



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
 63-450-03

Bureau of Health Systems

Department of Community Health

Released:
 January 2005

The Bureau of Health Systems' (BHS's) stated mission is to protect and improve the health status of Michigan's population through the development, maintenance, and assurance of safe, effective, efficient, and accessible health care services delivered through health care facilities, organizations, systems, and personnel and to promote the development of appropriate regulatory policies to achieve a safe, effective, and efficient health care delivery system.

Audit Objectives:

1. To assess the effectiveness of BHS's Division of Licensing and Certification and Division of Health Facilities and Services' Emergency Medical Services Section and Radiation Safety Section in performing their licensing, registering, and monitoring functions.
2. To assess BHS's effectiveness and efficiency in processing consumer complaints.

~ ~ ~ ~ ~

Audit Conclusions:

1. The Division of Licensing and Certification was generally effective in performing its licensing and monitoring functions of hospitals and psychiatric hospitals, programs, and units. However, the Division of Licensing and Certification was only marginally effective in performing its licensing and monitoring functions of other health care facilities, including hospices, freestanding surgical outpatient facilities, substance abuse treatment programs, and hospice

residences. We also concluded that the Emergency Medical Services Section and Radiation Safety Section were generally effective in performing their licensing, registering, and monitoring functions of medical first responders, life support agencies and life support vehicles, and x-ray machines and facilities.

2. BHS was generally effective and efficient in processing consumer complaints. Our report does not include any reportable conditions related to this audit objective.

~ ~ ~ ~ ~

Noteworthy Accomplishments:

In October 2001, BHS entered into a joint project with the Renal Network of the Upper Midwest, Inc., with the overall goal to improve the end stage renal disease patient care system. This collaborative effort was the result of recommendations made by the federal Office of the Inspector General in its external quality review of dialysis facilities.

~ ~ ~ ~ ~

Material Condition:

BHS did not sufficiently survey or inspect hospices, freestanding surgical outpatient facilities, substance abuse treatment programs, and hospice residences. Also, BHS had not established formal policies and procedures to effectively prioritize and schedule required surveys and inspections of licensed health care facilities. (Finding 1)

Other Conditions:

BHS's Care*Net data system and substance abuse computer information data system contained inaccurate information (Finding 2).

BHS had not assessed all clinical laboratories to determine if they fall under State licensing requirements. Consequently, BHS had not licensed any clinical laboratories, as required by State law. BHS had not licensed clinical laboratories because it relies on federal certification of these facilities. However, BHS had not obtained amendatory legislation to modify State licensure requirements to allow for reliance on federal clinical laboratory certification procedures, if such certification fulfills State licensing requirements. (Finding 3)

BHS had not established a process to assess the need for and quality of emergency medical services throughout the State, as required by State law (Finding 4).

BHS needs to improve its controls to ensure that radiation machines are properly registered and monitored as required by the *Michigan Administrative Code* (Finding 5).

~ ~ ~ ~ ~

Agency Response:

Our audit report contains 5 findings and 7 corresponding recommendations. BHS's preliminary response indicated that it agrees with all of our findings and recommendations.

~ ~ ~ ~ ~

Background:

Throughout the period covered by this audit, BHS was located within the Department of Consumer and Industry Services. However, the Governor, through Executive Order No. 2003-18, transferred BHS to the Department of Community Health, effective December 7, 2003.

~ ~ ~ ~ ~

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>



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

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General