



STATE OF MICHIGAN
MICHIGAN VETERANS' FACILITY AUTHORITY
LANSING

GRETCHEN WHITMER
GOVERNOR

ANNE ZERBE
EXECUTIVE DIRECTOR

March 26, 2020

Richard T. Lowe, Chief Internal Auditor
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, MI 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are a summary table identifying our responses and a corrective action plan to address the recommendations contained within the Office of the Auditor General's follow-up audit report of the Grand Rapids Home for Veterans, issued January 30, 2020.

Questions regarding the summary table or corrective action plan should be directed to Tracey Nelson at (616) 364-5344.

Sincerely,

Michigan Veterans' Facility Authority

Anne Zerbe, Executive Director

cc: Executive Office
Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
House Appropriations Sub-Committee Military and Veterans Affairs
Senate Appropriations Sub-Committee State Police and Military Affairs
Major General Paul D. Rogers, DMVA TAG/Director
Michael Price, DMVA Senior Deputy Director of State Operations
Christine Apostol, DMVA CFO State Operations
Steve Rolston, Michigan Veteran Health System COO

Tracey Nelson, GRHV Administrator
 Fred Schaible, Policy & Legislative Advisor
 Jackie Huhn, DTMB Financial Services
 Diana McFadden, OIAS Audit Manager
 Randy Shaffer, OIAS Audit Liaison for DMVA

**Responses to the Office of the Auditor General’s Follow-up Performance Audit of
 the Grand Rapids Home for Veterans issued January 30, 2020**

Summary Table	
Audit recommendations the agency complied with:	
2. Improvements needed for administering prescribed pharmaceuticals.	December, 2019
5. Improvements needed to resolve member assessment balances.	November, 2019
Audit recommendations the agency did not comply with:	
None	Estimated Compliance Date

Corrective Action Plan

2. Improvements needed for administering prescribed medications.

The auditors recommended that the Home continue to improve its administration of medications prescribed to members.

Agency Preliminary Response

The Home and DTMB agree with this recommendation and have already complied.

As the date of correction for the new medication cart delivery/reconciliation process was committed to be August 30, 2019, the OAG's follow up reviewed some of the initial medication cart reconciliations. Our commitment to implement better controls over the medication administration process has been effective. The implementation of the new system has enabled the Home to better identify, track, and trend any medication delivery inconsistencies and provide additional education and/or formal counseling as appropriate. Improvement has been noted week over week. Per the pharmacist, the medication reconciliation (number of medications sent out versus the number of medications returned) for the week of December 16, 2019 indicated 3% of medications were not reconciled. The Home continues to track, review and pattern medication reconciliations and follow up accordingly.

Additionally, the Home has since adjusted its policy to address time sensitive medications. The Home changed the settings within the electronic health record to decrease the window period for medication to be one hour before and one hour after the prescribed time. Staff were educated on the changes and the Interdisciplinary teams (IDTs) made recommendations to change the non-time sensitive times to Member-centered times. The IDTs are reviewing the late medication reports daily for review and follow up.



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5. Improvements needed to resolve member assessment balances.

The auditors again recommended that the Home, in conjunction with DTMB, effectively validate and resolve outstanding member assessment balances.

Agency Preliminary Response

The Home and DTMB agree with this recommendation and have already complied.

As of November 2019, DTMB reconciled all past due and overpaid member assessment account balances and either collected the outstanding balances, established payment agreements for the outstanding balances, wrote off the outstanding balances, or placed funds in a member escrow fund to disburse.

The Home, with involvement from DTMB, finalized two Michigan Veteran Homes policies in March 2020, to take effect on May 1, 2020, that pertain to collections and unpaid cost of care balances. The policies provide timelines for removing reconciled and uncollectable member account balances from the accounts receivable ledger.