



SEP 25 2008

TO: Elizabeth M. Duke, Ph.D.
Administrator
Health Resources and Services Administration

FROM: Daniel R. Levinson *Daniel R. Levinson*
Inspector General

SUBJECT: Review of the Puerto Rico Health Department's Compliance With the Ryan White CARE Act Payer-of-Last-Resort Requirement (A-02-06-02000)

Attached is an advance copy of our final report on the Puerto Rico Health Department's compliance with the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act payer-of-last-resort requirement. We will issue this report to the Health Department within 5 business days.

Title II of the CARE Act, sections 2611–2631 of the Public Health Service Act, provides grants to States and territories to fund the purchase of medications through AIDS Drug Assistance Programs and other health care and support services. Pursuant to 42 U.S.C. § 300ff-27(b)(6)(F), these grant funds may not be used to pay for items or services that are eligible for coverage by other Federal, State, or private health insurance. This provision is commonly referred to as the “payer of last resort” requirement.

Our objective was to determine, for grant years 2002–2004, whether the Health Department complied with the Title II payer-of-last-resort requirement that funds not be used to pay for drugs that are eligible for coverage by other Federal, State, or private health insurance.

The Health Department did not always comply with the Title II payer-of-last-resort requirement. Of the 100 prescriptions that we sampled, 43 were correctly claimed to the Title II program for patients without other health care coverage for HIV/AIDS drugs. However, the remaining 57 prescriptions were incorrectly claimed to the Title II program for patients who had other health insurance that would have covered the drugs.

As a result, we estimated that the Health Department claimed \$24,340,789 in unallowable Federal funding for grant years 2002–2004. This overpayment occurred because the Health Department had not developed procedures to bill HIV/AIDS drugs to the insurance plans with primary payment responsibility.

We recommend that the Health Department:

- refund \$24,340,789 to the Federal Government and
- develop procedures to bill HIV/AIDS drugs to the Federal, State, or private health insurance plans with primary payment responsibility.

In its comments on our draft report, the Health Department did not specifically address our recommendations but said that it was not willing to accept our findings because of unresolved issues concerning patients' eligibility status. After reviewing additional documentation that the Health Department and two private health insurance companies separately provided, we reversed four of the error determinations included in our draft report. Accordingly, we reduced the recommended refund to \$24,340,789.

If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact Lori S. Pilcher, Assistant Inspector General for Grants, Internal Activities, and Information Technology Audits, at (202) 619-1175 or through e-mail at Lori.Pilcher@oig.hhs.gov or James P. Edert, Regional Inspector General for Audit Services, Region II, at (212) 264-4620 or through e-mail at James.Edert@oig.hhs.gov. Please refer to report number A-02-06-02000.

Attachment



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office Of Inspector General
Office Of Audit Services

Region II
Jacob K. Javits Federal Building
26 Federal Plaza
New York, NY 10278

SEP 29 2008

Report Number: A-02-06-02000

Rosa Pérez-Perdomo, M.D., M.P.H., Ph.D.
Secretary
Puerto Rico Health Department
P.O. Box 70184
San Juan, Puerto Rico 00936-8184

Dear Dr. Pérez-Perdomo:

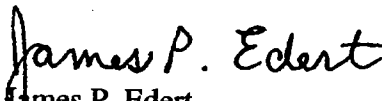
Enclosed is the U.S. Department of Health and Human Services (HHS), Office of Inspector General, final report entitled "Review of the Puerto Rico Health Department's Compliance With the Ryan White CARE Act Payer-of-Last-Resort Requirement." We will forward a copy of this report to the HHS action official noted on the following page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to this official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

Pursuant to the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, OIG reports generally are made available to the public to the extent the information is not subject to exemptions in the Act (45 CFR part 5). Accordingly, this report will be posted on the Internet at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please do not hesitate to call me, or contact James C. Cox, Audit Manager, at (518) 437-9390, extension 222, or through e-mail at James.Cox@oig.hhs.gov. Please refer to report number A-02-06-02000 in all correspondence.

Sincerely,


James P. Edert
Regional Inspector General
for Audit Services

Enclosure

Direct Reply to HHS Action Official:

Ms. Nancy J. McGinness
Associate Administrator
Office of Federal Assistance Management
Health Resources and Services Administration
5600 Fishers Lane
Parklawn Building, Room 11-03
Rockville, Maryland 20857

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF THE PUERTO RICO
HEALTH DEPARTMENT'S
COMPLIANCE WITH THE
RYAN WHITE CARE ACT
PAYER-OF-LAST-RESORT
REQUIREMENT**



Daniel R. Levinson
Inspector General

September 2008
A-02-06-02000

Office of Inspector General

<http://oig.hhs.gov>

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THIS REPORT IS AVAILABLE TO THE PUBLIC
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Pursuant to the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, Office of Inspector General reports generally are made available to the public to the extent the information is not subject to exemptions in the Act (45 CFR part 5).

OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

EXECUTIVE SUMMARY

BACKGROUND

The Ryan White Comprehensive AIDS Resources Emergency (CARE) Act of 1990, Public Law 101-381, funds health care and support services for people who have HIV/AIDS and who have no health insurance or are underinsured. As the Federal Government's largest source of funding specifically for people with HIV/AIDS, the CARE Act assists more than 500,000 individuals each year. Within the U.S. Department of Health and Human Services, the Health Resources and Services Administration administers the CARE Act.

Title II of the CARE Act, sections 2611–2631 of the Public Health Service Act, provides grants to States and territories to fund the purchase of medications through AIDS Drug Assistance Programs and other health care and support services. Pursuant to 42 U.S.C. § 300ff-27(b)(6)(F), these grant funds may not be used to pay for items or services that are eligible for coverage by other Federal, State, or private health insurance. This provision is commonly referred to as the “payer of last resort” requirement.

During our audit period (grant years 2002–2004), the Puerto Rico Health Department (the Health Department) claimed Title II drug expenditures totaling \$73,561,082.

OBJECTIVE

Our objective was to determine, for grant years 2002–2004, whether the Health Department complied with the Title II payer-of-last-resort requirement that funds not be used to pay for drugs that are eligible for coverage by other Federal, State, or private health insurance.

SUMMARY OF FINDING

The Health Department did not always comply with the Title II payer-of-last-resort requirement that funds not be used to pay for drugs that are eligible for coverage by other Federal, State, or private health insurance. Of the 100 prescriptions that we sampled, 43 were correctly claimed to the Title II program for patients without other health care coverage for HIV/AIDS drugs. However, the remaining 57 prescriptions were incorrectly claimed to the Title II program for patients who had other health insurance that would have covered the drugs.

As a result, we estimated that the Health Department claimed \$24,340,789 in unallowable Federal funding for grant years 2002–2004. This overpayment occurred because the Health Department had not developed procedures to bill HIV/AIDS drugs to the insurance plans with primary payment responsibility.

RECOMMENDATIONS

We recommend that the Health Department:

- refund \$24,340,789 to the Federal Government and
- develop procedures to bill HIV/AIDS drugs to the Federal, State, or private health insurance plans with primary payment responsibility.

HEALTH DEPARTMENT COMMENTS

In its comments on our draft report, the Health Department did not directly address our recommendations but said that it was not willing to accept our findings because of unresolved issues concerning patients' eligibility status. The Health Department's comments included documentation on five prescriptions that it believed were covered under Title II, as well as a corrective action plan to address the payer-of-last-resort requirement. The Health Department's comments appear as Appendix C.

OFFICE OF INSPECTOR GENERAL RESPONSE

We reviewed the documentation that the Health Department provided on five prescriptions and found no basis to change our error determinations. However, after reviewing additional documentation that the Health Department and two private health insurance companies separately provided, we reversed four other error determinations included in our draft report. Accordingly, we reduced the recommended refund to \$24,340,789.

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INTRODUCTION

BACKGROUND

The Ryan White Comprehensive AIDS Resources Emergency (CARE) Act of 1990, Public Law 101-381, funds health care and support services for people who have HIV/AIDS and who have no health insurance or are underinsured. As the Federal Government's largest source of funding specifically for people with HIV/AIDS, the CARE Act assists more than 500,000 individuals each year. Within the U.S. Department of Health and Human Services, the Health Resources and Services Administration (HRSA) administers the CARE Act.

Title II Grant Funds

Title II of the CARE Act, sections 2611–2631 of the Public Health Service Act, provides grants to States and territories to fund the purchase of medications through AIDS Drug Assistance Programs (ADAP) and other HIV/AIDS health and support services, such as outpatient care, home and hospice care, and case management.

In Puerto Rico, the Health Department administers the Title II program. The majority of Puerto Rico's Title II program funds are designated for drugs to treat HIV/AIDS through the ADAP. For example, ADAP expenditures for the grant year ending March 31, 2005, accounted for about 87 percent of Title II expenditures.

Payer-of-Last-Resort Requirement

Title II of the CARE Act stipulates that grant funds not be used to pay for items or services that are eligible for coverage by other Federal, State, or private health insurance. This provision is commonly referred to as the “payer of last resort” requirement. Specifically, section 2617(b)(6)(F) of the Public Health Service Act (42 U.S.C. § 300ff-27(b)(6)(F)) states:

- [T]he State will ensure that grant funds are not utilized to make payments for any item or service to the extent that payment has been made, or can reasonably be expected to be made, with respect to that item or service –
- (i) under any State compensation program, under an insurance policy, or under any Federal or State health benefits program; or
 - (ii) by an entity that provides health services on a prepaid basis.¹

¹Subsequent to our audit period, the Ryan White HIV/AIDS Treatment Modernization Act of 2006, §§ 204(c)(1)(A) and (c)(3), P.L. No. 109-415 (Dec. 19, 2006), redesignated this provision as section 2617(b)(7)(F) (42 U.S.C. § 300ff-27(b)(7)(F)) and amended subparagraph (ii) to prohibit the State from using these grant funds for any item or service that should be paid for “by an entity that provides health services on a prepaid basis (except for a program administered by or providing the services of the Indian Health Service).”

In addition, HRSA Program Policy No. 97-02, issued February 1, 1997, and reissued as DSS² Program Policy Guidance No. 2 on June 1, 2000, reiterates the statutory requirement that “funds received . . . will not be utilized to make payments for any item or service to the extent that payment has been made, or can reasonably be expected to be made . . .” by sources other than Title II funds. The guidance then provides: “At the individual client level, this means that grantees and/or their subcontractors are expected to make reasonable efforts to secure other funding instead of CARE Act funds whenever possible.”

In a September 28, 2005, report, we found that for grant year 2001, the Health Department had not established procedures to ensure compliance with the Title II payer-of-last-resort requirement.³

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

Our objective was to determine, for grant years 2002–2004, whether the Health Department complied with the Title II payer-of-last-resort requirement that funds not be used to pay for drugs that are eligible for coverage by other Federal, State, or private health insurance.

Scope

Our review covered the period April 1, 2002, through March 31, 2005 (grant years 2002–2004). On its financial status reports for that period, the Health Department claimed ADAP expenditures totaling \$73,561,082 for HIV/AIDS drugs dispensed at eight outpatient clinics.⁴

We did not assess the Health Department’s overall internal controls for administering Title II funds. Rather, we limited our review to gaining an understanding of those significant controls related to the claiming of HIV/AIDS drug costs. We conducted our fieldwork at the Health Department’s offices in San Juan and at its eight outpatient clinics located throughout Puerto Rico.

Methodology

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and guidance and the Puerto Rico Medicaid State plan;

²DSS is the Division of Service Systems, a component of HRSA’s HIV/AIDS Bureau.

³“Review of Ryan White Title II Funds at the Puerto Rico Health Department” (A-02-03-02002).

⁴The Health Department claimed \$20,444,493 in additional Title II expenditures for treatment services for people with HIV/AIDS, including outpatient care, home and hospice care, and case management.

- reviewed documentation provided by the Health Department for grant years 2002–2004, including Title II grant applications, notices of grant award, financial status reports and supporting accounting records, and the ADAP drug formulary (a list of drugs authorized for purchase by the program);
- held discussions with Health Department officials to identify policies, procedures, and guidance for billing HIV/AIDS drugs to other Federal or State programs and private insurance plans;
- analyzed the Health Department’s procedures for accounting for and dispensing drugs to Title II patients;
- visited the eight outpatient clinics to identify HIV/AIDS drug prescriptions claimed by the Health Department;
- identified a sampling frame of 105,440 HIV/AIDS prescriptions for which claims totaled \$73,561,082;
- selected a simple random sample of 100 prescriptions from the sampling frame of 105,440 prescriptions and, for the sampled prescriptions:
 - used a Health Department database to identify patients enrolled in the Puerto Rico Government Health Insurance Plan (GHIP), which includes Medicaid and the State Children’s Health Insurance Program,⁵
 - used Health Department clinic files to identify patients enrolled in private health insurance plans,
 - confirmed HIV/AIDS drug coverage and the amount of that coverage with officials of the GHIP and private health insurance plans, and
 - identified from Health Department payment invoices the costs of drugs dispensed; and
- estimated, based on the sample results, the total unallowable Federal funding claimed.

Appendix A contains details on our sample design and methodology, and Appendix B contains our sample results and estimates.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions

⁵The GHIP, previously known as the Puerto Rico Health Reform plan, is a medical and drug assistance program implemented in 1994 for income-eligible patients. Administered by the Health Department, the program consists of Medicaid, State Children’s Health Insurance Program, Commonwealth, and private funding.

based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objective.

FINDING AND RECOMMENDATIONS

The Health Department did not always comply with the Title II payer-of-last-resort requirement that funds not be used to pay for drugs that are eligible for coverage by other Federal, State, or private health insurance. Of the 100 prescriptions that we sampled, 43 were correctly claimed to the Title II program for patients without other health care coverage for HIV/AIDS drugs. However, the remaining 57 prescriptions were incorrectly claimed to the Title II program for patients who had other health insurance that would have covered the drugs.

As a result, we estimated that the Health Department claimed \$24,340,789 in unallowable Federal funding for grant years 2002–2004. This overpayment occurred because the Health Department had not developed procedures to bill HIV/AIDS drugs to the insurance plans with primary payment responsibility.

IMPROPER TITLE II CLAIMS FOR PRESCRIPTION DRUGS

The payer-of-last-resort requirement set forth in 42 U.S.C. § 300ff-27(b)(6)(F) provides that Title II funds may not be used to pay for items or services that are eligible for coverage under other Federal, State, or private health insurance.

Contrary to the payer-of-last-resort requirement, the Health Department claimed Title II funding for 57 sampled prescriptions dispensed to individuals who had other health insurance that would have covered the drugs. The other health insurance plans had primary payment responsibility for these prescriptions. The 57 prescriptions included 50 prescriptions for patients covered by Medicaid under the GHIP⁶ and 7 prescriptions for patients covered by private health insurance plans.⁷ Based on these sample results, we estimated that the Health Department claimed unallowable Federal funding totaling \$24,340,789.

The Health Department claimed unallowable expenditures because it had not developed procedures to bill HIV/AIDS drugs to other insurance plans that would have covered the drugs. Although the Health Department had contracted with a billing agent to bill Title II medical visits and laboratory tests to plans with primary payment responsibility, the contract did not apply to billing for HIV/AIDS drugs.

⁶Pursuant to a Puerto Rico Medicaid State plan amendment and contracts between the Health Department and insurance companies that pay for services rendered to GHIP patients, the GHIP covers all drugs required for the treatment of HIV/AIDS patients except for seven protease inhibitors.

⁷A total of four private insurance plans would have covered the seven prescriptions for HIV/AIDS drugs.

RECOMMENDATIONS

We recommend that the Health Department:

- refund \$24,340,789 to the Federal Government and
- develop procedures to bill HIV/AIDS drugs to the Federal, State, or private health insurance plans with primary payment responsibility.

HEALTH DEPARTMENT COMMENTS

In its comments on our draft report, the Health Department did not directly address our recommendations but said that it was not willing to accept our findings because of unresolved issues concerning patients' eligibility status. The Health Department agreed that 12 prescriptions were covered by Medicaid under the GHIP (and therefore not covered under Title II). However, the Health Department disputed 5 of the 61 errors included in our draft report. The Health Department provided documentation on these prescriptions (incorrectly listed as six prescriptions in its spreadsheet), which it believed were covered under Title II.

The Health Department commented that after a March 2008 meeting with us (which occurred after issuance of our draft report), we had agreed to reduce our findings by \$4 million. The Health Department also provided a corrective action plan, which listed key activities, expected completion dates, status updates, and responsible parties, to address the payer-of-last-resort requirement.

The Health Department's comments, except for personally identifiable information, appear as Appendix C.

OFFICE OF INSPECTOR GENERAL RESPONSE

We reviewed the documentation that the Health Department provided on five prescriptions and found no basis to change our error determinations. However, after reviewing additional documentation that the Health Department and two private health insurance companies separately provided, we reversed four other error determinations. Accordingly, we reduced our estimated overpayment by nearly \$4 million, from \$28,249,444 to \$24,340,789. We maintain that the Health Department should refund this overpayment and comply with the Title II payer-of-last-resort requirement.

APPENDIXES

SAMPLE DESIGN AND METHODOLOGY

POPULATION

The population consisted of all federally funded prescriptions for AIDS Drug Assistance Program (ADAP) drugs dispensed to HIV/AIDS patients and claimed from April 1, 2002, through March 31, 2005.

SAMPLING FRAME

The sampling frame consisted of 105,440 prescriptions for federally funded ADAP drugs with claimed expenditures totaling \$73,561,082 for the period April 1, 2002, through March 31, 2005.

SAMPLE UNIT

The sample unit was an individual prescription for ADAP drugs dispensed to an HIV/AIDS patient.

SAMPLE DESIGN

We used a simple random sample.

SAMPLE SIZE

We selected a sample of 100 prescriptions.

SOURCE OF THE RANDOM NUMBERS

The source of the random numbers was the Office of Inspector General, Office of Audit Services, statistical sampling software, RAT-STATS, version 5. We used the random number generator for our simple random sample.

METHOD FOR SELECTING SAMPLE ITEMS

We sequentially numbered the prescriptions in our sampling frame, including prescriptions for drugs listed in both the ADAP-funded and the State-funded formularies (mixed prescriptions). We did not number prescriptions containing only drugs listed in the State-funded formulary. We selected the frame items that correlated to the random numbers. We then created a list of sample items.

CHARACTERISTICS TO BE MEASURED

We considered a sample item improper if the patient had other Federal, State, or private health insurance that covered the dispensed drugs. The amount of the improper payment was the amount that the other health plan would have paid.

Drugs purchased with State-only funds that appeared on a mixed prescription were not counted as errors.

ESTIMATION METHODOLOGY

We used RAT-STATS to estimate the total unallowable Federal reimbursement for drugs that were not claimed in accordance with the payer-of-last-resort requirement.

SAMPLE RESULTS AND ESTIMATES

Sample Results

Prescriptions in Frame	Value of Frame	Sample Size	Value of Sampled Prescriptions	Number of Sampled Prescriptions in Error	Unallowable Federal Funding for Sampled Prescriptions
105,440	\$73,561,082	100	\$74,064	57	\$28,560

Estimates

(Limits Calculated for a 90-Percent Confidence Interval)

Point estimate	\$30,113,864
Lower limit	\$24,340,789
Upper limit	\$35,886,939



April 14, 2008

James P. Eldert
Regional Inspector General
for Audit Services
Department of Health & Human Services
Office of Inspector General
Office of Audit Services
Region II
Jacob K. Javits Federal Building
26 Federal Plaza
New York, NY 10278

REPORT OIG-HHS DRAFT REPORT NO. 02-06-02000

Dear Mr. Eldert:

On October 31, 2007 the U.S. Department of Health and Human Services, Office of Inspector General, Office of Audit Services issued a draft report, "Review of Puerto Rico Health Department Compliance with Payer of Last Resort Requirement" for the period from April 1, 2002 through March 31, 2005.

On March 18, 2008 personnel from the Puerto Rico Department of Health (PRDOH) Auxiliary Secretariat for Family Health and Integrated Services, the Central Office for AIDS Affairs and Communicable Diseases (OCASET for its Spanish acronym) and Ryan White Part B Program hold a meeting with representatives of the OIG Region II led by Dr. Greduvel Durán Guzmán, MD, MPH, and Margie Colón, JD, CFE, CGFM from the PRDOH and OIG respectively.

The purpose of the meeting was to discuss the alleged findings contained in the above referred draft report. In the meeting the parties discussed the followings topics:

- OIG's Draft Report
- Circular letter Puerto Rico Health Insurance Administration (PRHI) PDL Exclusion of Coverage for HIV/AIDS Drugs Viread/Truvada
- Private Health Insurance Coverage

- Uninsured Patients
- PRHI's – Policy after July 1st, 2003
- PRHI's – Policy prior to July 1st, 2003

OIG's representatives discussed and later provided the corresponding documentation supporting their review's findings. PRDOH questioned OIG's review's methodology and its corresponding findings. OIG provided some answers to PRDOH's questioned concerning such review.

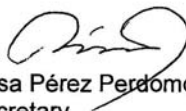
PRDOH is not willing to accept OIG's review findings since there are a number of unsolved issues concerning insurability patients' status. Examples of these issues are numerous and varied for instance, five (5) out of eighteen (18) cases (28% of the sample) review by PRHI qualified for pharmacy coverage under Ryan White – Part B (See Attachment 1 and 2). On April 9, 2008, OIG preliminary accepted errors in its findings that translated to four million dollar in PRDOH's favor.

PRDOH has used funds granted under Ryan White – Part B to provide HIV/AIDS patients with medications. PRDOH implements public health policies and strategies that encompasses the used responsible use of Ryan White – Part B funds to prevent HIV/Aids progression and improve HIV/AIDS patient's quality of life.

In July 2007 PRDOH successfully launched an operational plan for Ryan White Program (see attachment 3).

Should you have any further questions regarding this matter, please contact Greduvel Durán Guzmán, MD at (787) 274-5500 or e-mail gduran@salud.gov.pr.

Sincerely,



Rosa Pérez Perdomo, MD, MPH, PhD
Secretary

/ATTACHMENTS



ADMINISTRACION DE SEGUROS DE SALUD
ESTADO LIBRE ASOCIADO DE PUERTO RICO

11 de abril de 2008

Dra. Aida González de Gregory
Subsecretaria de Salud
Departamento de Salud
P.O. Box 70184
San Juan, Puerto Rico 00936-8184

Estimada doctora González de Gregory:

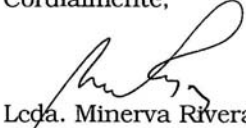
Recibimos la solicitud por parte de representantes del Programa ADAP, del Departamento de Salud, para que certifiquemos la información de elegibilidad de dieciocho (18) beneficiarios como parte de la auditoria que lleva a cabo la Oficina del Inspector General al Programa ADAP.

Detallamos los resultados de nuestra verificación en los sistemas de elegibilidad de ASES.

- ✓ De estos dieciocho (18) casos certificamos que doce (12) se encontraban elegibles y asegurados a la fecha del servicio (fecha de la receta) bajo el Plan de Salud del Gobierno.
- ✓ Tres (3) no estaban elegibles y otros tres (3) no fueron identificados en nuestros sistemas.

La información de estos casos ha sido incluida en la tabla original provista por personal de ADAP. La tabla antes mencionada ha sido verificada por nuestro personal y certificamos que la misma contiene la información correcta de nuestros sistemas de elegibilidad. (Ver anejo)

Cordialmente,



Lcda. Minerva Rivera González
Directora Ejecutiva

/frdg

Anejo

**OFFICE OF INSPECTOR GENERAL TRANSLATION
OF HEALTH DEPARTMENT ATTACHMENT**

**GOVERNMENT HEALTH INSURANCE PLAN ADMINISTRATION
COMMONWEALTH OF PUERTO RICO**

April 11, 2008

Dr. Aida González de Gregory
Deputy Secretary of Health
Health Department
P.O. Box 70184
San Juan, Puerto Rico 00936-8184

Dear Dr. González de Gregory:

We are in receipt of your request from the Health Department's ADAP Program to certify the eligibility information for eighteen (18) beneficiaries as part of the Office of the Inspector General audit of the ADAP Program.

Detailed below are the results of our verification of the eligibility information in ASES¹:

- For eighteen (18) cases, we certified that twelve (12) were eligible and insured as of the date of the service (date of prescription) under the Government Health Insurance Plan.
- Three (3) were not eligible and three (3) others were not identified in our system.

The information for these cases has been included on the table provided by ADAP personnel. The table has been verified by our personnel and we certified that the information is correct as per our eligibility system. (See attachment)

Cordially,

Minerva Rivera González, Esq.
Executive Director

/frdg

Attachment

¹Spanish acronym for the Government Health Insurance Plan Administration.

PRESCRIPTION NUMBER	NAME	SOCIAL SECURITY	PRESCRIPTION DATE	HCRE ACTIVE	INSURED (Yes/No)	HEALTH INSURANCE COMPANY
5			enero/09/2004	YES	NO	HUMANA
7			enero/31/2003.	YES	YES	HUMANA
10			agosto/26/2002.	NOT FOUND	NOT FOUND ON SYSTEM	N/A
21			mayo/25/2002.	YES	YES	SSS
30			enero/23/2003.	YES	YES	SSS
31			septiembre/04/2002	YES	YES	SSS
39			julio/15/2004	YES	YES	SSS
40			marzo/07/2003.	YES	YES	SSS
45			febrero/02/2005.	YES	N O	MCS
52			noviembre/12/2002	YES	YES	SSS
62			marzo/26/2003.	N O	N/O	N/A
67			mayo/15/2003.	YES	YES	MCS
69			agosto/23/2002.	ANOTHER PERSON UNDER S.S.	ANOTHER PERSON UNDER S.S.#	N/A
77			febrero/28/2003.	YES	YES	MCS
78			septiembre/18/2002	YES	YES	SSS
85			junio/12/2003.	NOT FOUND	NOT FOUND ON SYSTEM	N/A
94			septiembre/24/2002	YES	YES	N/A
97			noviembre/17/2003	YES	YES	SSS

Provided by CG, PROBENE (04-09-08)
 Revised on 04-11-08 by PROBENE and Medinsight personnel.

LEYENDA:	TOTALES:
CASOS NO ASEGURADOS	13
CASOS ASEGURADOS	12
NO APARECEN EN SISTEMA	3
	18

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Office of Inspector General note: Personally identifiable information has been redacted from this page.

RYAN WHITE PART B PROGRAM
CORRECTIVE ACTION WORKPLAN 2008-2009
APRIL 8, 2008

PROJECT NAME	KEY ACTION STEPS/ACTIVITIES	EXPECTED TARGET COMPLETION DATES	STATUS / PROGRESS UPDATE	PERSON(S) RESPONSIBLE
1. Interagency Agreements between PRDOH and the Health Insurance Administration (ASES, for its Spanish acronym). This project acknowledges ASES responsibility as payer of last resort for six ART medications that are not covered by their Preferred Drug List (PDL).	1.1. To reimburse the Ryan White Part B ADAP Program of antiretroviral drugs dispensed to ADAP eligible Government Health Insurance Plan (GHIP) beneficiaries not included in the GHIP PDL.	Dates of Agreements: February 2007 April 2007 October 2007	1.1. Completed. A copy of the agreements is attached as Appendix A.	Secretary of Health and ASES Executive Director
2. Implementation of a Pharmacy Benefit Manager (PBM) at the PRDOH Regional Immunology Clinics (RICs). This project will assure the internal controls necessary to guarantee that the Ryan White Part B ADAP Program funds will be used as the payer of last resort.	2.1. First Phase: To contract a PBM to coordinate pharmacy benefits for GHIP ADAP eligible patients.	September 2007	2.1. Completed. A copy of the contract signed between the Health Insurance Administration (ASES, for its Spanish acronym) and MC-21, Inc. a local PBM is attached as Appendix B.	ASES Executive Director and ASES HIV/AIDS Project Director
	2.1.a. To contract a "vendor" to provide the RX-30 pharmacy software at CLETS, Bayamón, Arecibo, Mayagüez and Ponce RICs.	January 2008	2.1.a. Completed. A copy of the contract signed between ASES and On-Time Soft, Inc. is attached as Appendix C.	ASES Executive Director
	2.1.b. To install computer hardware at CLETS, Bayamón, Arecibo, Mayagüez and Ponce RICs.	January 2008 through May 2008	2.1.b. In progress. Computer hardware has been installed in CLETS, Ponce and Mayagüez. Arecibo and Bayamón are pending of the configuration of the hardware.	ASES and PRDOH HIV/AIDS Project Directors

PROJECT NAME	KEY ACTION STEPS/ACTIVITIES	EXPECTED TARGET COMPLETION DATES	STATUS / PROGRESS UPDATE	PERSON(S) RESPONSIBLE
	2.1.c. To contract community pharmacies in Caguas, Humacao and Fajardo, after an evaluation of physical facilities and human resources.	February 2008 through April 2008	2.1.c. <i>In progress.</i> A collaborative agreement was written. Preliminary agreements have already been reached with pharmacies in Caguas, Humacao and Fajardo. It is currently being review by the PRDOH Legal Division to add new services, terms and conditions.	ASES and PRDOH HIV/AIDS Project Directors, PRDOH Legal and Contract's offices, PRDOH Drug Distribution Center Director, and Ryan White Part B Director and ADAP Program Coordinator.
	2.2. Second Phase: To contract a PBM to coordinate pharmacy benefits for non GHIP ADAP eligible patients.	January 2008 through May 2008	2.2. <i>In progress.</i> Pending the final determination and agreement regarding services and its related costs.	Secretary of Health, PRDOH HIV/AIDS Project Director, PRDOH Legal and Contract's offices, OCASET Executive Director, PRDOH Drug Distribution Center Director and Ryan White Part B Director and ADAP Coordinator
	2.2.a. To request a proposal from a PBM.	November 2007	2.2.a. <i>Completed.</i> In November 2007, the PRDOH requested a proposal from MC-21.	PRDOH HIV/AIDS Project Director, PRDOH Drug Distribution Center Director and Ryan White Part B Director and ADAP Coordinator
	2.2.b. To evaluate the proposal submitted.	December 2007	2.2.b. <i>Completed.</i> In December 2007, MC-21 submitted a proposal to the PRDOH. A copy of the	ASES and PRDOH HIV/AIDS Project Directors, PRDOH Drug Distribution Center Director and Ryan White Part

PROJECT NAME	KEY ACTION STEPS/ACTIVITIES	EXPECTED TARGET COMPLETION DATES	STATUS / PROGRESS UPDATE	PERSON(S) RESPONSIBLE
	<p>2.2.c. To take a decision regarding the economic feasibility of the proposal.</p> <p>2.2.d. To write and sign a contract to deal with the PBM that will be selected.</p>	<p>January 2008</p> <p>May 2008</p>	<p>proposal is attached as Appendix D.</p> <p>2.2.c. Completed. In January 2008, after a thorough evaluation and analysis by PRDOH and ASES staff, the proposal from MC-21 was not accepted for its high costs.</p> <p>2.2.d. In progress. In April 2008, the PRDOH will request a revision of the proposal that MC-21 submitted. Services, terms and conditions will be revisited.</p>	<p>B Director and ADAP Coordinator</p> <p>ASES and PRDOH HIV/AIDS Project Directors, PRDOH Drug Distribution Center Director and Ryan White Part B Director and ADAP Coordinator</p> <p>Secretary of Health, ASES and PRDOH HIV/AIDS Project Directors, PRDOH Legal and Contract's offices, OCASET Executive Director, PRDOH Drug Distribution Center Director and Ryan White Part B Director and ADAP Coordinator</p>
<p>3. ADAP Eligibility - ADAPEL: Carry out the determination of the ADAP Program eligibility through the PRDOH Medicaid Program eligibility system. This project will guarantee that only patients eligible to the ADAP will be the only ones serviced with ADAP medications.</p>	<p>3.1. To match and validate the ADAP Program data bank with the Medicaid Program data bank.</p> <p>3.2. To program ADAP eligibility criteria and clinical information computer fields in a new ADAP electronic page.</p>	<p>May 2008</p> <p>May 2008</p>	<p>3.1. In progress. The PRDOH Management Information System Office (OIAT, for its Spanish acronym) is currently matching both ADAP and Medicaid Data Banks. ADAP personnel are validating data that has already being matched by OIAT.</p> <p>3.2. In progress. ADAP and OIAT personnel have already agreed upon the computer fields that will be added to the</p>	<p>Medicaid Program Director, Ryan White Part B-Director and ADAP Coordinator, OIAT Director</p> <p>Medicaid Program Director, Ryan White Part B-Director and ADAP Coordinator, OIAT Director</p>

PROJECT NAME	KEY ACTION STEPS/ACTIVITIES	EXPECTED TARGET COMPLETION DATES	STATUS / PROGRESS UPDATE	PERSON(S) RESPONSIBLE
	3.3. To implement a pilot test in at least two RICs.	June 2008	Medicaid Program software. 3.3. Not yet begun. Projected to begin in June 2008, as soon as activity 3.2 is completed.	Medicaid Program Director, Ryan White Part B-Director and ADAP Coordinator, OIAI Director
	3.4. To conduct an education and orientation campaign for ADAP eligible patients regarding the implementation of the new eligibility system.	July 2008	3.4. Not yet begun. Projected to begin in July 2008, as soon as activity 3.3 is completed.	Medicaid Program Director, Ryan White Part B-Director, and ADAP Coordinator, OIAI Director
4. Development of rules and procedures to monitor the use of Ryan White Part B-ADAP Program funds as payer of last resort - Internal Auditing Office of the PR Health Department	4.1. To write a letter from the Secretary of Health requesting the PRDOH Internal Auditing Office to start a special auditing process to develop and recommend the implementation of rules and procedures to assure that the PRDOH RICs are utilizing Ryan White Part B - ADAP Program funds as payer of last resort. 4.2. To initiate the special auditing process. The process will go on with the following steps: a) Preliminary evaluation of existing internal controls; b) Field work; c) Final Report with rules, procedures and Corrective Action Plan; d) Preparation of Auditing Monitoring Program.	March 2008 December 2008	4.1. Completed. A copy of this letter is attached as Appendix E. 4.2. Not yet begun. The Internal Auditing Office began the process by requiring documents to the Ryan White Part B Program.	PRDOH Internal Auditing Office Director PRDOH Internal Auditing Office Director, OCASET Executive Director and Ryan White Part B Director
5. Policy letter and procedure to re-certify ADAP eligible patients with private health insurance pharmacy coverage.	5.1. To implement a re-certification process to assure that ADAP funds are the payer of last resort for ADAP eligible patients with private health insurance pharmacy coverage	March 2008	5.1. Completed. A copy of this letter is attached as Appendix F.	Secretary of Health and OCASET Executive Director