



UT Health

San Antonio

Internal Audit &
Consulting Services

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Date: April 21, 2020

To: Andrea Marks, Sr. Executive Vice President and Chief Operating Officer

Dr. Carlos Rosende, Executive Vice Dean for Clinical Affairs
Long School of Medicine

From: John Lazarine, Chief Audit Executive
Internal Audit & Consulting

Subject: Audit Report – Drug Diversion Program (19-41)

As a carryforward from the FY 2019 Audit Plan, we recently completed the Drug Diversion Program audit. Attached is the report detailing the results of this review. Management's Action Plans are included in the report.

We appreciate the cooperation and assistance we received from the management and staff throughout the review.

Respectfully,

John Lazarine, CIA, CISA, CRISC
Chief Audit Executive
Internal Audit & Consulting Services

Distribution:

cc: Dr. William Henrich, President
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Executive Summary

Audit Objective, Scope and Methodology

As a carryforward to the FY2019 Plan, Internal Audit completed a Drug Diversion review. The primary objective of this audit was to evaluate the existence and effectiveness of a drug diversion program at UT Health San Antonio.

Drug diversion is the unlawful distribution or use of legally prescribed medications and drugs in any manner not intended by the healthcare facility and/or prescriber. The public health consequences of drug diversion are significant, and include:

- Contributing to the increase in drug-related hospitalizations, substance abuse admissions, and drug overdose deaths, which in turn contribute to rising medical and insurance costs
- Within healthcare facilities, putting patients at risk of harm by providing inadequate pain relief, inaccurate documentation of their care in the electronic medical record and exposure to infectious diseases from contaminated needles and drugs
- Impairing healthcare worker performance

In addition to public health consequences and patient harm, there could be regulatory and legal risks to the Institution, including fraudulent billing and liability for resulting damages, and decreased community confidence in the Institution's mission to make lives better. The ever-growing opioid crisis¹ and increases in drug diversion activities within healthcare organizations will continue to elevate the importance of a comprehensive and effective diversion prevention program.

Our review consisted of interviews with key stakeholders across the Institution, including the following: Institutional Compliance and Privacy Office, UT Health Physicians (UTHP), Dentistry, Research, Human Resources and Environmental, Health and Safety (EH&S). In addition, we performed walkthroughs of select areas where controlled substances are stored and/or administered, as well as a review of related policies and documentation. Identified issues, recommendations, and management action plans with implementation dates are detailed and included in the Issues & Recommendations table on page 3.

Summary of Results

Based on the work completed, Internal Audit concluded that the Institution does not have a drug diversion program in place. In the absence of a formal, coordinated program, Audit evaluated the extent to which key elements of a drug diversion program were in place and effective. The elements reviewed included: education, diversion identification, audits, and gap analysis of drug use and controls. Audit determined that current drug diversion related policies and practices are either insufficient, ad hoc or non-existent. Although UT Health San Antonio currently has a limited number of facilities where controlled substances are stored and/or administered, the potential impact of a drug diversion event could be significant. The absence of a formal program increases the risk that drug diversion could occur and go undetected. An effective program would increase transparency and help develop a culture of accountability.

¹ Increased prescription of opioid medications after the late 1990s led to widespread misuse of both prescription and non-prescription opioids before it became clear these medications could be highly addictive. The 2019 National Survey on Drug Use & Health reported more than 130 people die daily from opioid related drug overdoses and that 10.3 million people misused prescription opioids in 2018. (<https://www.hhs.gov/opioids/about-the-epidemic/index.html>)

This audit was conducted in accordance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.

We would like to thank the Institutional areas noted above for all their assistance provided during the audit.

Summary of Priority Findings

The results of this audit are deemed important to address and are classified as Priority to the Institution. The UT System Internal Audit finding classification system includes Priority, High, Medium, or Low classifications. A Priority Finding is defined as an issue identified by an internal audit that, if not addressed timely, could directly impact achievement of a strategic or important operational objective of a UT Institution or the UT System as a whole. Non-Priority Findings are ranked as High, Medium, or Low, with the level of significance based on an assessment of applicable risk factors and probability of a negative outcome occurring if the risk is not adequately mitigated.

Distribution

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Approved
for Release

John Lazarine

Chief Audit Executive, Internal Audit & Consulting Services

Issues and Recommendations

Observation/Condition	Recommendation	Management's Response
<p><u>Drug Diversion Program</u> Based on discussions with key stakeholders and process owners, an assessment of current processes and controls and a review of available documentation, there is not a systematic, coordinated and continuous approach to the prevention, recognition and reporting of drug diversion at UT Health San Antonio facilities where controlled substances are administered or stored.</p> <p>An effective drug diversion program should consider the following components:</p> <ul style="list-style-type: none"> • Employee training/Education • Data Analysis (of drug purchases, inventory records and patient care records) • Process/Control Assessment (as related to DEA regulatory requirements) • Monitoring/Oversight • Communications • Investigation and Reporting <p>Business Impact: Serious legal, financial, operational and reputational risks and regulatory fines resulting from worker drug diversion and inadequate internal controls.</p> <p>Risk Rating: <i>Priority</i></p>	<p>A) Audit recommends a cross functional committee, initially chaired by an executive sponsor, be assembled to serve as proactive oversight for the establishment of an Institutional drug diversion program, continued monitoring efforts of the program's components, policy approvals and diversion incident reviews. Audit recommends that this committee consider including representation from the following Institutional areas:</p> <ul style="list-style-type: none"> • UT Health Physicians • Mays Cancer Center/Pharmacy • Dentistry • Research • Nursing • Procurement • Institutional Compliance and Privacy Office • Information Security • Environmental Health & Safety • Human Resources • UT Police Department • Office of Legal Affairs <p>B) The Committee should develop a comprehensive Action Plan focused on the implementation of a drug diversion program that addresses the key components of an effective and sustainable program.</p>	<p>Owner: Andrea Marks, Executive Vice President and Chief Operating Officer Dr. Carlos Rosende, Executive Vice Dean for Clinical Affairs, Long School of Medicine</p> <p>Implementation Date: 06/30/2020</p> <p>Action Plan: An interdisciplinary Committee will be assembled and will hold its initial meeting by 04/15/2020. This Committee will develop an action plan that establishes an effective and sustainable approach to help ensure the prevention, recognition and reporting of drug diversion for the Institution. The Committee will present the action plan, which includes action owners, action items and targeted completion dates, to the Executive Sponsor for approval. Status updates will be provided to the Executive Sponsor to help ensure the project is completed in a timely manner. Once approved, Internal Audit will follow-up on these action items and dates.</p>