

AUDIT REPORT

DIVISION OF ADULT CORRECTION AND JUVENILE JUSTICE

HEALTH SERVICES

#2055

April 1, 2020



**NC DEPARTMENT OF PUBLIC SAFETY
INTERNAL AUDIT
Archdale Building
512 N. Salisbury St., MSC 4209
Raleigh, NC 27699-4209**



North Carolina Department of Public Safety


Prevent. Protect. Prepare.

Roy Cooper, Governor

Erik A. Hooks, Secretary

MEMORANDUM

TO: Gary Junker, Interim Director
Health and Wellness, Adult Corrections

FROM: Timothy D. Harrell 

DATE: April 1, 2020

SUBJECT: Performance Audit of Health Services, Procedures for Medication Losses

DPS Internal Audit has completed a Performance Audit of DPS Health Services. The purpose of the audit was to examine medication losses incurred during Fiscal Year 2018 – 19 and to review processes for transporting medications for inmates during transfers. The audit was required by N.C. Gen. Stat. §143B-707.6.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors. The audit report is attached.

We thank the Health Services staff for their assistance and cooperation during this audit. If you have questions or need further assistance, please contact our office.

TH/vb

Attachments

cc: Audit File #2055
ec: Erik Hooks
Pam Cashwell
Tim Moose
Jane Gilchrist
Justin Davis
Todd Ishee
Terri Catlett
Janet Brown
Mike Daniska

MAILING ADDRESS:
4201 Mail Service Center
Raleigh, NC 27699-4201
Telephone: (919) 733-2126



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OFFICE LOCATION:
512 N. Salisbury Street
Raleigh, NC 27604-1159
Fax: (919) 715-8477

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I. EXECUTIVE SUMMARY

Prisons Health Services Central Office is located in Raleigh, North Carolina. The section provides inmates with access to the necessary medical, dental, and mental health services to maintain their basic health. The Program Evaluation Division (PED) of the North Carolina General Assembly conducted an audit to examine the efficiency and economy of healthcare provided to inmates in North Carolina state prisons. A portion of the PED audit focused on inmate pharmacy services and PED issued a report in September 2018. PED's report identified \$115,665 in medication losses that occurred during inmate transfers for Fiscal Year 2016-17. As a result of PED's audit, N.C. Gen. Stat. §143B-707.6 was enacted into law and requires DPS to initiate an internal audit of lost medication related to inmate transfers and examine medication losses incurred during Fiscal Year 2018 – 19.

DPS Internal Audit completed a Performance Audit of Prisons Health Services (Health Services) in February 2020. The purpose of the audit was to examine medication losses for Fiscal Year 2018-19, investigate the medication losses greater than \$200, and make recommendations to improve controls and promote accountability as required by N.C. Gen. Stat. §143B-707.6.

The objectives of the audit were also to determine whether:

- Health Services collects data on medication losses that occurred during inmate transfers.
- Health Services developed internal controls for the oversight of medications lost during inmate transfers.
- The department has established disciplinary actions for staff found to be responsible for inmate medication losses during transfers.

The scope of the audit included an examination of Health Services' policies and procedures related to transferring inmate medications and the documentation used to collect data and track medication losses for Fiscal Year 2018-19. The documentation included excel spreadsheets, email correspondence, and entries into the Healthcare Electronic Records for Offenders (HERO) software application used within the Division of Prisons. We also met with Health Services management and staff to gain insight and an understanding of any improvements implemented since the PED audit.

Our review disclosed, Health Services implemented procedures to collect data and track medication losses that occurred during inmate transfers. In Fiscal Year 2018-19, Health Services identified a total of \$65,093 in medication losses that occurred during inmate transfers and \$41,297 was determined to be recovered or accounted for which resulted in a net loss of \$23,796. This amount was a substantial decrease from the total loss of \$115,665 identified by PED for Fiscal Year 2016-17. Health Services has also implemented additional controls to identify and minimize medication losses during inmate transfers. We recommend Health Services continue to ensure adequate procedures are in place to minimize losses and strengthen accountability. Health Services and Prison's Management should continue to work together to implement

I. EXECUTIVE SUMMARY

additional procedures to assist with ensuring there is consistent disciplinary action for staff responsible for inmate medication losses.

Details of these findings are included in the Findings and Recommendations section of this report.

II. FINDINGS AND RECOMMENDATIONS

A. MEDICATION LOSSES DURING INMATE TRANSFERS FOR FISCAL YEAR 2018-19

Our review of documentation used to collect data and track all medication losses that occurred during inmate transfers in Fiscal Year 2018-19 disclosed DPS Health Services has formed an Offender Medical Transfer workgroup to improve the process for collecting data and tracking medication losses occurring during inmate transfers. Health Services developed an excel spreadsheet to compile the inmate/patient information, transferring and receiving facility, medication name, date of transfer, and the medication quantity and cost. In addition, the spreadsheet documents whether the medication was recovered or not. Lost medications are tracked for 45 days and if not recovered, the status is closed, and the incident is considered a loss. In Fiscal Year 2018-19, Health Services identified a total of approximately \$65,093 in medication losses occurring during inmate transfers. However, in actuality many of the medications were determined to be temporarily lost or delayed and thus, \$41,297 was recovered or accounted for which resulted in a net loss of \$23,796.

We also reviewed and investigated documentation for medication transfer losses greater than \$200 for Fiscal Year 2018-19. There were 51 incidents of medication losses greater than \$200 which totaled \$53,654.30. \$41,155.15 was recovered resulting in a net loss of \$12,499.15.

The spreadsheet developed by Health Services for medication losses for Fiscal Year 2018-19 did not include explanations or details related to why the medication was lost. Explanations for medication losses were not recorded or maintained and could only be obtained and tracked by researching email correspondence and Pharmacy entries in HERO. There were several explanations identified for medication losses. This included medications that were initially reported as lost but were actually delayed and did not arrive at the new facility at the same time as the inmate. Sometimes the medications went with the inmate to county jails for court and when the inmate returned the medications were not with them. Other reasons included medications being misrouted; being prepared but not transported; not prepared; and incorrect or non-legible labeling on the packaging for the medication. Failure to adequately account for and track medications during inmate transfers increases the risk of lost medication and can result in additional cost to the department. In addition, recording the explanation or cause on the spreadsheet for medication losses improves the efficiency of tracking and verifying the causes for the losses.

Recommendation: Health Services should continue to implement procedures to prevent medication losses and strengthen the process for collecting data and tracking medication losses. We recommend Health Services update the excel spreadsheet or report used to track medication losses to include an additional column which explains how the medication was lost. This will assist with ensuring that sufficient information is available for implementing corrective action to minimize medication losses.

II. FINDINGS AND RECOMMENDATIONS

Although Health Services uses an excel spreadsheet to compile the necessary information for medication losses, Management should also consider a more automated or web-based system that is free from manual entries to compile data related to medication losses to reduce the risk of errors.

Noted Corrective Action: Prior to our audit, Health Services had completed or initiated corrective action for these recommendations. In July 2019, Health Services added an additional column to the spreadsheet used to track medication losses for Fiscal Year 2019 -20 to include the explanation for the lost medication. Health Services has also requested assistance from the Information Technology section to assist with automating the process for tracking medication losses. They are currently testing the "Health Services Event Reporting" system, a web-based application which will allow nursing staff to open an event report when medication is not received with the inmate. The target date for implementation is March 2020.

Health and Wellness Response: As an update to the corrective actions referenced above, the Event Reporting System was implemented on March 4, 2020 and is monitored on a daily basis. Since July 1, 2019, only one medication loss exceeding \$200 has been reported. In that instance, a safe keeper left an inhaler at the county jail after returning from court.

B. INTERNAL CONTROLS

We reviewed the internal controls Health Services has in place to minimize medication losses during inmate transfers. Based on our review of policies and procedures, interviews with management and staff, and documentation related to medication losses for Fiscal Year 2018-19, we determined Health Services has made efforts to strengthen internal controls, address reasons or causes for the losses and hold staff more accountable. In April 2019, Health Services formed an Offender Medical Transfer workgroup to address the findings from the September 2018, PED report and to make recommendations for improvement. The workgroup consisted of members from Pharmacy Services, Nursing, Clinical Informatics, Risk Management and Security Services. The workgroup met monthly and documented all recommended improvements. The additional controls identified during our review to minimize medication losses include the following:

- (1) A checklist for medication transfers and specific written instructions were implemented for the transferring/sending facility to utilize when transferring medications.
- (2) Implementing the use of pre-printed labels for medication transfer envelopes which include the inmate's complete information and the receiving facility's complete name as opposed to using abbreviated facility names. This was implemented to reduce the risk of misrouting and confusion due to non-legible handwriting and to distinguish between prisons that have the same

II. FINDINGS AND RECOMMENDATIONS

abbreviations such as A.C.I. which is used for Albemarle Correctional Institution and Alexander Correctional Institution.

- (3) Reducing the number of unnecessary refills by improving communication between the transferring and receiving facilities specifically by requiring the receiving facility to contact the transferring facility and investigate any medication losses prior to contacting Pharmacy Services for a replacement.
- (4) Re-educating prison wardens and nursing supervisors regarding the process for transferring medications and accounting for losses. In addition, the facility's warden is notified when medication is lost.
- (5) Utilizing the HERO system and support staff to assist with tracking and monitoring medication losses and recoveries.
- (6) Requiring the receiving facility's nursing staff to notify Pharmacy Services when lost medication that was replaced has been received or recovered. The original medication is returned, or Pharmacy Services will delay the next refill and allow the facility to use any replacements.

Although these additional internal controls have been implemented, further effort is needed to promote accountability for medication losses. First, currently there is not a mechanism for tracking custody officials involved in the transfer of inmate medications from one facility to another. Until this information is collected, discipline will remain challenging. There is not a list or document which identifies the employees that handle the medication during the transfer to assist the facility with assigning responsibility. Disciplinary action for medication losses are handled at the local facility/prison level and not by Health Services, but there are no standard or specific guidelines requiring or addressing potential disciplinary action when lost medication is a result of staff negligence. Failure to adequately assign responsibility and establish consistent disciplinary procedures results in a lack of accountability.

Recommendation: To strengthen accountability, Health Services should consider implementing a transfer of responsibility or chain of custody form or label to track custodial responsibility of the medication during the transfer process. The form should reflect the name of each employee who handles the medication during the transfer, documenting receipt and delivery or chain of possession from one employee to another. Health Services and Prisons management should continue to work collaboratively, to ensure a process is in place for investigations and disciplinary action. Prisons management should ensure a policy or guidance regarding staff transporting inmate medication is in place and the policy should include guidelines or procedures to promote and enforce consistent disciplinary actions for medication losses. The procedures should ensure there is a consistent course of action when employees are found to be negligent or responsible for medication losses.

Health Services and Prisons management should also ensure that policies and procedures are updated as new processes or tools are implemented. In addition,

II. FINDINGS AND RECOMMENDATIONS

Management should ensure ongoing training is provided to employees involved in the process for transferring inmate medication.

Health and Wellness Response: Prisons management is dedicated to ensuring that the Division holds employees accountable for negligence in the performance of their duties relative to medication transfers. To that end, we will discuss this matter at quarterly warden's meetings and provide guidance concerning accountability measures to ensure cases are handled consistently throughout the division.

Implementation of a tracking system using forms or labels may be inefficient considering the volume of daily medication transfer movement. Rather, discussions will take place with management to determine if an electronic tracking and accountability system can be established using barcode technology. Policies regarding medication transfer were recently updated and are pending final review and signature.