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DEPARTMENT OF AUDITOR-CONTROLLER

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TO: Mayor Michael D. Antonovich
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FROM: J. Tyler McCauley
Auditor-Controller

SUBJECT: **STATUS REPORT – BOARD-REQUESTED REVIEWS OF DHS CONTRACT PHYSICIAN OVERSIGHT, PHYSICIAN TIMEKEEPING PROTOCOLS AND INVESTIGATION OF OUTSIDE EMPLOYMENT (Board Agenda Item 61-A, July 19, 2005, and Item 85-A, August 30, 2005)**

At the July 19, 2005 meeting, your Board instructed the Auditor-Controller to conduct a follow-up audit of the Department of Health Services' (DHS) monitoring of contract physicians at King/Drew Medical Center. At the August 30, 2005 meeting, your Board instructed us to review DHS' implementation of the recommendations from our August 19, 2005 report on Physician Timekeeping Protocols, Contracted Physician Oversight and Outside Employment. We were also instructed to work with DHS and the County Director of Personnel to determine whether there were any improprieties at the DHS facilities, and to expedite disciplinary action on any substantiated cases.

In our December 22, 2005 status report, we indicated that we would postpone our review of physician timekeeping controls and the implementation status of the recommendations from our report until DHS had finalized and implemented the revised timekeeping policies and procedures, and trained their staff on the new requirements. At that time, DHS indicated that the implementation would be completed by April 2006.

Review Summary

Our current review indicates that DHS has issued the revised policies and procedures. DHS has also conducted training for physicians at all the Department's facilities on how to comply with the new requirements.

Because DHS is still working to fully implement the new policies and procedures, our current review was limited to evaluating whether the revised policies, procedures and training materials adequately address the recommendations from our August 2005 report. Our review indicates that DHS needs to strengthen the time accountability and monitoring requirements in the new policies and procedures. We have also referred several cases of physician time abuse identified by our Office of County Investigations (OCI) to the District Attorney's Office for their review. Details of our review are discussed below.

County Physician Time Reporting

In our initial review, we noted that County physicians did not always record their arrival and departure times on timecards. We recommended that DHS establish a department-wide policy that timecards be fully completed, including hours worked, and arrival and departure times. DHS' revised timekeeping policy requires physicians to fully complete their timecards, and only report time that is actually spent performing work for the County. However, the policy does not explicitly require physicians to record their arrival and departure times on their timecards. While DHS' timecards do have space for employees to record their arrival and departure times, and the requirement was re-emphasized to physicians during the recent training, DHS should revise the policy to specifically require physicians to record arrival and departure times on their timecards. This will ensure that physicians record this information on their timecards, which can then be used to ensure that physicians comply with their County work schedules.

Contract Physician Time Reporting

In January 2006, DHS modified their contracts for physician services by limiting the number of hours contract physicians can work each day/year, eliminating/reducing the number of on-call hours physicians can work, and requiring contractors to submit more detailed invoices.

During our initial review, we reported that DHS did not have a formal mechanism to verify the hours worked by contract physicians. We recommended that DHS use sign in/out logs to verify hours worked by contract physicians. However, DHS believes that the logs are not an effective tool to monitor physicians.

DHS indicated that they are revising their policies and procedures to improve the monitoring of contract physicians, including monitoring contract physician patient charts and meeting minutes, and having physicians routinely paged at the facilities. DHS' policy also requires contract physician time records to be fully completed, and to only reflect time that is actually spent performing work for the County. DHS indicated that contractor time records include the physician arrival and departure times, and that this information will be reconciled to the physician work schedule and invoice before payment is made to the contractor.

DHS should ensure that a formal mechanism exists to verify contract physician presence and productivity. We will evaluate DHS' draft oversight/monitoring policies and procedures, and time records during our next follow-up to determine whether these controls adequately validate contract physician work hours.

Work Schedules

In our initial review, we noted that the formats for physician work schedules varied among DHS facilities and medical departments. For example, some of the schedules only included a list of all physicians scheduled to work during the week, but did not indicate which physicians would be working on specific days and times. As a result, we recommended that DHS develop standardized physician work schedules.

DHS indicated that all facility physician work schedules include the date, the nature of coverage, and the physicians providing the coverage. However, DHS indicated that, due to patient care issues, some medical departments' physician schedules vary significantly from day to day. As a result, DHS indicated that it would be difficult for medical departments with variable work schedules (e.g., surgery, cardiology, etc.) to include the physicians' daily arrival and departure times.

To facilitate monitoring of physician work schedules, DHS should ensure that physician shift information (e.g., morning, afternoon, evening, etc.) is included on the work schedules for medical departments with variable schedules. For medical departments with established work schedules (e.g., emergency, pediatrics, etc.), DHS should ensure that physicians' scheduled arrival and departure times are recorded on the schedules. DHS should implement these requirements for use at all the facilities. As discussed later, DHS staff and staff working on the County's automated timekeeping/personnel (eHR) system indicated that they are considering integrating physician work schedules into the County's new automated timekeeping system when it is implemented.

Outside Employment

In our prior review, we noted instances where County physicians claimed on their official timecards to be working at their County jobs at the same time they were observed engaging in outside employment activity. We have referred these cases to the District Attorney for review. In addition, we noted that some County physicians reported their total daily hours worked instead of just their outside employment work schedule on their outside employment form. As a result, in some cases, we could not determine if there was a conflict between the physicians' County and outside employment. DHS should ensure that managers are appropriately reviewing outside employment forms for completeness and accuracy, and require all County physicians reporting outside employment to detail both the hours worked and daily work schedule. While the current outside employment form includes a section to report the employee's working hours, DHS should revise the form to clearly identify both the physician's total daily hours worked, and work schedule for outside employment.

Automated Timekeeping System

In our previous report, we recommended that DHS begin evaluating possible technology for use in verifying that physicians are at the facilities. DHS and staff working on the are working on a pilot system to be tested at Rancho Los Amigos National Rehabilitation Center in June 2006. The proposed system will replace the current paper timecards with an on-line time reporting system. However, the proposed system will not automatically capture actual hours worked by physicians or other staff. DHS and eHR staff indicated that they are considering a system that will record employees' actual hours, through smart or swipe cards. DHS and eHR staff are currently working on the Request for Proposal (RFP) for this automated system, and expect to release the RFP by January 2007. This automated timekeeping system will take a few years to fully implement. We will continue working with DHS and eHR on the RFP.

Next Review

Because DHS is still working to fully implement the new policies and procedures, and train their staff on the new timekeeping requirements, we will continue to monitor DHS' progress, and report back to your Board in 120 days on the status of the recommendations.

Please call if you have any questions, or your staff may contact Jim Schneiderman at (626) 293-1101.

JTM:MMO:JLS:MM:AA

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