



OFFICE OF AUDITOR OF STATE
STATE OF IOWA

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Auditor of State

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NEWS RELEASE

FOR RELEASE

August 27, 2020

Contact: Marlys Gaston
515/281-5834

Auditor of State Rob Sand today released a report on the Iowa Department of Inspections and Appeals for the year ended June 30, 2019.

The Iowa Department of Inspections and Appeals was created for the purpose of coordinating and conducting audits, appeals, hearings, inspections and investigations related to the operations of Iowa state government. The Department also provides administrative support services for the Employment Appeal Board, Hospital Licensing Board, Child Advocacy Board, State Public Defender and the Iowa Racing and Gaming Commission.

Sand recommended the Department implement procedures to strengthen controls over Medicare and Medicaid facility surveys. The Department's response to the recommendation is included in the report.

A copy of the report is available for review on the Auditor of State's web site at <https://auditor.iowa.gov/reports/audit-reports/>.

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**REPORT OF RECOMMENDATIONS TO THE
DEPARTMENT OF INSPECTIONS AND APPEALS**

JUNE 30, 2019

Iowa Department of Inspections and Appeals



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Rob Sand
Auditor of State

August 24, 2020

Iowa Department of Inspection and Appeals
Des Moines, Iowa

To Larry Johnson, Jr., Director of the Iowa Department of Inspection and Appeals:

I am pleased to submit to you the Report of Recommendations for the Iowa Department of Inspection and Appeals for the year ended June 30, 2019. The report includes findings pertaining to the Department's internal control and compliance with statutory requirements and other matters which resulted from the fiscal year 2019 audit.

I appreciate the cooperation and courtesy extended by the officials and employees of the Iowa Department of Inspection and Appeals throughout the audit. If I or this office can be of any further assistance, please contact me or my staff at 515-281-5834.

Sincerely,

A handwritten signature in black ink that reads "Rob Sand". The signature is stylized and cursive.

Rob Sand
Auditor of State

Iowa Department of Inspections and Appeals



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August 24, 2020

To Larry Johnson, Jr., Director of the Iowa Department of Inspections and Appeals:

The Iowa Department of Inspections and Appeals is a part of the State of Iowa and, as such, has been included in our audits of the State's Comprehensive Annual Financial Report (CAFR) and the State's Single Audit Report for the year ended June 30, 2019.

In conducting our audits, we became aware of certain aspects concerning the Department's operations for which we believe corrective action is necessary. As a result, we have developed recommendations which are reported on the following pages. We believe you should be aware of these recommendations, which include those reported in the State's Single Audit Report, as well as other recommendations pertaining to the Department's internal control. These recommendations have been discussed with Department personnel and their responses to these recommendations are included in this report. While we have expressed our conclusions on the Department's responses, we did not audit the Iowa Department of Inspections and Appeals' responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials and employees of the Iowa Department of Inspections and Appeals, citizens of the State of Iowa and other parties to whom the Department may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of the Department during the course of our audits. Should you have questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience. Individuals who participated in our audits of the Department are listed on page 6 and they are available to discuss these matters with you.

A handwritten signature in black ink that reads "Marlys K. Gaston".

Marlys K. Gaston, CPA
Deputy Auditor of State

cc: Honorable Kim Reynolds, Governor
David Roederer, Director, Department of Management
Glen P. Dickinson, Director, Legislative Services Agency

Report of Recommendations to the
Iowa Department of Inspections and Appeals

June 30, 2019

Findings Reported in the State's Single Audit Report:

CFDA Number: 93.777 – State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare

Agency Number: None

Federal Award Year: 2018, 2019

Prior Year Single Audit Report Finding Number: 2018-009

State of Iowa Single Audit Report Comment: 2019-007

Survey Frequency

Criteria – The Centers for Medicare and Medicaid Services (CMS), 2019 State Performance Standards System Guidance, Section F2(e), requires the Department to conduct a standard survey of each licensure agreement of nursing facilities no later than 15.9 months after the last day of the previous survey. In addition, the statewide average interval between standard surveys of licensure agreements must be 12.9 months or less.

Condition – The Department had 440 nursing facilities. Surveys were not conducted within the required 15.9 months after the previous survey for three facilities. The statewide average interval between standard surveys conducted by the Department for nursing facilities was 14.9 months.

Cause – Although Department policy requires surveys to be conducted at the required frequencies, the policies were not followed.

Effect – Surveys of nursing facilities were not performed at the required frequency.

Recommendation – The Department should review its procedures to ensure all facilities are surveyed within the required interval.

Response and Corrective Action Planned – The Department has established a monthly goal for Nursing Home survey workload of 34 surveys per month. Since August 2019, the Department has met the goal of an average of 34 surveys per month for each of the six months (Aug 2019 - Jan 2020). In the 13-month period of January 2019 through January 2020, the Department has hired 20 nursing home surveyors. The vast majority of the vacancies occurred due to retirement or promotion. 18 of the 20 new hires are currently able to carry a full survey workload. During the past year, those 18 surveyors have been in varying stages of the training process.

By establishing and maintaining the monthly average number of surveys of 34, the Department has consistently lowered the average number of months between surveys. At the current rate of survey activity, the Department is projected to reach a monthly average of 12.9 months (or less) between surveys by the end of April 2020. (Note: Since the overall monthly average is computed over 16 months for CMS's performance standard purposes, the Department may not meet the standard for the period June 2019 through September 2020. However, we anticipate meeting the standard from April 2020 forward.)

Report of Recommendations to the
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June 30, 2019

With the survey cycle average reduced to 12.9 months or less, the Department will be able to schedule surveys well before the 15.9 month maximum for any individual provider. The survey cycle maximum is monitored on a monthly basis by the Bureau Chief for nursing facilities and the Division Administrator. If there is any facility with a survey cycle at or above 14.0 months, the facility is scheduled for survey prior to the date at which the survey cycle would reach 15.9 months.

Conclusion – Response accepted.

Report of Recommendations to the
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Findings Reported in the State's Report on Internal Control:

No matters were reported.

Other Findings Related to Internal Control:

No matters were noted.

Findings Related to Statutory Requirements and Other Matters:

No matters were noted.

Report of Recommendations to the
Iowa Department of Inspections and Appeals

Staff

Staff:

Questions or requests for further assistance should be directed to:

Marlys K. Gaston, CPA, Deputy
Tammy A. Hollingsworth, CIA, Manager
Cole L. Hocker, CPA, Senior Auditor II

Other individuals who participated in the audits include:

Ronica H. Drury, Staff Auditor
Noelle M. Johnson, Staff Auditor
Molly N. Kalkwarf, Staff Auditor
Ethan M. Snedigar, Staff Auditor
Allison L. Carlon, Assistant Auditor
April R. Davenport, Assistant Auditor
Valeria R. Davis, Assistant Auditor
Vivian J. Hustad, Assistant Auditor
Emma L. Kielty, Assistant Auditor
Michael S. Team, Assistant Auditor
Megan A. Waldbillig, Assistant Auditor