



Department of Health

Tobacco Prevention and Cessation Audit

Audit Period: August 2015 through July 2016

Results Summary:

Objective	Conclusion
Administration of the Tobacco Quit Line	Improvement Needed
Reimbursements to fund the Tobacco Quit Line	Improvement Needed
Administration of the Tobacco-Free School Districts program	Improvement Needed

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Executive Summary

Background

The Ohio Department of Health (ODH) is responsible for, among other things, providing preventive medical services and other healthcare services, public health education, and performing various regulatory duties. One of these responsibilities is Tobacco Use Prevention and Cessation and as such, ODH has a program whose goal is to reduce tobacco use by Ohioans, especially among youth, minority and regional populations, pregnant women, and other populations disproportionately affected by tobacco use.

One specific program is the Ohio Tobacco Quit Line which seeks to increase cessation, prevention, and enforcement efforts. The Tobacco Quit Line is found within a budget line item that received funding of \$5,050,000 in state fiscal year 2016, a 278.3% increase over state fiscal year 2015 expenditures, and \$7,050,000 in FY 2017, a 39.6% increase over state fiscal year 2016.

ODH's Tobacco Use Prevention and Cessation efforts also include the Tobacco-Free School District program, which provides outreach, educational materials, conference calls, events, webinars, and other resources for school administrators seeking to adopt smoke-free or tobacco-free policies.

During the audit, OIA identified opportunities for ODH to strengthen internal controls and improve business operations. A summary, along with detailed observations, has been provided below. OIA conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank ODH staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

Scope and Objectives

OIA staff was engaged to perform an assurance audit related to the controls over the agency's Tobacco Prevention and Cessation programs. This work was completed July through December 2016. The scope of this audit included the following areas:

- Ohio Tobacco Quit Line
- Tobacco Free School District Program

The following summarizes the objectives of the review:

- Evaluate the design and effectiveness of the controls over administration of the Tobacco Quit Line (including contract for services).



- Evaluate the design and effectiveness of the controls over reimbursements to fund the Tobacco Quit Line.
- Evaluate the design and effectiveness of controls over administration of the Tobacco-Free School Districts program.

Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. Low risk observations were discussed with individual agency management and are not part of this report. However, the low risk observations were considered as part of the audit objective conclusions.



Observation 1 – Monitor, Verify, Validate NJH Data

In order to ensure that agreed upon products and services are in place and fulfilling their intended purposes, leading practices encourage utilizing sources independent of the contracted provider to effectively monitor, verify and validate the adequacy of provided deliverables. Periodic evaluation of actual data aids in validating reported totals. Surveys may assess the progress of a program's desired outcomes and objectives. These best practices help to ensure that only appropriate services are rendered before payments are made to contractors for services.

National Jewish Health (NJH) is ODH's contracted vendor that facilitates a Quit Line in which tobacco users participate in coaching calls and receive treatment products. However, ODH does not monitor data provided by NJH to measure the success of the Ohio Tobacco Quit Line, to monitor NJH's performance, or to ensure that NJH renders only allowable services before invoices are paid. For example:

- In 2015, NJH utilized their QuitPro database to launch the QuitLogix Reportal which gives ODH access to aggregate participant data in real-time and permits ODH to generate independent detail reports to monitor the Ohio Tobacco Quit Line. However, ODH does not utilize the QuitLogix Reportal to generate reports or to view data in order to measure the success of the Ohio Tobacco Quit Line and monitor activities. Data includes the nature of intake calls, caller demographics, services provided, and success stories.
- In accordance with the contract, NJH engages an independent research organization, Pegus Research, Inc., to conduct a satisfaction and effectiveness survey of Quit Line participants. Annually, Pegus provides NJH its study results that NJH includes in the Quitlogix Outcomes Report that is presented to ODH. However, ODH does not independently receive Pegus' research. Additionally, ODH does not address inconclusive survey results with NJH or Pegus. For example, in the 2015 Outcomes Report, Pegus did not survey a sufficient number of coaching call participants in the categories of "Coaching Participants Not Receiving Medication" and "Self-Guided Participants" in order to conclude on the evidence of smoking cessation success for those populations.
- According to the contract, NJH engages "secret shoppers", or quality assurance callers, as a tool to measure performance, quality, and compliance with its standards. However, ODH does not receive the results of these quality assurance calls from NJH to aid in assessing performance. ODH does not conduct any validation of the data reported by NJH but has since begun exploring data verification processes and live call monitoring.

Failure to independently use available reporting tools to monitor a contractor's performance increases the likelihood that desired program outcomes are not achieved and negative performance is not timely detected. Failure to directly receive performance and survey results



conducted by a third party vendor results in reduced reliance that ODH may have on such data and outcomes. Additionally, failure to monitor a contractor’s activity and to validate data increases the likelihood that invoices are paid for services not rendered in accordance with contract agreements.

Recommendation

Develop and implement a monitoring policy of Ohio Tobacco Quit Line contractors to ensure contractors adequately perform all contract requirements. Develop and implement a contract monitoring plan and procedures to document specific contract deliverables and methods to verify completion of every deliverable. Identify and document key performance indicators to measure the success of the Quit Line and achievement of the program’s objectives. Track all communications of noncompliance with contract requirements or performance issues with the contractor in a central location. Monitoring procedures should include, but not be limited to, the following:

- Periodic generation and evaluation of detail reports. According to the contract, NJH provides an assigned Client Manager to work with ODH to ensure that all reporting needs are met. ODH should engage its assigned NJH Client Manager to schedule training in use of the QuitLogix Reportal/QuitPro system to allow ODH to generate detail reports.
- Direct receipt of the Pegasus Research reports. The reports may aid in ODH’s assessment of the Quit Line’s effectiveness in meeting the overarching goal of reducing the number of Ohioans who use tobacco. Evaluate the effectiveness of surveys; especially instances in which survey results are inconclusive.
- Live call monitoring. Live call monitoring may assist ODH in validating that specific contract requirements are met and to measure performance. Evidence completion of call monitoring activities and results in a checklist to indicate whether all the elements of the call were completed appropriately. Consider the costs and benefits of engaging an independent and professional company to perform similar services to NJH’s “secret shoppers” or require NJH to provide results of its “secret shopper” calls.

Document and communicate with the contractor the results of all monitoring activities and resolutions to issues of noncompliance or poor performance or outcomes. Track and evaluate monitoring and outcome results to identify trends and to consider the effectiveness of Quit Line evaluation methods. Consider the benefits of structuring future Ohio Tobacco Quit Line contracts so that payments to contractors are based on predetermined outcomes.

Management Response

By March 31, 2017, an agency directive will be in place which will include data verification procedures, contract monitoring and compliance procedures, and overall quality assurance



through routine call monitoring.

Program has contacted NJH to arrange for training on the new system that will allow ODH to create reports from the NJH data. Upon completion of this training ODH will produce reports, monthly, to verify data used invoices. This process will be incorporated into the agency directive on monitoring and compliance. Also, the process to generate reports will be written and made available to all program staff.

Program has formally requested NJH to instruct Pegus Research to send the annual report data directly to ODH. Program's evaluation contractor, Strategic Research Group (SRG), will be enlisted to review the data and subsequent reports and to collaborate with program to validate the effectiveness of the survey, and to provide any recommendations for improvement for ODH to address with NJH.

Program recently requested and was given the opportunity to listen to a recording of a coaching call. SRG is using NJH's contract detail of what each coaching call should include to develop a checklist of call components. Once the checklist is developed, calls will be regularly reviewed and evaluated for quality assurance by SRG. This process will be included in the agency directive on monitoring quit line performance and compliance with their contract. ODH will address any issues identified with NJH.

Program meets weekly with NJH's client manager and will incorporate into these calls discussion of any issues identified by the process outlined in the referenced agency directive.

Program will continue to work with SRG to evaluate services delivered to Ohioans. Outcomes and any operational changes will continue to be tracked and will be monitored for effectiveness.

Risk*	Remediation Owner	Estimated Completion Date
Moderate	Tobacco Program Manager	March 2017

Observation 2 – Medicaid Reimbursement Process

The U.S. Department of Health & Human Services' Centers for Medicare & Medicaid Services (CMS) regards tobacco quitlines that follow evidence-based protocols as an allowable Medicaid administrative activity necessary for the "proper and efficient" administration of the State Medicaid plan. Therefore, States can claim Federal financial participation (FFP) for quitline expenditures in accordance with applicable cost principles under the OMB Uniform Guidance. In order for States to claim expenditures related to quitlines as administration at the 50 percent Federal Medicaid matching rate specified at 42 CFR 433.15(b)(7), such claims may not duplicate costs that have been, or should have been, paid through another source. Allowable costs must be allocated in



accordance with the relative benefits received by the Medicaid program.

ODH and the Ohio Department of Medicaid (ODM) have an interagency agreement (IAA) to reimburse ODH for Medicaid administrative activities; including the cost of operating the Ohio Tobacco Quit Line to the extent costs are allowable to claim FFP. According to the IAA which covers state fiscal years 2016 and 2017, ODM agrees to reimburse ODH up to \$150,000 each year. However, according to ODH management, the IAA was not implemented until July 2016 due to delays in ODM coordinating a meeting with its Managed Care Plans (MCPs) to communicate changes to operating processes for MCPs that directly contracted with the Ohio Tobacco Quit Line vendor, NJH, to serve their members. Therefore, ODH was unable to submit to ODM for reimbursement any costs incurred during state fiscal year 2016. Additionally, ODH does not have policies and procedures, and does not maintain sufficient evidence, to identify and document approved administrative costs for the Ohio Tobacco Quit Line in order to submit claims to ODM for reimbursement. Lack of internal policies and procedures to outline processes to identify allowable administrative costs to submit claims to ODM for FFP reimbursement results in missed opportunities to seek FFP.

According to ODH, only federal funding from the Centers for Disease Control and Prevention was used to pay for Medicaid members' calls to the Ohio Tobacco Quit Line during state fiscal year 2016, and therefore such payments were ineligible for Medicaid administrative reimbursement. According to the IAA, ODH must submit costs to ODM for reimbursement within one year from the end of the quarter in which costs are incurred and is at risk of missing deadlines to submit claims.

Recommendation

Create and maintain policies and procedures that provide detailed guidance to staff in order to identify and track allowable costs to operate the Ohio Tobacco Quit Line, to provide consistency of the claims and reimbursement processes, and to maintain institutional knowledge over the process.

In order to help ensure appropriate reimbursement processing and compliance with the interagency agreement and federal requirements, ODH should develop and implement the following:

- Desk manuals to include procedures for the calculation of the operating costs incurred for the Ohio Tobacco Quit Line. Procedures should identify the sources and titles of required reports to perform the calculations.
- Procedures to outline documentation requirements to support reimbursement requests for the Ohio Tobacco Quit Line costs. ODH should work with ODM to determine the format in which to submit claims.
- Tracking spreadsheets to ensure all monthly invoices are included in timely quarterly requests to ODM and to track receipt of each reimbursement.



A standardized supervisory review and approval process of the claim calculation and claim submission process. Supervisory reviews should be documented to evidence that reviews occurred and are completed timely.

Management Response

ODH and the contracted service provider for Quit Line, NJH, have worked together to modify the monthly invoicing process. ODH receives an invoice detail report from NJH with the invoice each month. This report now includes detail breakdowns of the costs for eligible services provided to Medicaid members. Each Medicaid plan has its own worksheet so information can be made available to each plan.

In lieu of a desk manual, by March 31, 2017, a final agency directive with detailed processes and procedures will be in place. The directive will identify detail reports required to perform calculations and to monitor contract performance.

ODH, in a series of meetings in early 2015, worked with Ohio Department of Medicaid and a representative from CMS to come up with a format for the claim, including eligible costs and services. This process is complete.

By January 15, 2017, Program will create spreadsheets and develop a process for tracking quarterly requests and receipt of each reimbursement. Program will draft a process for supervisory review of the claim process, including timely completion. Program staff will document time lines as part of the process to be sure reviews are conducted in a timely manner.

Risk*	Remediation Owner	Estimated Completion Date
Moderate	Tobacco Program Manager	March 2017

Observation 3 – Tobacco Free School Policy Review

An effective program experiences high participation and can tangibly demonstrate that its objectives are met. Monitoring is essential to program administration in order to gauge the health of the program and evidence the completion of objectives.

For the 100 percent Tobacco Free K-12 School Policy review program, ODH's internal strategies are to contact each school district that does not have a 100 percent tobacco free policy per ODH's scorecard annually and provide information to help districts achieve a 100 percent tobacco free policy.

The following were identified:

- Aside from recognition on ODH's website and receipt of 100 percent tobacco free signage,



there is no tangible incentive for school districts to participate in the policy review or to update policies to become 100 percent tobacco free. While there are over 600 school districts in the State, less than 10% have 100 percent tobacco free policies. ODH's website recognizes only 51 school districts, while the spreadsheets ODH uses to track scores and outreach specify 43 and 50 districts, respectively.

- ODH's protocol is to annually send letters requesting tobacco policies to school districts that do not have a 100 percent tobacco free policy. ODH's protocol is to call or send an email to districts that do not respond to the letter. However, the spreadsheet ODH uses to track communications to districts has missing information to track dates of follow-up calls. Therefore, ODH either does not consistently conduct follow-up communications or does not consistently track follow-up communications with school districts.
- ODH does not have a practice in place to perform reviews over school districts' policies that have previously scored 100 percent to ensure those districts maintain 100 percent tobacco free policies. For example, from a sample of five districts that ODH recognizes on its website for having 100 percent tobacco free policies, ODH did not request and review three (60%) of those schools' policies within the past 12 months. ODH last reviewed one of the three policies in January 2015 and two of the three policies in 2012.
- Although 100 percent Tobacco Free K-12 School Policies are recommended by the Tobacco Control Network's 2016 Policy Recommendations Guide as an evidenced-based strategy, ODH does not have procedures to evaluate the 100 percent Tobacco Free K-12 School Policy review program's impact and effectiveness on smoking prevention and cessation.
- During 2016, ODH hired a vendor that specializes in health analytics to evaluate the effectiveness of its programs and strategies. According to the vendor's report, the 100 percent Tobacco Free K-12 School Policy program receives "mixed results", meaning some studies found such programs to be conclusively effective while others did not. However, no school specific data was included in the studies reviewed by the vendor.

It is difficult to measure the success of a program without procedures to produce and evaluate tangible outcomes evidencing the main goals of the program, which are smoking prevention and cessation. Lack of incentives for school districts to achieve ODH's goal of a tobacco free policy results in increased challenges to gain school districts' participation. Failure to consistently perform and track outreach to districts to request tobacco policies and to review previously approved 100 percent tobacco free policies from years past increases the likelihood that schools do not participate in the program and do not develop, implement, or maintain 100 percent tobacco free policies. Lack of means to measure the success of the program and to incentivize participation may ultimately limit ODH's efforts.

Recommendation



ODH indicated that it recently completed a survey of school superintendents to identify barriers to policy implementation. ODH should use the survey results, along with research from identifying proven effective smoking prevention and cessation programs, to assist in targeting efforts and funding to achieve the greatest impact.

Ultimately, ODH must determine whether the 100 percent Tobacco Free K-12 School Policy review program aligns with its mission of promoting tobacco prevention and cessation and is the best use of resources. If ODH determines that the program should cease, alternatives include funding other programs proven effective in tobacco use prevention and cessation. Consider contacting other states to research and identify alternate effective programs or partnering with existing programs administered by ODH or other entities to allocate funding and resources from the 100 percent Tobacco Free K-12 School Policy review program to programs that are structured to measure outcomes and/or to incentivize participation by school districts.

If the 100 percent Tobacco Free K-12 School Policy review program continues, ODH should develop and implement the following:

- Procedures to consistently contact districts twice a year to request tobacco policies. Track communication dates with schools districts to ensure that all districts are contacted. Consider contacting school districts when they are not in session to possibly increase receptiveness;
- Re-performance of scoring and policy reviews after a set number of years for school districts that have achieved 100 percent tobacco free status to verify that the policy has not changed and is still 100 percent tobacco free;
- Processes to explore the costs and benefits of offering grant money or other tangible incentives to help influence schools to adopt 100 percent tobacco free policies; and
- Processes to identify performance indicators and collect data to measure the success of the program.

Management Response

By March 31, 2017, ODH will have in place an agency directive that outlines the process by which tobacco-free school policies are tracked to assure all school districts are contacted annually. The directive will include procedures, timelines, documentation requirements, and the process of supervisory review.

From the date of the OIA review, all school districts, regardless of score will be contacted on an annual basis. This requirement will be outlined in the above referenced agency directive.

By January 31, 2017, Program will review the literature and best practices from other states around tangible incentives for schools to implement 100% tobacco free policies and provide a brief report



outlining findings and recommendations.

Before December 31, 2016, Program will work with its external evaluators to identify at least one additional performance indicator to number of schools that have adopted 100% tobacco free policy which is already reported to CDC.

Risk*	Remediation Owner	Estimated Completion Date
Moderate	Tobacco Program Manager	March 2017

Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the observations and recommendations suggested above. However, these observations reflect our continuing desire to assist your department in achieving improvements in internal controls, compliance, and operational efficiencies.

* Please refer to Appendix A for classification of audit objective conclusions.



Appendix A – Classification of Conclusions and Observations

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
Well-Controlled with Improvement Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Improvement Needed	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
Major Improvement Needed	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

Classification of Audit Observations

Rating	Description of Factors	Reporting Level
Low	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
Moderate	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
High	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee