



City of San Antonio

Agenda Memorandum

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In Control: Audit and Accountability Committee

AUDIT COMMITTEE SUMMARY

September 18, 2018

Audit of San Antonio Metropolitan Health District Lab Operations

Report Issued September 7, 2018

Audit Objective

Determine if Metro Health laboratories are operating in compliance with regulations and they are operating efficiently and effectively.

Background

The San Antonio Metropolitan Health District (Metro Health) is the public health agency charged by State law, City code, and County resolution with the responsibility for providing public health programs in San Antonio and unincorporated areas of Bexar County.

A key service Metro Health offers is laboratory services. The laboratory operates out of three separate locations and provides testing services which include:

- water bacteriology,
- frozen dessert, milk, and dairy,
- sexually transmitted diseases,
- rabies, and
- tuberculosis

In addition, the laboratory provides influenza surveillance for the region and support activities that reach out to 60 surrounding counties. These services are funded via a combination of the general fund, grant funding, Medicaid, and private pay.

The laboratory also provides biomedical waste treatment and disposal services and acts as the main support laboratory for the Department of State Health Services which includes providing milk and dairy testing for farmers in the region and providing data related to infectious diseases for identification, vaccine research, and regional surveillance.

Metro Health utilizes the StarLIMS system to document laboratory testing and results, as well as for reporting requirements. Additionally, StarLIMS is used to meet the retention requirements of electronic records.

Audit Scope & Methodology

The audit scope was fiscal year 2017 through May 2018.

To establish our test criteria, we reviewed state and federal regulations, Metro Health policies and procedures, and grant agreements. To gain an understanding of the internal controls related to lab operations, we interviewed key personnel in the Metro Health's Environmental Health and Safety Division and Finance Division.

As part of our testing procedures, we examined the lab's State and Federal regulatory audits to determine if the issues identified were addressed. Additionally, we verified that policies and procedures were reviewed and updated, and lab personnel had sufficient training and access to protective equipment. We also verified that lab inventory and purchases were maintained in accordance with COSA administrative directives.

Furthermore, we performed tests to ensure that grant reimbursements, revenue collections, and Medicaid payments were complete and accurate. Finally, we tested general and application controls by reviewing the StarLIMS system user access and data backup and recovery procedures.

Audit Conclusions

The Metro Health laboratories are operating effectively and efficiently and in compliance with regulations. We determined that Metro Health laboratories have adequate controls to ensure policies and procedures are reviewed and updated regularly, inventory is secure and maintained, and training requirements are met. Additionally, we determined that grant reimbursement requests were accurate and lab revenue was collected in accordance with COSA administrative directives.

However, there are opportunities to strengthen the controls associated with the submission and tracking of Medicaid reimbursements. We recommend that Metro Health Management revise current procedures to ensure all Medicaid eligible claims are submitted and that a reconciliation of claims submitted to payments received is being performed.

We made recommendations to address the issues. Metro Health concurred with the recommendations and developed positive corrective action plans.