



# OAG

Office of the Auditor General

## 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