



Memorandum

19 West Flagler Street ♦ Suite 220 ♦ Miami, Florida 33130
Phone: (305) 375-1946 ♦ Fax: (305) 579-2656
visit our website at www.miamidadeig.org

To: Mr. Marvin O'Quinn, President/CEO
Public Health Trust/Jackson Health System

From: Christopher Mazzella, Inspector General

Date: August 11, 2006

Subject: Final OIG Report on the Public Health Trust's Procurement
of Professional Services from Anthony D. Hall & Company for Preparing a
Reopening of JMH's Medicare Cost Report for the Fiscal Year 1998
IG05-132A

Please find enclosed a copy the Office of Inspector General's (OIG) Final Report regarding the above-mentioned matter. Pursuant to Section 2-1076(f) of the Code of Miami-Dade County, the OIG issued a draft version of this report to the JHS Executive Office and to Mr. Anthony D. Hall, on June 8, 2006. The OIG received the Public Health Trust's (PHT) written response to the draft report, on July 5, 2006. Anthony D. Hall (Hall) did not submit a response. PHT's response is attached to the Final Report as Appendix A. The OIG, based on its review of PHT's response, has determined that no material changes to the report are needed.

The OIG initiated its review of this matter based on two anonymous complaints received by the OIG concerning the Hall engagement. The first complaint stated that Jackson Memorial Hospital (JMH) management was providing "information to Anthony D. Hall & Company to work on cost reports with no contract." In addition, the complaint stated that these circumstances had been reported to the Public Health Trust (PHT) compliance officer and to "Watch out for any requests to waive the bid process or to present a contract to the [PHT] Board [of Trustees]." The second complaint stated much the same, except that it added that Hall was working on the fiscal year (FY) "1998 cost report, with no contract" and that Hall had completed his work and had submitted a reopening to the Medicare office.

Our examination of the circumstances of and documentation for this engagement support our findings that the PHT did not plan this procurement action well and did not coordinate its submission of Hall's work product with the work completed by its in-house staff. This last action is a potentially delaying factor to the PHT's receipt of substantial monies due from the federal government resulting from the government's under reimbursement of Medicare costs paid to the PHT during fiscal year 1998. In

addition, the PHT did not execute a professional services agreement with Hall and require Hall to sign a Business Associate Agreement (BAA).

Our report contained three recommendations. In its response to our first recommendation, the PHT stated that it contacted its fiscal intermediary (First Coast Service Options, Inc.) to clarify Hall's status, as a PHT-authorized representative. Upon our request, the PHT provided us with a copy of its written notice to First Coast confirming Hall's status. The PHT addresses our second recommendation, related to its procurement planning, by stating that it hired, in 2005, Mr. Ted Lucas, as its Vice President of Procurement. The PHT, in addition, stated that it "has developed new policies and procedures that address the issues identified in the report."

With regards to our third recommendation, the PHT stated that it has a BAA with Hall, dated November 20, 2003, which covers the subject engagement. PHT states "The BAA which had no expiration date for enforcement covered all confidential information to which Mr. Hall had access." Thus, the PHT concludes that this BAA was in effect at the time of Hall's engagement to prepare the FY 1998 Medicare cost report reopening. If this is the case, then the OIG cannot understand why, despite its repeated requests throughout our fieldwork, that the PHT never mentioned this BAA. In fact, as we reported, there are many e-mails between PHT senior staff, including the County Attorney's Office (CAO), indicating that a BAA specific to this engagement was necessary. The CAO advised staff not to release any information to Hall without a signed BAA.

Notwithstanding, the OIG contends that having a BAA not ascribed to a specific work scope with an unlimited duration is a questionable business practice. This is especially true, given the fact that the PHT also did not have an executed contract with Hall for the subject engagement. The OIG mentioned the lack of an executed contract in its report. OIG auditors, after receiving the PHT's response, checked again with the PHT's Contracts Administrator and the County Attorney's Office. However, neither of these parties could confirm whether the PHT had yet executed a contract with Hall for the FY 1998 Medicare cost report reopening.

Except for the lack of an executed contract and signed BAA, the OIG considers this audit as **resolved-open** pending receipt from the PHT/JMH of a copy of the executed contract and signed BAA, **within 90 days, on or before October 10, 2006**

- c: Mr. Larry Handfield, Chairperson, PHT Board of Trustees
- Mr. Angel Medina, Jr., Chairperson, PHT Fiscal Affairs Committee
- Mr. Ernesto de la Fe, Vice Chairperson, PHT Fiscal Affairs Committee
- Mr. Frank Barrett, CFO, PHT
- Mr. George Burgess, County Manager
- Clerk of the Board (copy filed)

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INTRODUCTION & SYNOPSIS

The Office of the Inspector General (OIG) received two anonymous complaints similar in nature. The first stated that JMH (Jackson Memorial Hospital) management was providing "information to Anthony D. Hall & Company to work on cost reports with no contract. The information is protected under HIPPA [sic]¹." In addition, the complaint stated that these circumstances had been reported to the PHT (Public Health Trust) compliance officer and to "Watch out for any requests to waive the bid process or to present a contract to the [PHT] Board [of Trustees]." The second complaint stated much the same, except that it added that Hall was working on the "1998 cost report, with no contract" and that Hall had completed his work and had submitted a reopening to the Medicare office. Accordingly, the OIG, pursuant to its authority afforded by Section 2-1076 of the Code of Miami-Dade County, initiated an inquiry into this JMH arrangement with Hall.

In accordance with Section 2-1076(f) of the code of Miami-Dade County, a draft version of this report was issued to the JHS Executive Office and Mr. Anthony D. Hall (Hall), on June 8, 2006. The PHT's response to the report was received on July 5, 2006 and is fully attached as Appendix A. Mr. Hall elected not to provide any comments to the report. Upon reviewing the PHT's response, the OIG has determined that no material changes to the report are required.

Based upon our examination of the allegations raised in the complaints, we believe that there is adequate justification to raise serious concerns over the propriety of JMH's handling of the Hall engagement. The PHT Fiscal Affairs, Purchasing & Budget Committee (Fiscal Committee) approved, at its meeting on September 13, 2005, and forwarded to the full PHT Board of Trustees (Board), a JMH Executive Office request to waive competitive bidding to engage Hall to prepare and submit a *Medicare Cost Report* reopening, for the fiscal year ending September 30, 1998 (FY 1998). (See a chronology of these and the later described events beginning on page 5 of this report.) In the Fiscal Committee meeting minutes, JMH's Executive Office cited "the urgency to start this work immediately" as the reason for the bid waiver. The Committee approved this agenda item without discussion and forwarded it to the full Board without comment.

Notwithstanding, we believe that JMH management had created the urgency because it had waited until the last week of the 156-week filing period to formally engage Hall. In addition, extrinsic evidence suggests that Hall, after having received Executive Office informal approval, had actually begun working on the reopening about two

¹ HIPAA stands for the Health Insurance Portability and Accountability Act of 1996.

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months earlier and about one week before JMH in-house staff submitted its own separate *Medicare Cost Report* reopening for the same fiscal year.

Moreover, we confirmed that prior to the Board's ratification and in the absence of an executed contract, or signed *Business Associate Agreement* (BAA),² JMH provided Hall with individually identifiable health information or "protected health information." This action may be violative of PHT policies and procedures and of HIPAA regulations. In addition, we determined that PHT/JMH management, including the PHT/JMH Chief Privacy Officer, were aware of the fact that staff was providing Hall with protected health information without an executed contract and signed BAA.

Lastly, over seven months after the Board's ratification, we confirmed that JMH had yet to enter into the required written agreements with Hall. In addition, over seven months have passed since JMH's fiscal intermediary requested that JMH confirm Hall's status as its authorized representative. JMH's inaction in responding to this request is unnecessarily delaying the recovery of a substantial amount of money, perhaps millions of dollars.

TERMS USED IN THIS REPORT

ACA	Assistant County Attorney
Board	PHT Board of Trustees
CFO	Executive Vice President and Chief Financial Officer
CPO	Chief Privacy Officer and Research & Funding Compliance Officer
Fiscal Committee	Fiscal Affairs, Purchasing & Budget Committee (PHT Board)
First Coast	First Coast Service Options, Inc.
FY 1998	Fiscal year ending September 30, 1998
Hall	Anthony D. Hall & Company
HIPAA	Health Insurance Portability and Accountability Act of 1996
JMH/PHT	Jackson Memorial Hospital/Public Health Trust
NPR	<i>Notice of Program Reimbursement</i>
OIG	Office of the Inspector General
Reopening	<i>Medicare Cost Report</i> reopening request
VP	Vice President, Internal Audit/Chief Compliance and Integrity Officer

² A BAA is a HIPAA required agreement between a health care provider and a "business associate" wherein the business associate, among other conditions, provides assurances that it has implemented safeguards that reasonably protect the confidentiality and security of protected health information.

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BACKGROUND

Medicare Cost Report

A *Medicare Cost Report* is a federally required year-end report that a Medicare provider files with its fiscal intermediary showing its annual statistical and financial data. First Coast Service Options, Inc., is JMH's fiscal intermediary.³ First Coast uses the cost report to determine the "net" position between JMH and the federal government regarding JMH's Medicare claims and the government's reimbursement thereof during the fiscal year covered by the report. JMH has five months from the end of the fiscal year to file its cost report. First Coast audits the data to arrive at its determination of what amounts are due to/due from either party for the services provided, costs incurred and monies reimbursed. First Coast issues a *Notice of Program Reimbursement* (NPR) to JMH upon making its determination. This process can take up to two and one-half years to complete. During this period, JMH can modify its cost report should the need arise.

Medicare Cost Report Reopening

Medicare regulations allow healthcare providers, such as JMH, to request a *Medicare Cost Report* reopening (reopening), if the provider files such a request within three years of the effective date of the NPR. This three-year period is referred to as the reopening period. For a fiscal intermediary to agree to a cost report reopening, the reopening must contain sufficient supporting documentation clearly expressing why a reopening is warranted. The reopening should also include a reimbursement effect quantifying the additional amount that the provider believes it is due, over and above the amount already received, for the services that it provided during the stated fiscal year. The provider must show that one of the following requirements are present:

- New and material evidence must be submitted that may result in a conclusion different than the original decision;
- To correct a clear or obvious error; or

³ First Coast is JMH's Medicare program administrator or "fiscal intermediary." Under contract with the Centers for Medicare & Medicaid Services (CMS), First Coast provides a full range of services to healthcare service providers, including claims processing, customer service, education, training and activities that ensure the appropriateness of Medicare benefit payments. CMS is part of the Department of Health and Human Services and is the federal agency responsible for administering Medicare, Medicaid, HIPAA and several other health-related programs.

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- The original determination is inconsistent with the law, regulations or general instructions.

The fiscal intermediary acknowledges a reopening request by one of the following:

- Denial—the fiscal intermediary's formal notice to the provider that a cost report reopening was denied because it was filed after the reopening period ended, there was insufficient documentation, etc.; or
- *Notice of Intent to Reopen*—the fiscal intermediary's notice to the provider that it will reopen the specified cost report.

Should First Coast grant JMH's reopening request, it will audit the newly submitted data to determine whether there are additional monies due to JMH. Upon completion of its audit of the newly submitted data, First Coast will then issue a *Revised Notice of Program Reimbursement* showing audit adjustments to the original reimbursement amount. Once a provider files a cost report reopening, it generally takes several years before it is resolved.

OIG'S JURISDICTIONAL AUTHORITY

In accordance with Section 2-1076 of the Code of Miami-Dade County, the Inspector General has the authority to investigate county affairs and the power to review past, present and proposed County and Public Health Trust programs, accounts, records, contracts and transactions. The Inspector General has the power to analyze the need for, and the reasonableness of, proposed change orders. The Inspector General is authorized to conduct any reviews, audits, inspections, investigations or analyses relating to departments, offices, boards, activities, programs and agencies of the County and the Public Health Trust.

The Inspector General may, on a random basis, perform audits, inspections and reviews of all County contracts. The Inspector General shall have the power to audit, investigate, monitor, oversee, inspect and review the operations, activities and performance and procurement process including, but not limited to, project design, establishment of bid specifications, bid submittals, activities of the contractor and its officers, agents and employees, lobbyists, and of County staff and elected officials in order to ensure compliance with contract specifications and detect corruption and fraud.

The Inspector General shall have the power to review and investigate any citizen's complaints regarding County or Public Health Trust projects, programs, contracts or

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transactions. The Inspector General may exercise any of the powers contained in Section 2-1076, upon his or her own initiative.

The Inspector General shall have the power to require reports from the Mayor, County Commissioners, County Manager, County agencies and instrumentalities, County officers and employees and the Public Health Trust and its officers and employees regarding any matter within the jurisdiction of the Inspector General.

OBJECTIVES, SCOPE AND METHODOLOGY

The preliminary information obtained by the OIG prompted us to begin a more in-depth review of the circumstances surrounding this JMH - Hall engagement and the events leading up to and subsequent to the Board action taken on September 26, 2005. Our objectives were to research the facts surrounding the subject matter and assess JMH's activities to determine whether they were proper. OIG auditors interviewed personnel from JMH, A.D. Hall and Company and JMH's fiscal intermediary, First Coast Service Options, Inc. In addition, OIG auditors reviewed records that were provided by personnel from the named entities.

RESULTS

JMH actions contravened acceptable, common sense procurement practices. JMH management went about obtaining professional services for a specified work product and, for no apparent reason and without formal explanation, disregarded a cost report reopening prepared by its own staff. JMH staff already had all but completed and filed a reopening for the same year with JMH's fiscal intermediary by the time Hall had received JMH's informal notice to proceed. Moreover, JMH's in-house staff submitted its reopening three months before the cited Board action ratifying a waiver allowing JMH to obtain Hall's services without competitive bidding. A chronology of these and the other events described in the following paragraphs is shown below.

DATE	EVENT
Sept. 10, 2002	First Coast issues initial <i>Notice of Program Reimbursement</i> for FY 1998 cost report.
July 22, 2005	Frank Barrett (CFO) emails Millie Gomez (Mgr., Cost & Reimbursement Dept.) instructing her to provide Hall with FY 1998 cost report information.
July 30, 2005	JMH (Ms. Gomez) submits FY 1998 <i>Medicare Cost Report</i> reopening to First Coast with cc to F. Barrett (est. reimbursement \$613,408).
July 30, 2005	Hall submits his <i>Request for Patient Information No. 1</i> to Ms. Gomez with cc to F. Barrett.

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DATE	EVENT
Aug. 3, 2005	Ms. Gomez emails F. Barrett reminding him of JMH's just filed FY 1998 reopening, with the assistance of Deloitte.
Aug. 8, 2005	Ms. Gomez emails William Harriger (VP) requesting advice on Hall's status and asking if there is a contract and whether a BAA can be signed.
Aug. 9, 2005	Ms. Gomez emails F. Barrett requesting advice on Hall's status and asking if there is a contract and whether a BAA can be signed.
Aug. 10, 2005	First Coast grants JMH's July 30, 2005, request for a FY 1998 reopening.
Aug. 16, 2005	Hall submits his <i>Request for Patient Information No. 2</i> to Ms. Gomez with cc to F. Barrett.
Aug. 22, 2005	Hall submits his <i>Request for Patient Information No. 3</i> to Ms. Gomez with cc to F. Barrett.
Sept. 1, 2005	Eric Wishner (CPO) advises Ms. Gomez, Mr. Harriger, et. al., that a BAA is required and that JMH should not provide Hall with any protected health information without an executed BAA.
Sept. 2, 2005	Jack Hartog (ACA) advises F. Barrett that Hall should immediately execute contract and sign BAA in advance of Board action later that month.
Sept. 9, 2005	Hall submits his FY 1998 <i>Medicare Cost Report</i> reopening to First Coast with cc to Marvin O'Quinn and F. Barrett (est. reimbursement \$9,000,000).
Sept. 10, 2005	Reopening period deadline.
Sept. 13, 2005	PHT Fiscal Committee approves JMH Executive Office request for a bid waiver based on an "urgent" need to begin work immediately. The committee approved the request without discussion or comment and forwarded it to the PHT Board for ratification.
Sept. 26, 2005	The PHT Board of Trustees ratifies the Fiscal Committee approved bid waiver for the Hall engagement.
Sept. 30, 2005	First Coast's letter to F. Barrett requesting written notification that Hall is representing JMH for the FY 1998 reopening.

Procurement/Contract Issues

In hindsight, the OIG can appreciate that the Executive Office, in July 2005, may have been questioning whether its in-house prepared reopening would be sufficiently comprehensive to maximize JMH's recovery of additional reimbursements. Thus, there may have been a perceived need to engage an outside professional (Hall) to ensure maximum recoveries. Given the differential in the estimated additional reimbursement amounts between the in-house and Hall's reopenings, \$613,408 vs. \$9,000,000, respectively, the Executive Office would appear to have been justified in seeking outside help.

Even when considering that Hall would take as a fee 20% of the recovered amount, it appears that his services would still be beneficial. Although, until such time as First Coast issues its *Revised Notice of Program Reimbursement* showing audit adjustments

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to the original reimbursement amount, no one will know for sure how beneficial. This does not explain, however, why management did not seek to combine the collective work of its staff and that of another consultant (Deloitte) with that of Hall's into one reopening.

Notwithstanding the above, and, perhaps, most troubling, is the fact that JMH management did not take timely action planning this procurement, such as seeking competitive bids, even though it had three years to do so. Although Hall had previous experiences with JMH, it was by no means the only capable provider for the desired services. Moreover, JMH's first formal action (the Executive Office's request for bid waiver to the Fiscal Committee) occurred during the last week of a 156-week (3-year) filing period. JMH, in past years, has routinely submitted cost report reopenings, without such commotion. These reopenings were prepared by in-house staff or by outside consultants, under contract.

Another related unresolved contract-related event is still reverberating that adversely affects the PHT/JMH. First Coast, in a letter dated, September 30, 2005, to JMH, requested that JMH provide "written notification . . . that Anthony Hall is representing the hospital." First Coast's inquiry likely resulted because it had received JMH's dual reopening submissions and was seeking to confirm which one was the "official" submission. The OIG checked with First Coast, on April 3, 2006, who confirmed that JMH has not responded to its request, as of that date. There could be substantial monies—perhaps in the millions of dollars—due to the PHT/JMH, but until JMH answers First Coast's inquiry, First Coast will not start its work. Accordingly, First Coast will not complete its work and JMH will not receive the expected additional reimbursement as soon as it could have.

HIPAA Issues

The OIG confirmed that during the early stages of the Hall engagement (before the date of the cited Board action and without an executed contract or signed BAA), JMH provided Hall with protected health information. This action may be violative of PHT policies and procedures, as well as HIPAA regulations. In addition, the OIG learned that JMH staff raised this particular issue early on in Hall's engagement.

The OIG examined a series of e-mails among various JMH staff and senior management, including the Executive Vice President and Chief Financial Officer (CFO), the Vice President, Internal Audit/Chief Compliance and Integrity Officer (VP) and the Chief Privacy Officer and Research & Funding Compliance Officer (CPO). About one month after JMH provided Hall with protected health information, at the direction of the CFO, and about one month after being asked for guidance by the VP,

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the CPO, in a September 1, 2005 email, stated that JMH should not provide Hall with protected health information without first obtaining a fully executed BAA. This official did not address the fact, which was stated in the request for guidance, that JMH had already started the information transfer. On September 2, 2005, the day after the CPO's response, an Assistant County Attorney (ACA), recommended to the CFO that Hall should execute both the contract and the BAA immediately. He stated that once PHT Board authority was obtained, that PHT's President/Chief Executive Officer should sign the contract, which had an effective date retroactive to when Hall first started his work. This action has still not been achieved.

CONCLUSION

The OIG understands that there were time delays between when Hall started work and when Hall's engagement was Board authorized, but the situation could have been remedied by prompt action, as recommended by the Assistant County Attorney. That JMH today still does not have an executed contract and signed BAA is inexcusable. Regardless of whether Hall had previous experience assisting JMH with another reopening and was known to JMH management as having provided "expert" service to JMH on related issues, JMH management was obligated to exercise due diligence and prudent, timely procurement practices, and to comply with federal regulations. Instead, JMH management has left a trail of unexplained, undocumented and, at times, apparently illogical actions that reflect questionable decision-making and poor planning. Perhaps, JMH management had some overall strategy for handling the FY 1998 cost report-reopening request in the manner taken. However, whatever the strategy was, it has not been disclosed to the OIG.

In addition, there appears to be little doubt that senior JMH officials were aware of the fact that JMH had provided Hall with protected health information, in the absence of an executed contract and signed BAA. Regardless of whether there may be any federally imposed penalties or sanctions for this behavior, the OIG believes that JMH's actions represent a breakdown in JMH's handling of this engagement and its federally required duty to safeguard protected health information. Notwithstanding that Hall may have been known as a past service provider, JMH was required to document that it obtained satisfactory current assurances from Hall, as prescribed by the federal regulations. Accordingly, JMH was required to have a written agreement when releasing protected health information to Hall. Only then could Hall function as an authorized business associate acting on behalf of JMH.

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Thus, there is cause for the OIG's concern that this has been a problematic procurement action surrounded by questionable circumstances, for what should have been a routine activity.

RECOMMENDATIONS

1. PHT/JMH should take the appropriate legal action to address the dual reopening request submissions to its fiscal intermediary, First Coast, and should work to resolve any issues affecting First Coast's timely audit work of the PHT/JMH's reopening request of its 1998 Medicare Cost Report.
2. PHT/JMH management should examine the subject procurement and surrounding circumstances to determine the extent that poor planning was the underlying reason and actual justification for the bid waiver, and how best to prevent such a breakdown in handling future cost report reopenings.
3. PHT/JMH management should examine their handling of the Hall engagement to determine whether, under the subject circumstances, it reasonably safeguarded protected health information from any intentional or unintentional use or disclosure that was in violation of the standards, implementation specifications or other requirements, as prescribed by PHT/JMH policies and HIPAA regulations.⁴

SEE OIG APPENDIX A FOR THE PHT/JMH RESPONSE TO THIS REPORT.

⁴ See 45 CFR 164.530(c)(2)(i)

July 5, 2006

Christopher Mazzella
Inspector General
Office of the Inspector General
19 West Flagler Street - Suite 220
Miami, Fl. 33130
(305) 375-1946

Re: OIG Draft Report – IG05-132A (“Procurement of Professional Services from Anthony Hall & Co. for Preparing a Reopening of JMH’s Medicare Cost Report for the fiscal year 1998”)

Dear Mr. Mazzella:

The Public Health Trust/Jackson Health System (Trust) per your request is providing some additional information for the June 8, 2006 OIG Draft Report. The Trust takes the draft report seriously and we appreciate the extension period for the response time. The Office of Internal Audit has conducted a review of the draft report and has assisted in assimilating some additional information that I thought you might consider.

Anthony Hall & Co. began work for the Trust in 1994 under an *Invitation To Bid (ITB)* #94-4658 for cost report year ending 1990 & 1991 and the Trust has relied on Mr. Hall’s expertise to refile cost reports since that time. More specifically, Mr. Hall has worked with the Trust on numerous cost reporting projects including refillings for 1989, 1990, 1991, 1992, 1996, 1997, and 1998. His work has assisted the Trust with recouping millions of dollars from items overlooked in previous cost reports under prior financial management.

As you indicated in the report, reopening cost reports and seeking additional reimbursement is a highly complex task and there are strict refiling deadlines for each cost report period. Mr. Hall’s specific organizational knowledge gained through the continued relationship with the Trust was viewed as critical to success in amending the 1998 cost report. While there are a few cost report accountants in South Florida that possess such specialized skills, we did not believe that there were any who possessed the skills and requisite organizational knowledge needed to provide a thorough amended report on such short notice.

Prior to engaging Mr. Hall for the 1998 cost report, the Trust retained Deloitte Touche Tohmatsu (Deloitte) to conduct an extensive reCreate project for the Trust. One small portion of the overall Deloitte reCreate initiative was to refile several cost reports including the 1998 report, reallocating neonatal special care beds. The Trust then engaged Mr. Hall to address additional items in the 1998 cost report that were not addressed by the Deloitte 1998 refiling. As you know, it is not unusual for hospitals to file multiple reopenings for the same time period.

APPENDIX A

RECEIVED BY THE
OFFICE OF THE
INSPECTOR GENERAL
JUL 5 2006 10:27 AM

As your draft report indicates, the refiling initiated by Mr. Hall identified additional reimbursement opportunities and the Trust is now seeking additional reimbursement of approximately \$9M due to his work. Both Mr. Hall and Deloitte will be paid on a contingency basis after the payments are received from the intermediary. Since Mr. Hall's work does not overlap Deloitte's efforts, there will be no duplicate payments. And, First Coast has been notified of Mr. Hall's authority to refile the 1998 cost report.

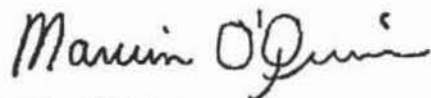
As required by HIPAA, Mr. Hall signed a Business Associate Agreement (BAA) on November 20, 2003 to be able to view and access Protected Health Information (PHI) related to various cost report projects. The BAA which had no expiration date for enforcement covered all confidential information to which Mr. Hall had access. The agreement specifically states "The purpose of this agreement is to satisfy certain standards and requirements of HIPAA and the HIPAA Regulations, including, but not limited to, Title 45...." The 2003 BAA was in effect at the time Mr. Hall conducted his work at JHS for the 1998 cost report.

Over the past year the Trust has taken specific steps to strengthen its Privacy and Procurement Programs. Ted Lucas, Vice President of Procurement, was hired in 2005 to enhance the Trust's procurement activities. Prior to joining the Trust, Mr. Lucas gained extensive experience in governmental procurement policies as Director of Procurement for Miami-Dade County. Under his direction the Trust has developed new policies and procedures that address the issues identified in the report. These policies received board approval in April of 2006.

Similarly, the Trust recently hired Angela Sakran as Chief Privacy Officer. Ms Sakran is a Florida attorney and has worked in Healthcare in the past. The Trust looks to Ms. Sakran to further implement and monitor key controls over privacy issues.

If you have any further questions, please do not hesitate to contact me.

Sincerely,



Marvin O'Quinn
President and CEO
Jackson Health System
Public Health Trust of Miami-Dade County, FL