

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Ron DeSantis
Governor

Joseph A. Ladapo, MD, PhD
State Surgeon General

Vision: To be the Healthiest State in the Nation

July 12, 2023

Joseph A. Ladapo, MD, PhD
State Surgeon General
4052 Bald Cypress Way, Bin A-00
Tallahassee, Florida 32399

Dear Dr. Ladapo:

Enclosed is our internal audit report # A-2223-005, *Processes Utilized by County Health Departments to Waive Fees*. The report provides an independent evaluation of the Department of Health's processes, policies and procedures, and applicable regulations related to waiving fees for services provided from July 1, 2020 through June 30, 2022.

The audit was conducted by Shannon M. Egler, Senior Management Analyst II, and supervised by Ashlea K. Mincy, CIGA, Assistant Director of Auditing and Mark H. Boehmer, CPA, Director of Auditing.

Management agreed with the findings identified in the report and has completed one corrective action while assuming the risk for four proposed recommendations. We will provide you a status update in six months detailing the progress management has made toward addressing the remaining proposed corrective actions included in Appendix A of the report.

If you wish to discuss the report, please let me know.

Sincerely,

Michael J. Bennett, CIA, CGAP, CIG
Inspector General

MJB/sme
Enclosure

cc: Melinda M. Miguel, Chief Inspector General, Executive Office of the Governor
Samantha Perry, CPA, Office of the Auditor General
Cassandra G. Pasley, BSN, JD, Chief of Staff
Kenneth A. Schepke, MD, FAEMS, Deputy Secretary for Health
Antonio D. Dawkins, MPA, PMP, Deputy Secretary for Operations
Mark Lander, Deputy Secretary for County Health Systems
Mark H. Boehmer, CPA, Director of Auditing



FLORIDA DEPARTMENT OF HEALTH
OFFICE OF INSPECTOR GENERAL

PROCESSES UTILIZED BY COUNTY HEALTH
DEPARTMENTS TO WAIVE FEES

Report # A-2223-005 • July 12, 2023

Purpose of this project:

Determine if selected county health departments (CHDs) follow applicable regulations, policies, and procedures when waiving fees for services.

What we examined:

The Department of Health's (Department, DOH) processes, policies and procedures, and applicable regulations related to waiving fees for services provided from July 1, 2020 through June 30, 2022. We included CHDs in Brevard, Colombia, Hernando, Liberty, Marion, Okaloosa, Orange, Osceola, and Putnam counties in our review.

Summary of results:

We identified the following issues that management should address:

- CHDs waived some fees to write off uncollectible accounts receivable, in conflict with Department policy.
- The Department of Health in Orange County (DOH-Orange) waived Environmental Health (EH) fees not authorized by Florida Administrative Code or Department policy.
- There were inconsistencies in how fees related to providing birth and death certificates are waived and reported in e-Vitals.

Additional details follow below. Management's response to the issues noted in this report may be found in **Appendix A**.

BACKGROUND

The Department's mission is to protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.

The Office of County Health Systems (CHS) serves as a resource and liaison to the CHDs. Through communication, collaboration, assessment, training, and technical assistance, CHS aids the CHDs efforts to ensure a sustainable operational and service delivery model in support of the Department's mission. Additionally, CHS serves as the connection between the CHDs and DOH programmatic offices.

The Bureau of Environmental Health is housed within the Division of Disease Control and Health Protection. This Bureau's mission is to protect all people in Florida from injury and disease caused by environmental factors through collaborative state, county and community prevention efforts, and be fully prepared for environmental health threats in Florida. The Bureau also has a presence at each CHD, with staff who perform environmental-related inspections, investigations, permitting, and public education.

The Bureau of Vital Statistics is housed within the Division of Public Health Statistics and Performance Management. This Bureau is responsible for the registration, certification, archiving, and statistical analysis of the state's vital records; manages the central repository for records of all Floridians regarding births, deaths, marriages, and marriage dissolutions; and fulfills record amendments such as adoptions, acknowledgement of paternity, and name changes.

All of these units collect a variety of fees related to the services they provide, as authorized by Florida Statutes. Fee waivers must also occur in accordance with allowances defined in Florida Statutes and adhere to processes defined in Department policy.

DETAILED RESULTS AND RECOMMENDATIONS

Our audit identified the following opportunities to improve the fee waiver process by CHDs:

1. CHDs waived some fees to write off uncollectible accounts receivable, in conflict with Department policy.

- DOH Policy (DOHP) 56-66-18, *Accounts Receivable* (Accounts Receivable Policy), addresses topics related to fees, including billing, posting to accounts receivable, write-offs of accounts receivable, and waiving service fees to clients. The Accounts Receivable Policy explains:
 - A waiver is defined as "an exception to a claim for payment."
 - A CHD Director/Administrator may elect to waive service fee(s) to all clients or a specific group of clients when it is in the best interest of safeguarding the public health, or to a client with income above 100 percent of the poverty level, and unable to pay for the service(s).
 - A write-off is defined as "process to remove accounts receivable (AR) obligations from the accounting ledger. These typically represent delinquent accounts deemed uncollectible or more costly to collect than the AR."
 - CHDs may write-off unpaid balances outstanding for more than 120 days from the service date after exhausting all other Medicaid/Medicaid Managed Medical Assistance (MMA), Medicare, third-party insurance, and other payer options using the routines in Health Management System (HMS).
- Prior to April 2016, CHDs had the ability to create waiver reason categories in HMS when inputting a fee waiver. However, starting in April 2016, HMS was revised to prohibit locally established waiver reasons and only allow for the following:
 - CHD Director/Administrator Waiver of Fees
 - CHD Waiver of Fees – Special Consideration
 - CHD Waiver of Fees – Client Unable to Pay
- In total, during the scope of our audit, the 10 counties included in our review coded 763 items as a "waived fee" from the three fee waiver reasons. Audit staff took a random sample of each category from each county. In total, we reviewed 154 transactions coded as a "waived fee" in HMS during the scope of our audit.
- We determined that out of 154 transactions related to health services coded as a "waived fee" in HMS during the scope of our audit, 146 transactions (95%) were not a true waiver of fees.

The reviewed transactions classified as “waived fee” in HMS consisted mostly of write-offs due to provided rabies vaccinations/follow-up vaccines, maternity program agreements, billing/administrative errors, and an HMS system merge revision that took place in April 2016, which totaled \$62,615.43. Based upon our analysis, the breakdown of these 154 transactions is as follows:

	# of transactions	Total dollar value
Fee was waived	8	\$1,227.40
Fee was written-off	146	\$61,388.03

- The eight transactions that were true waived fees all occurred at the Department of Health in Orange County (DOH-Orange).
- Of the eight true fee waivers reviewed from DOH-Orange, we confirmed through supporting documentation that in all eight instances the same program component was used to describe the nature of services provided and the same circumstance (client financial hardship) was noted as a basis for providing a waiver. However, due to a lack of formal guidance, CHD staff did not consistently select the same waiver reason category among the three available choices in HMS when documenting the fee waiver.
- Throughout our audit, many individuals we spoke with used the terms “Fee Waiver” and “Fee Write-Off” interchangeably, while in fact, they are two distinct terms involving two separate processes and should not be used interchangeably.
 - Fee waivers must meet criteria and follow processes defined in DOHP 56-66-18, V.P.
 - Fee write-offs must meet criteria and follow processes defined in DOHP 56-66-18, V.J.
- Without proper documentation to support and authorize fee waivers and fee write-offs, the Department incurs a risk of not collecting all monies that are owed for the services provided and exceptions may occur for circumstances that are not authorized in Florida law.

We recommend the Office of County Health Systems work with the Bureau of Clinic Management and Informatics to re-evaluate categories in HMS to document and differentiate between fee waivers and fee write-offs.

We recommend the Office of County Health Systems work with the Bureau of Clinic Management and Informatics to establish formal guidelines for CHD staff that will assist in the consistency of selecting the appropriate category in HMS when recording a fee that will not be collected.

We recommend County Health Systems incorporate training that includes the proper classification of recorded fees, including waived fees, into its quality improvement process.

2. The Department of Health in Orange County waived Environmental Health fees not authorized by Florida Administrative Code or Department policy.

- Florida Administrative Code 64E-16.011-16.012, governing Permits and Fees, provide some examples of EH fees that are exempt:
 - A biomedical waste generator who produces or treats less than 25 pounds of biomedical waste in each 30-day period.¹

¹ Florida Administrative Code rule 64E-16.011(1)(a)

- State-owned and operated biomedical waste facilities.²
- In regard to fee waivers, Florida Administrative Code rule 64F-16.007(1) explains, “CHD directors/administrators..., have the authority to reduce or waive charges in situations where a *person* with an income above 100 percent of poverty is unable to pay.”
- The Accounts Receivable Policy was the only Department guidance we identified regarding fee waivers. However, it only applies to health services and individual clients, and EH fees were not included in the development of the policy. Current guidance may not be sufficient to definitively rule in or rule out other fee waiver scenarios.
- A former DOH-Orange director made a perpetual directive in 2009, that has continued to be used to waive the required state EH permit fee to the local County Parks and Recreation Department (Parks and Rec). In exchange, Parks and Rec agreed not to charge the CHD for a venue for CHD staff meetings. This directive was used to waive three transactions in the Environmental Health Database (EHD) during the scope of our audit. As a result, there was no documentation to support the amount of the benefit received for the benefit given.
- Florida Administrative Code addresses some specific EH fees that are exempt from collection, but a general exemption of fees for an exchange of services is not mentioned or addressed. Meanwhile, Department policy only speaks to waiving of fees for clients, while waiving fees for governmental entities is not addressed. As a result, the DOH-Orange may be waiving fees for an entity it does not have the authority to waive, resulting as a shortfall of monies owed to the Department.

We recommend the Bureau of Finance and Accounting consider other scenarios in which fees can be waived and potentially develop guidance to promote consistent application statewide.

We recommend the Department of Health in Orange County follow guidance issued by the Bureau of Finance and Accounting.

3. There were inconsistencies in how fees related to providing birth and death certificates are waived and reported in e-Vitals.

- Chapter 382, Florida Statutes, governs the Florida Vital Statistics Act. Specifically, section 382.0255, Florida Statutes, addresses related fees in the following manner:
 - Paragraph (1) explains, “The department is entitled to fees.”
 - Paragraph (3) requires that, “Fees must be established by rule..., All fees must be paid by the person requesting the record, are due and payable at the time services are requested..., The department may waive all or part of the fees required under this section for *any government entity*.”
 - Paragraph (3) adds additional waivers for, “unaccompanied homeless youth certified under s 743.067; for a young adult who is, or was at the time he or she reached 18 years of age, in the custody of the Department of Children and Families; for purposes of an inmate acquiring a state identification card before release pursuant to s. 944.604(7); and for a juvenile offender in the custody or under the supervision of the Department of Juvenile Justice and received services under s. 985.461.” These may be better thought of as exemptions.

² Florida Administrative Code rule 64E-16.012(1)

- Section 382.002, Florida Statute, defines vital records to include certificates or reports of birth and death.
- The *Chief Deputy Registrar Operations Manual* (Manual) defines that the CHD director/administrator is traditionally appointed as the local registrar for that county and is responsible for the local vital statistics programs. Furthermore, under the direction of the state registrar, the local registrar is charged with the enforcement of vital statistics laws, regulations and instructions within the county. The local registrar must also designate a chief deputy registrar (CDR). Traditionally, the CDR assumes the responsibility of managing the day-to-day operations of the vital statistics office.
- The Manual explains fees for certification services may be collected and retained by the county. It is at the discretion of the local registrar to waive certain fees within the county vital statistics office. It is suggested that fee waivers be delineated in a written policy authorized by the local registrar. Fees should be collected upon issuance unless a prepayment schedule has been established with the CHD.
- The Manual provides guidance and explains that where a funeral director is the applicant requesting a death certificate, the "funeral director representing an immediate authorized person" may request death certificates with cause of death by completing an application and submitting the required fees.
- The e-Vitals system is the electronic mechanism whereby all vital records are entered into the state database, certifications are issued, applicants are tracked, safety paper usage is monitored and for accounting of funds.
- Not all counties included in our review waived fees. The counties that *did* waive fees for birth and death certificates did so inconsistently, as not all fields in e-Vitals were completed accurately when recording the birth/death certificate. We identified instances where some CHDs waived fees for funeral directors. For example, Crevasse's Simple Cremation received a one-time death certificate courtesy copy. However, we had difficulty determining if the death certificate courtesy copies reviewed were appropriately waived as information fields were not accurately entered. For example, a CHD listed an applicant address that corresponds to the Florida Highway Patrol, but Wylie-Baxley Funeral Home was listed as the applicant business name.
- Even though not required, in instances where fees were being waived, we did not find the local registrar had authorized a written policy regarding fee waivers, as was suggested in the Manual.
- The portion of the Manual, as it relates to waiving fees for birth and death certificates, is treated more as a guideline and a recommendation, but not a requirement. The Manual is written in such a way that the local registrar has the discretion to waive certain fees within the county vital statistics office, but not all CHDs are required to waive fees.
- The Manual is not consistent with Chapter 382, Florida Statutes, in that it allows the local registrar to waive fees other than those cited in Chapter 382 at their discretion for some birth and death records. However, there is a risk that CDRs may interpret from the Manual that any fee can be waived at their discretion. Florida law does not provide for that interpretation.

We recommend the Bureau of Vital Statistics seek an Office of the General Counsel legal opinion to determine whether the Manual's guidance stating, "It is at the discretion of the local registrar to waive certain fees within the county vital statistics office," is in conflict with section 382.0255,

Florida Statutes. Additionally, we recommend the Bureau of Vital Statistics make appropriate revisions to the Manual as necessary to ensure fees are only waived in accordance with Florida law and documented consistently statewide.

We recommend the Bureau of Vital Statistics conduct quality assurance reviews to ensure the accuracy and completeness of all e-Vitals data.

SUPPLEMENTAL INFORMATION

Section 20.055, Florida Statutes, charges the Department's Office of Inspector General with responsibility to provide a central point for coordination of activities that promote accountability, integrity, and efficiency in government.

Shannon M. Egler, Senior Management Analyst II, conducted the audit, reviewed by Ashlea K. Mincy, CIGA, Assistant Director of Auditing, with supervision by Mark H. Boehmer, CPA, Director of Auditing.

Our methodology included reviewing applicable Florida law³, Department policy, and the Manual; reviewed reports from HMS, EHD, and eVitals; reviewed supporting documentation; conducted a site visit to DOH-Marion; and interviewed applicable management and staff.

This audit was conducted in conformance with *International Standards for the Professional Practice of Internal Auditing*, issued by the Institute of Internal Auditors, as provided by section 20.055(6)(a), Florida Statutes, and as recommended by Quality Standards for Audits by Offices of Inspector General (*Principles and Standards for Offices of Inspectors General*, Association of Inspectors General).

We want to thank management and staff in the Department's County Health Systems, participating county health department staff, the Bureau of Environmental Health, and the Bureau of Vital Statistics for the information and documentation provided, and for their cooperation throughout the project.

All final reports are available on our website at www.FloridaHealth.gov (search: internal audit). If you have questions or comments, please contact us by the following means:

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³ Florida Statutes, Florida Administrative Code

APPENDIX A: MANAGEMENT RESPONSE

	Recommendation	Management Response
1.1	<i>We recommend the Office of County Health Systems work with the Bureau of Clinic Management and Informatics to re-evaluate categories in HMS to document and differentiate between fee waivers and fee write-offs.</i>	<p>We concur. Management accepts any risk. No action will be taken.</p> <p>CHS, the Bureau of Finance and Accounting (F&A), and the Bureau of Clinic Management and Informatics (BCMI) met to discuss this finding. There are three categories provided in Florida Statutes. The CHD may choose the one that fits the situation. CHS and F&A will discuss the three categories as we continue to provide technical assistance (TA) to the CHDs, as requested.</p>
1.2	<i>We recommend the Office of County Health Systems work with the Bureau of Clinic Management and Informatics to establish formal guidelines for CHD staff that will assist in the consistency of selecting the appropriate category in HMS when recording a fee that will not be collected.</i>	<p>We concur. Management accepts any risk. No action will be taken.</p> <p>CHS, F&A, and BCMI met to discuss this finding. The current Accounts Receivable Policy addresses topics related to fees. CHS and F&A will discuss fees as we continue to provide TA to the CHDs, as requested.</p>
1.3	<i>We recommend County Health Systems incorporate training that includes the proper classification of recorded fees, including waived fees, into its quality improvement process.</i>	<p>We concur. Management accepts any risk. No action will be taken.</p> <p>CHS, F&A, and BCMI met to discuss this finding. CHS and F&A will continue to provide TA to the CHDs, as requested. We will continue to work with CHDs on this issue.</p>
2.1	<i>We recommend the Bureau of Finance and Accounting consider other scenarios in which fees can be waived and potentially develop guidance to promote consistent application statewide.</i>	<p>We concur. Management accepts any risk. No action will be taken.</p> <p>F&A does not have the authority to consider other scenarios in which fees can be waived, as this authority is granted via Florida Administrative Code rule 64F-16.007.</p>
2.2	<i>We recommend the Department of Health in Orange County follow guidance issued by the Bureau of Finance and Accounting.</i>	<p>We concur. Management action completed.</p> <p>Orange County Parks and Recreations was notified in writing, that DOH-Orange does not have the authority to waive EH fees and pursuant to Florida Administrative Code rule 64E-16.011-16.012, 2023-2024 permit fees will be invoiced and cannot be waived.</p>

3.1	<p><i>We recommend the Bureau of Vital Statistics seek an Office of the General Counsel legal opinion to determine whether the Manual's guidance stating, "It is at the discretion of the local registrar to waive certain fees within the county vital statistics office," is in conflict with section 382.0255, Florida Statutes. Additionally, we recommend the Bureau of Vital Statistics make appropriate revisions to the Manual as necessary to ensure fees are only waived in accordance with Florida law and documented consistently statewide.</i></p>	<p>We concur.</p> <p>The Bureau of Vital Statistics (Vital Statistics) requested the Office of the General Counsel (General Counsel) to review the findings and recommendation and advise Vital Statistics of its interpretation of section 382.0255(3), Florida Statutes, relating to when free copies can be issued.</p> <p>General Counsel's opinion was that the Manual needs to be updated to clarify that fees for vital records may only be waived as specified in Florida Statutes, and not solely at discretion of the local registrar. The Manual must be clear that CHDs are only required to waive fees in the limited circumstances specified in section 382.0255(3), Florida Statutes. The Manual must also be clear that the only circumstances where CHDs are authorized, but not required, to waive fees are for "any governmental entity."</p> <p>Vital Statistics will update the Manual to clarify that CHDs are only required to waive fees in the limited circumstances specified in section 382.0255(3), Florida Statutes. The Manual will be updated to clarify the only circumstances where CHDs are authorized, but not required, to waive fees are for "any governmental entity." The Manual will be updated to describe procedures for when waiving fees for governmental entities to make it clear that fees are being waived on the entity's behalf and not for any nongovernmental person or entity.</p> <p>The Manual will describe how fee waived requests are to be recorded in e-Vitals. The Manual will recommend if fees are waived for government entities to delineate it in a written policy authorized by the CHD director/local registrar to the CDR.</p> <p>Vital Statistics will provide training to CDRs and staff regarding the updated procedures. Vital Statistics will discuss findings and necessary corrective actions regarding this audit on the next monthly CDR conference call and share information with CHS so they can discuss with the CHD directors.</p> <p>Contact: Ken Jones</p> <p>Anticipated Completion Date: September 20, 2023</p>
3.2	<p><i>We recommend the Bureau of Vital Statistics conduct quality assurance reviews to ensure the accuracy and completeness of all e-Vitals data.</i></p>	<p>We concur.</p> <p>Vital Statistics annually audits CHD Vital Statistics offices regarding their safety paper issuance. Vital Statistics will develop a report in e-Vitals that lists all free copies by county, that can be accessed daily, weekly, or monthly for monitoring and compliance by the CDR and business manager of each CHD, as well as Vital Statistics Quality Assurance staff. Vital Statistics staff will update the Manual stating these audits/reviews are required by CDR/business managers per audit A-2223-005 and will be included in the CHD annual self-assessments tool. If Vital Statistics staff find any discrepancies in their county audit, they will bring it to the attention of the CDR and business manager for corrective action.</p> <p>Contact: Ken Jones</p> <p>Anticipated Completion Date: September 29, 2023</p>