 333.16221 of the *Michigan Compiled Laws*, LARA may investigate activities related to the practice of a health profession by a licensee, a registrant, or an applicant for licensure or registration.
- (4) According to Section 333.16216 of the *Michigan Compiled Laws*, a board chair must appoint a disciplinary subcommittee that consists of two public members and three professional members, chaired by a public member. This committee reviews most of the disciplinary cases and determines the sanctions that need to be imposed on the regulated individual.
- (5) Active licenses and registrations from License 2000® (L2000).
- (6) Dietitians and nutritionists are now deregulated, and the Michigan Board of Dietetics and Nutrition never promulgated rules. No licenses were issued for dietitians and nutritionists.
- (7) Executive Order No. 2009-12 gives LARA regulatory authority over sanitarians.

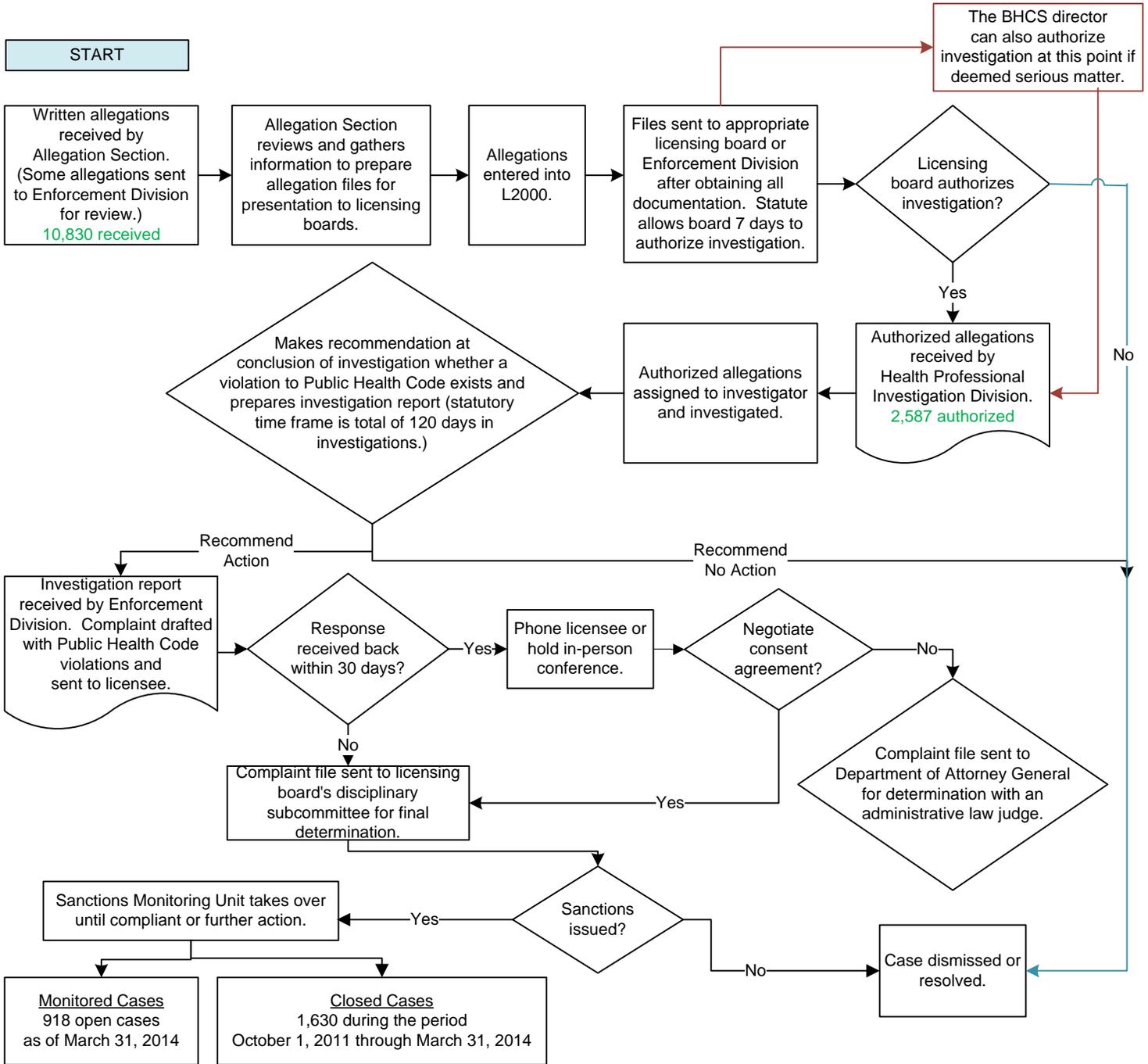
Source: The Office of the Auditor General prepared this exhibit using information provided by BHCS.

OVERSIGHT OF HEALTH PROFESSIONS  
 Bureau of Health Care Services (BHCS)  
 Department of Licensing and Regulatory Affairs (LARA)  
 Health Professional Recovery Program (HPRP) Intake and Monitoring Process  
 From October 1, 2011 Through March 31, 2014



Source: The Office of the Auditor General prepared this exhibit using information provided by BHCS.

**OVERSIGHT OF HEALTH PROFESSIONS**  
 Bureau of Health Care Services (BHCS)  
 Department of Licensing and Regulatory Affairs (LARA)  
 Allegations and Complaints Process  
 From October 1, 2011 Through March 31, 2014



Source: The Office of the Auditor General prepared this exhibit using information provided by BHCS.

# GLOSSARY

## Glossary of Abbreviations and Terms

BHCS	Bureau of Health Care Services.
controlled substance	A drug, substance, or immediate precursor included in schedules 1 to 5 of the Public Health Code.
DEA	federal Drug Enforcement Administration.
effectiveness	Success in achieving mission and goals.
Health Professional Recovery Committee	A committee created by Act 80, P.A. 1993, to develop and implement criteria for the identification, assessment, and treatment of health professionals who may be impaired. In addition, the Committee shall develop and implement mechanisms for the evaluation of continuing care or aftercare plans for health professionals who may be impaired (Sections 333.16165 and 333.16167 of the <i>Michigan Compiled Laws</i> ).
Health Professional Recovery Program (HPRP)	A confidential, nondisciplinary, treatment-oriented program for impaired health professionals established by Act 80, P.A. 1993.
HPID	Health Professional Investigation Division.
HPLD	Health Professional Licensing Division.
internal control	The plan, policies, methods, and procedures adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It also includes the systems for measuring, reporting, and monitoring program performance. Internal control serves as

a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreement; or abuse.

LARA

Department of Licensing and Regulatory Affairs.

License 2000® (L2000)

A Windows-based application that provides comprehensive licensing and administrative support for licensing agencies.

material condition

A matter that, in the auditor's judgment, is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.

Michigan Automated Prescription System (MAPS)

An electronic system utilized by Michigan as a reporting system to monitor the dispensing of certain controlled substances.

mission

The main purpose of a program or an entity or the reason that the program or the entity was established.

participant

A health professional participating in or who has participated in a treatment plan under HPRP.

performance audit

An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

reportable condition

A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.

SMU

Sanctions Monitoring Unit.



