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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FINANCE AND ADMINISTRATIVE SERVICES
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ACTING DIRECTOR

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DIRECTOR

Emailed 1/21/16

January 21, 2016

Mr. Jeffrey S. Bankowski, Chief Internal Auditor
Office of Internal Audit Services
State Budget Office
George W. Romney Building – Sixth Floor
111 S. Capitol, P.O. Box 30026
Lansing, Michigan 48909

Dear Mr. Bankowski:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the summary table identifying our responses and our corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of the Bureau of Community and Health Systems, Long Term Care Division (641-0451-15).

If you have any questions regarding this report, please feel free to call me at (517) 335-1976.

Sincerely,

(SIGNED)

Allan Pohl, Deputy Director, CFO

Enclosure

cc: Audit Distribution List
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AUDIT RESPONSE SUMMARY

Performance Audit of the Long Term Care Division,
Bureau of Community and Health Systems
Department of Licensing and Regulatory Affairs (LARA) (641-0451-15)
October 1, 2012-February 28, 2015

- I. Citations complied with:
- II. Citations to be complied with:
#1 by 1/01/16
#2 by 1/01/16
- III. Citations agency disagrees with:
None

Finding #1 –Ensure Timely Inspections of Non-Participating Nursing Homes.

We recommend that the Bureau of Community and Health Systems ensure that all inspections of non-participating nursing homes are completed timely.

Final Response:

LARA agrees and will be in compliance by 01/01/2016.

The Long Term Care Division will develop a procedure to assure that all state licensed only nursing homes are inspected biennially as required by state law. Nursing homes that are state licensed and participate in the Medicare program are currently inspected every 9 to 15 months according to federal participation requirements.

The procedure will require the Division managers (licensing officers and survey monitors) to create an annual document to identify and track required inspections of each state licensed only nursing home, the date of the last survey cycle, and projected date of the next survey. The tracking document will be available to each manager, as well as the manager responsible for the Life Safety Code inspectors to ensure coordination of scheduling. The document will include step-by-step instructions for the creation and maintenance of the document. The Division managers will also add the projected dates to their Outlook calendar two months prior to the projected survey due date. The purpose of adding the projected survey dates to the Outlook calendars is to provide a redundant system. The licensing officers will notify the Life Safety Code manager when the surveys are scheduled. The Division director and licensing officers will review the schedule quarterly to ensure the surveys are scheduled and completed as required.

FINDING #2 – Improved Monitoring of Nursing Home Employee Background Checks Could Help Improve Resident Safety

We recommend that the Division improve its monitoring of nursing home employee background checks to help ensure that licensees conduct required checks consistently and timely and that licensees do not allow individuals with unsuitable backgrounds to have direct access to or provide direct services for residents.

Final Response:

LARA agrees and will be in compliance by 01/01/2016.

The Long Term Care Division will implement a process for reviewing any notifications of employee background checks that verify a conviction of a excluding offense. The new procedure will assure compliance with federal regulation 42 CFR 483.13 and Michigan Compiled Law (MCL) 333.20173a. The process will include the verification of action by the employer when they receive notification of a “rap back” for one of their employees.

The process will include the Division surveyors receiving training on how to verify compliance while onsite and in real time. Prior to the onsite survey, the survey monitor, direct manager to the surveying team, will coordinate with the workforce background check staff to verify if any rap back reports have been received for the applicable provider since the last annual survey. If yes, this information will be provided to the applicable survey team leader. A sample size of 10%, up to a maximum of 15 total employees, will be included in the sample to be reviewed onsite. Any employee’s with recent rap backs will be included as part of the initial sample. If a deficient practice is noted, an additional 10 employee files will be reviewed, for a maximum total of 25. The surveyor will observe the administrator’s, or their designated employee’s, access to the criminal background check/rap back” system, and observe any rap back” notices received through the system for a “real time” verification.

If the facility does not know how to utilize the criminal background check/”rap back” system, the facility will be held accountable by the surveyor and a citation will be issued pursuant to the State Operations Manual(SOM) under F225. Task 5G – Obtain a list of all employees hired within the previous 4 months, and select five from the list. The surveyor as part of the survey process will ask the facility to provide evidence that the facility conducted pre-screening based on the regulatory requirements at 42 CFR 483.13(c).