
January 18, 2018

Performance Audit
Recommendations and
Corrective Actions for Audit:
16-06

VERMONT INFORMATION
TECHNOLOGY LEADERS,
INC.

The State Has Begun to Address
Oversight Deficiencies, but Has
Limited Measures in Place to
Evaluate Performance

Dated: September 30, 2016

Overview

The SAO makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Audit Number & Name	Rec #	Recommendation	Follow-Up Date	Status	Review Comments
16-6 Vermont Information Technology Leaders, Inc: - The State Has Begun to Address Oversight Deficiencies, but Has Limited Measures in Place to Evaluate Performance	1	Define the functional and performance requirements of the clinical data warehouse and validate that they are being met.	2017	Partially Implemented	Performance requirements for the clinical data warehouse have been defined and included in the current contract effective 7/1/2017. The Department of Vermont Health Access' (DVHA) Compliance Director provided the most recent monthly service level agreement report from the Vermont Information Technology Leaders (VITL) which demonstrates acceptable levels of service for the Health Data Management (HDM) infrastructure. However, the functional requirements for the HDM have not been addressed in the current contract or service level agreement.
			2019		The two-year recommendation follow-up for this audit will be conducted in 2019.
	2	Clarify the State's ability to use the data in the clinical data warehouse.	2017	Partially Implemented	The DVHA Compliance Director reported that VITL sent a letter to affiliated providers notifying them of a new data sharing arrangement to allow for the creation of de-identified data for use by providers. According to the Compliance Director, DVHA is working with a newly established steering committee on a Vermont Health Information Exchange (VHIE) Plan to prioritize areas including the state's data sharing needs.
			2019		The two-year recommendation follow-up for this
	3	Require that VITL provide service organization control reports of any vendor it uses to house Vermont health care data and review these reports.	2017	Implemented	The DVHA Compliance Director reported that Service Organization Control (SOC) reports are now mandated in Attachment D of the contracts. DVHA provided copies of the SOC reports from vendors that are responsible for housing the VHIE and clinical data warehouse.
			No further follow-up is required because the recommendation was implemented.		
	4	Expediently conclude the allowable cost review, and if significant unallowed costs are determined for fiscal year 2015, review prior years for unallowed costs.	2017	Implemented	DVHA completed the 2015 allowable cost review and found \$33,752 in unallowed costs. DVHA's Compliance Director reported that this amount was offset against the 2016 invoice from VITL. DVHA determined that the unallowable costs for 2015 were not significant and concluded that reviewing additional years for unallowable costs was not necessary.
			No further follow-up is required because the recommendation was implemented.		
	5	Define the criteria for determining when work may be retroactively approved in a contract or grant, ensure that these criteria are consistent with Bulletins 3.5 and 5, and apply these criteria to future VITL agreements.	2017	Not Implemented	DVHA reported they have not implemented criteria for determining when work may be retroactively approved in a contract or grant.
			2019		The two-year recommendation follow-up for this audit will be conducted in 2019.

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			2019		The two-year recommendation follow-up for this audit will be conducted in 2019.
	7	Define the provider universe for each provider type that interfaces with the VHIE.	2017	Partially Implemented	DVHA's Compliance Director provided a working draft of their internal provider directory based on information gathered from their customer relationship management system. According to DVHA, the state plans to develop an official provider directory. The directory may be developed as a component of the "common services" currently in the planning stages at the Agency of Human Services or by a third-party contracted by DVHA using federal funds available through the Health Information Technology for Economic and Clinical Health (HITECH) Act.
			2019		The two-year recommendation follow-up for this audit will be conducted in 2019.