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Office of the Auditor General

Report Summary

Performance Audit

Regulation of Nursing Homes

Department of Licensing and Regulatory Affairs (LARA)

Report Number:
641-0451-15

Released:
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The Bureau of Health Care Services (BHCS) protects vulnerable nursing home residents by licensing homes, performing home inspections for compliance with Public Health Code and federal Medicare and Medicaid regulations, and investigating complaints and incidents at nursing homes. As of March 2015, BHCS licensed 452 nursing homes, including 437 that were federally certified to participate in Medicare and/or Medicaid programs. BHCS had 111 staff as of April 2015 and expended \$16.7 million for fiscal year 2014 to regulate nursing homes. Subsequent to our audit period, LARA reorganized BHCS into two bureaus, with the regulation of nursing homes organized within the Bureau of Community and Health Systems.

Audit Objective			Conclusion
Objective #1: To assess BHCS's efforts to establish and implement a comprehensive licensure and certification process for nursing homes.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
BHCS did not ensure that all inspections of non-participating nursing homes were completed timely. BHCS licensed 7 nursing homes without fire safety inspections (<u>Finding #1</u>).		X	Agrees
BHCS could improve its standard survey inspection practices by using available data systems to independently verify that nursing home staff are currently eligible for employment. BHCS did not verify that nursing home staff with disqualifying offenses were terminated from employment (<u>Finding #2</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