
December 10, 2019

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 July 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 | Implemented | DVHA has defined performance requirements for the clinical data warehouse in its calendar year 2019 contract with VITL. DVHA has initiated a project that includes replacing the clinical data warehouse. The project charter for this project documents high level functional requirements for the replacement of the warehouse. |
| | 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 | Implemented | DVHA's calendar year 2019 contract with VITL clarified the State's ability to use the data in the clinical data warehouse and grants the State use of that data solely for permitted purposes. |
| | 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. | | | | | |

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| 16-6 Vermont Information Technology Leaders, Inc - The State Has Begun to Address Oversight Deficiencies, but Has Limited Measures in Place to Evaluate Performance | 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 | Partially Implemented | The Agency of Human Services, DVHA's parent organization, has a contract process document which DVHA uses that contains provisions that allow for retroactive contracts for emergency residential placements and for "extraordinary compelling reasons." While this defines the criteria for when work may be retroactively approved for contracts, DVHA has not defined that criteria for when work may be retroactively approved under a grant. |
| | 6 | Include well-defined quality and impact performance measures that include targets in the grants and contracts with VITL, taking into consideration the measures in the draft 2016 revision to the Vermont Health Information Technology Plan and/or the Agency for Healthcare Research and Quality Guide to Evaluating Health Information Exchange Projects. | 2017 | Not Implemented | DVHA's Compliance Director provided copies of contracts with VITL but quality and impact performance measures are not included in the contracts. Therefore, we conclude that this recommendation has not been implemented. |
| | | | 2019 | Partially Implemented | The 2019 contract with VITL contained quality measures but did not contain impact measures (i.e., measures about whether anyone is better off). |
| | 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 | Partially Implemented | On November 1, 2019, the Health Information Exchange Steering Committee recommended that a statewide provider directory be developed that could be leveraged by multiple programs. Although this project will not be managed by VITL, the VHIE is one of the programs expected to be included in its scope. The committee developed a technical roadmap which includes efforts within the next 12 to 18 months for evaluating existing provider directory capabilities and developing a VHIE Provider Directory Integration Project Plan. |