Internal Audit Department

July 22, 2026

Dr. Julie Philley
President
The University of Texas at Tyler
3900 University Blvd.
Tyler, TX 75799

Dr. Philley,

We completed the Controlled Substance Agreements Audit that was part of the University of Texas at Tyler's (UT Tyler) Fiscal Year (FY) 2026 Audit Plan. The objective of the audit was updated due to recent policy and agreement changes, to evaluate The University of Texas at Tyler Health Science Center's (UT Tyler HSC) processes for executing and managing chronic pain agreements between the prescribing provider and the patient in accordance with its new policy. The scope of the audit was limited to UT Tyler HSC's clinics as of May 11, 2026.

This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditors' Global Internal Audit Standards and Generally Accepted Government Auditing Standards. We appreciate the assistance provided by management and other personnel and hope the information presented in our report is helpful.

Sincerely,

Stephen Ford
Chief Risk Officer & Acting Chief Audit Executive

Enclosure
cc:
Dr. Daniel Deslatte, Chief Business Officer
Dr. Steven Cox, President of University Practice Plan, Associate Dean of Clinical Affairs, Professor of Surgery
Ms. Kate Starnes, Vice President for Operations – Health Affairs
Dr. My-huyen Tran, Associate Program Director, Associate Professor of Family Medicine, Clinic Director – Family Health Clinic
Dr. Michael Racs, Associate Professor of Family Medicine
Dr. Emmanuel Elueze, Associate Dean, Graduate Medical Education (GME) and Professional Development
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Controlled Substance Agreements Audit Report

July 22, 2026

INTERNAL AUDIT DEPARTMENT
3900 UNIVERSITY BOULEVARD
TYLER, TEXAS 75799

AUDIT OBJECTIVE

The objective of the audit was updated due to recent policy and agreement changes, to evaluate The University of Texas at Tyler Health Science Center's (UT Tyler HSC) processes for executing and managing chronic pain agreements between the prescribing provider and the patient in accordance with its new policy.

OBSERVATIONS

A total of *79 patients were selected for testing from the generated report provided by Dr. Racs and Dr. Tran. Testing revealed three (3) categories of patients:

1) those selected patients identified on the report as being provided a controlled substance, for 90 days or more, as part of their treatment who had a Pain Management Agreement on file (72);

2) those selected patients identified on the report as requiring a Pain Management Agreement and upon testing did in fact require an agreement but who at the time of fieldwork did not have an agreement on file (3); and

3) those selected patients identified on the report as requiring a chronic pain agreement but who upon testing did not require an agreement (4).

This report consolidates our findings for the Institution without reference to individual clinics.

It is noted that the audit testing was conducted against items required by UT Health East Texas Chronic Pain Management Policy (Policy Number 82376.2). The current policy requires a general agreement for the treatment of chronic pain, including patient responsibilities, but does not specify an age threshold, duration of therapy, or specific medication classes triggering the requirement.

It is further noted that, pursuant to Texas House Bill 3284 and effective March 1, 2020, pharmacists and prescribers (other than veterinarians) are required to review a patient's Prescription Monitoring Program (PMP/PDMP) history prior to prescribing or dispensing opioids, benzodiazepines, barbiturates, or carisoprodol.

As part of testing for items required under the Chronic Pain Management Policy (Policy #82376.2), the below listed 12 questions were evaluated. Please note Question #1 pertains to the population of patients identified from the provided report who received Pain Management controlled substances for 90 days or more and were therefore subject to a Pain Management Agreement based on audit scope criteria. Questions #2 through #9 and #12 pertain to each of the selected patients who had a Pain Management Agreement on file and were evaluated against required policy elements and best practices. In accordance with Texas House Bill 3284 and related Texas Administrative Code requirements, Questions #10 and #11 were assessed for all applicable Pain Management controlled substance prescriptions, not solely those associated with patients requiring an agreement (4 selected patients who did not require an agreement but verification of PMP check was performed), to ensure compliance with mandatory Prescription Monitoring Program (PMP/PDMP) review requirements.

1. Was the agreement entered for a Pain Management controlled substance listed on Schedule II or III (3 exceptions) – it was noted that 8 agreements did not have the specific medication listed;
2. Was the current agreement in place for more than one (1) year at the time of our testing (15 exceptions);
3. Had the patient's agreement exceeded the one (1) year limit at any point in time (15 exceptions);
4. Was the agreement signed by both parties (2 exceptions);
5. Did the agreement use the UTHET Treatment of Chronic Pain Template (48 exceptions);
6. If there was a change in primary care provider while the patient was bound by an Agreement for the Treatment of Chronic Pain, was a new agreement executed per best practice (0 exceptions);
7. If there was a change in pharmacy while the patient was bound by an Agreement for the Treatment of Chronic Pain, was a new Agreement for the Treatment of Chronic Pain executed, as necessary (13 exceptions);
8. Did the patient undergo urine drug screens (UDRs) and/or pill counts per Agreement for the Treatment of Chronic Pain (21 exceptions);
9. If the patient failed two (2) or more UDRs and/or pill counts was the agreement terminated per best practice (0 exceptions) – however, it was noted that 2 patients had marijuana detected in the UDS, 1 was discussed via patient and provider, 1 was not;
10. Was a PMP site check conducted upon initiation of the Agreement for the Treatment of Chronic Pain (24 exceptions) – it was noted that the check would sometimes override if there were multiple medications prescribed requiring PMP check, difficult to confirm for a specific medication;
11. Was a PMP site check conducted and evidenced in the electronic medical record for review of diversion prior to the dispensing of the controlled substance prescription, at every patient visit, per Agreement for the Treatment of Chronic Pain (25 exceptions); and
12. Was the Agreement for the Treatment of Chronic Pain scanned into the EMR within 10 business days of agreement execution per best practice (3 exceptions).

**It is noted that of the 79 selections made from the Pain Management controlled substance report provided, there were prescriptions from HSC clinics included on the report for cancer treatment and Schedule IV Pain Management controlled substances that were not required by the policy to have a Pain Management Agreement.*

This audit identified the following opportunities for improvement:		
1	High	*Policy and Agreement Requiring Update*
2	High	*Develop a Complete and Accurate Tracking Report*
3	High	*Implement controls to ensure Pain Management Agreements are Signed, Current, Renewed, and added to the Patient Record as per Policy in the EMR*
4	High	*Implement a process for Documenting the Prescription Monitoring Program Checks in the EMR.*

#1: Policy and Agreement Requiring Update

High: By not having a policy and agreement that explicitly states the requirements and expectations, inconsistent performance with intended requirements and expectations could result.

At the outset of this audit, UT Tyler HSC Management noted that the current Pain Management Policy and Pain Management Agreement Template had replaced the previous policy that was in effect during our previous Controlled Substance Agreement Audit, Policy #5777477 "Controlled Substance". It was noted that the current Pain Management Policy did not explicitly state requirements and expectations or to patients who were to be excluded from the policy (e.g., patients under the age of 18, patients undergoing active cancer treatment, palliative care or end-of-lifecare, the Schedule of pain management substances the policy was applicable to, etc.) and the Pain Management Agreement Template was not accessible via the current policy.

Opportunity for Improvement: A review of the Pain Management Policy and the Pain Management Agreement Template should be performed and each updated to explicitly include all requirements and expectations and should be inclusive of which patients are not subject to the Pain Management Policy. Upon implementation of the updated policy and agreement, it is recommended to provide training and guidance to ensure knowledge of and adherence to requirements.

Management Response: We corrected the policy prior to the audit beginning to include the appropriate verbiage. We will review and update current policy to best align with monitoring requirements for all of UT health clinics.

Responsible Person(s): Michael Racs and My-huyen Tran

Anticipated Implementation Date: May 2027

#2: Develop a Complete and Accurate Tracking Report

High: Lack of an accurate and complete tracking report does not allow for appropriate monitoring and review to be in accordance with the new Institutional Pain Management Policy.

While significant strides have been made for completeness and accuracy through the generated report provided to IAD at the outset of this engagement, UT Tyler HSC is not yet able to provide a tracking report to its clinics, providers, and leadership to readily and accurately identify all patients who require a Pain Management Agreement or a complete and accurate report of all patients who have a Pain Management Agreement uploaded within the EMR. Best business practice would require an accurate and complete tracking report relating to who is required to have or is currently on a Pain Management Agreement. Of the 79 patients selected from the current report, 4 did not require an agreement upon testing. It was also noted that all patients did not have an MRN listed on the spreadsheet provided and were requested from the clinics.

Opportunity for Improvement: UT Tyler HSC Management should consider implementing processes that will allow its clinics, providers, and leadership to readily and accurately identify all patients who require a Pain Management Agreement, as per the language in its new policy, in order to monitor which patients will need an agreement upon their next appointment.

Management Response: We provide this tracking data monthly to our managers. It includes all data including urine drug screens, controlled substance agreements, concomitant use of opiates and benzos, and the most recent PDMP review. We have approached Ardent to get our data imbedded in Epic as a dashboard which would allow providers to access at their leisure but has not been accepted at this time. Ardent is working with SlicerDicer to create their own. Ardent has a PowerBI available with real-time data, however, the report will need to be downloaded by someone with access. As we continue to work with Ardent and EPIC IT to develop a dashboard that would be accessible to clinic leadership for monitoring, we recommend clinic leadership (clinic manager/nurse manager) is assigned as delegate for the clinician within the practice to be able to access PDMP history reports.

Responsible Person(s): Michael Racs

Anticipated Implementation Date: May 2027

#3: Implement controls to ensure Pain Management Agreements are Signed, Current, Renewed, and added to the Patient Record as per Policy in the EMR

High: Without a defined process and controls in place, it leads to challenges to ensure these required elements are being adhered to.

Audit testing revealed instances where; Pain Management Agreements were not signed by both the provider and patient, where the agreements were not less than a year old (renewed timely), where the stated prescribed pain management controlled substance was not current, the Pain Management Agreement did not list the agreed upon prescribed pain management controlled substance, the Pain Management Agreement did not list the updated Pharmacy, and where the signed Pain Management Agreement was not included in the patient's EMR timely (i.e., scanned into the EMR within 10 business days).

Opportunity for Improvement: UT Tyler HSC Management should consider implementing a process for ensuring Pain Management Agreements are signed, current, renewed, and added to the Patient Record as per Policy in the EMR.

Management Response: We have an updated policy that states these requirements. We continue to educate our providers on best practices regarding this issue. We are planning on rewriting our policy and aligning it with the appropriate documentation to limit multiple interactions on Forms on Demand, thus streamlining the education and completion process.

Responsible Person(s): Michael Racs, My-huyen Tran

Anticipated Implementation Date: October 2026 for policy rewrite.

#4: Implement a Process for Documenting the Prescription Monitoring Program Checks in the EMR

High: Without documentation of initial and routine PMP checks, it is not possible to ensure these reviews are being conducted as required.

Currently, UT Tyler HSC is not able to provide a tracking report for PMP checks completed through Epic. As a result, PMP checks performed through Epic do not have a historic audit trail. Per the Texas Administrative Code Rule §170.3, before prescribing opioids, benzodiazepines, barbiturates, or carisoprodol for the treatment of chronic pain, a physician must review prescription data and history related to the patient contained in the Prescription Drug Monitoring Program (relating to Prescription Monitoring Program Check).

Opportunity for Improvement: UT Tyler HSC Management should consider implementing a process for documenting PMP checks performed in Epic. As part of this Epic process, Management should work to ensure PMP checks performed are automatically documented in the EMR to provide for an audit trail with the history or PMP checks performed at each instance of prescribing.

Management Response: Our data pulls the last PDMP check performed and lists it with the patient demographics. There is a report that can be ran in Epic to monitor as well. Unfortunately there is not a way to look at a PDMP check audit while in a patient chart at this time. This is a functionality issue with Epic that will have to be explored based on its limitations. As we continue to work with EPIC IT and Ardent leadership to create a dashboard, assigning PDMP delegate within the clinic leadership will allow on demand PDMP report access.

Responsible Person(s): Michael Racs, My-huyen Tran

Anticipated Implementation Date: May 2027

BACKGROUND

The Controlled Substance Agreements Audit (now to be referred to as Pain Management Agreements Audit given policy updates) was completed as part of the Fiscal Year (FY) 2026 Audit Plan as a risk-based audit. The Texas Medical Board, through Texas Administrative Code (TAC) §170.3 "Minimum Requirements for the Treatment of Chronic Pain," states that the physician must use a written pain management agreement, entered between the physician and the patient, if the treatment plan for chronic pain includes extended drug therapy. The policy was updated to be for Pain Management controlled substances to reflect this requirement. The testing for FY 2026 audit focused on Pain Management Agreements and compliance with UT Health East Texas Chronic Pain Management Policy (Policy Number 82376.2).

The prior Controlled Substance Agreement Audits (inclusive of controlled substances prescribed not just for pain management) were previously audited in FY 2018, FY 2020, and FY 2023. In FY 2018, the testing focused on the Institution's compliance with best practices. As a result of the FY 2018 audit, UT Tyler HSC implemented an Institutional policy governing this area. The testing for both the FY 2020 and FY 2023 audit focused on compliance with UT Tyler HSC PolicyStat ID 5777477, Controlled Substance.

The Federal Controlled Substances Act (CSA) became law on October 27, 1970. The CSA, part of the U.S. Drug Enforcement Agency (DEA), places drugs (or substances) into one (1) of five (5) schedules, from Schedule I through Schedule V. Schedule II through Schedule V drugs are currently acceptable for medical use. According to the DEA website, the placement of each substance into a schedule is based upon the substance's medical use, potential for abuse, and safety or dependence liability.

The Texas Prescription Monitoring Program (PMP), maintained by the Texas State Board of Pharmacy, is an electronic database used to collect and monitor prescription data for all Schedule II, III, IV, and V controlled substances dispensed by a pharmacy in Texas or to a Texas resident from a pharmacy located in another state. The PMP is designed to help eliminate duplicate prescriptions and overprescribing of controlled substances, as well as to obtain critical controlled substance history information.

As noted above within the report, according to Texas House Bill 3284, effective March 1, 2020, pharmacists and prescribers (other than veterinarian) are required to check the patient's prescription monitoring program (PMP) history before dispensing or prescribing opioids, benzodiazepines, barbiturates, or carisoprodol.

STANDARDS

This audit was conducted in accordance with guidelines set forth in The Institute of Internal Auditors' Global Internal Audit Standards and Generally Accepted Government Auditing Standards.

SCOPE AND PROCEDURES

The scope of the audit was limited to UT Tyler HSC's clinics as of May 11, 2026.

To achieve the audit objective, we:

- Reviewed applicable state and federal regulations, Texas Medical Board literature, and UT Tyler HSC policy #82376.2 "UT Health East Texas Chronic Pain Management Policy;"
- Performed a walkthrough of UTHET Agreement for the Treatment of Chronic Pain-related processes at each selected clinic identified as prescribing controlled substances;
- Reviewed processes for managing UTHET Agreement for the Treatment of Chronic Pain at each of the selected clinics against UT Tyler HSC policy #82376.2 "UT Health East Texas Chronic Pain Management Policy;"
- Obtained and reviewed a report of prescribed controlled substances for the audit period, provided by Dr. My-huyen Tran, Associate Program Director, Associate Professor of Family Medicine, Clinic Director – Family Health Clinic, and Dr. Michael Racs, Associate Professor of Family Medicine; and
- Selected a sample of patients purported to have a UTHET Agreement for the Treatment of Chronic Pain at each selected clinic, to review documentation within the selected patient's EMR.

OBSERVATION RANKINGS

Internal audit departments across the University of Texas System uses a consistent process to evaluate audit results based on risk factors and the probability of a negative outcome.

Legend	
Priority	*A finding is defined as an issue that if not addressed immediately, has a high probability to directly impact achievement of a strategic or important operational objective of UT Tyler.*
High	*A finding that is considered to have a medium to high probability of adverse effects to UT Tyler as a whole or to a significant college or department.*
Medium	*A finding that is considered to have a low to medium probability of adverse effects to UT Tyler as a whole or to a college or department.*
Low	*A finding that is considered to have a minimal probability of adverse effects to UT Tyler as a whole or to a college or department. These findings are communicated separately to management.*