

Audit Report

Oversight of the Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Program

Texas Department of State Health Services



**Inspector
General**

Texas Health
and Human Services

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Oversight of the Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Program

Texas Department of State Health Services

Results in Brief

Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Audit) conducted an audit of the Texas Department of State Health Services (DSHS), which managed oversight activities for the Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Program.

DSHS acts as a pass-through entity between the U.S. Centers for Disease Control and Prevention (CDC) and the contracted local health departments for sexually transmitted disease (STD) prevention and control programs. Contracts for all 17 contracted local health departments were valued at \$35.2 million for the period from January 1, 2021, through August 31, 2022.

Summary of Review

The audit objective was to determine whether DSHS, through certain contracting and program management functions, effectively managed the STD/HIV Prevention Services Program.

The audit scope covered the period from January 1, 2021, through August 31, 2022. The audit included a review of the DSHS's internal controls as well as testing of controls that were significant within the context of the audit objective.

Conclusion

The Texas Department of State Health Services (DSHS) managed oversight activities for the Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Program. DSHS had processes in place to review contracts and reimbursements to manage the program. However, management functions did not always effectively ensure (a) program performance measures were met, (b) financial expenditures were supported, (c) security and confidentiality requirements were communicated, and (d) contract development quality assurance checklists were completed timely.

Key Results

DSHS performed contracting and program management activities for the STD/HIV Prevention Services Program, such as verifying that contracts were reviewed and approved before execution and program reimbursements did not exceed total budgets. However, DSHS did not ensure contracted local health departments met program performance measures designed to gauge the effectiveness of the STD/HIV Prevention Services Program. Specifically, DSHS instructed all 17 local health departments contracted to participate in the program to stop reporting variance explanations on program performance measures, including during the audit scope period from January 2021 through August 2022.

DSHS did not always verify that expenditures were allowable because vouchers submitted were not detailed. Not all expenses incurred by the contracted local health departments and reimbursed by DSHS were allowable. Specifically, 12 of 28 vouchers tested, totaling \$1,285,920.94, were submitted with insufficient detail for DSHS to determine allowability.

Background

The DSHS STD/HIV Prevention Services Program is designed to control and prevent the spread of STDs, including human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and viral hepatitis, through services that include education, prevention counseling, medical consultations, diagnosis, treatment, and partner notification. DSHS provides these services through contracts with 17 local health departments and must report outcomes to the CDC.

DSHS is responsible for overseeing the STD/HIV Prevention Services Program by (a) communicating program requirements to contracted local health departments; (b) monitoring program performance outcomes; (c) developing and implementing adequate policies and procedures to oversee the program's budget, expenses, data security, and confidentiality; and (d) following applicable state and federal policies, laws, and regulations.

Management Response

DSHS partially agreed with the audit recommendations and indicated corrective actions would be implemented by February 2024.

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Additionally, while DSHS required the contracted local health departments to appropriately restrict access to confidential data, it did not effectively communicate information security and confidentiality control requirements to contracted local health departments participating in the STD/HIV Prevention Services Program.

DSHS completed its quality assurance process for all 29 STD/HIV Prevention Services Program contract documents reviewed as part of this audit; however, it did not complete the review process for 26 of the 29 contract documents timely. On average, DSHS finalized the process 305 days after the contract or amendment was signed.

Recommendations

DSHS should:

- Enforce contract requirements and direct contracted local health departments to report program performance measures.
- Use information obtained from program performance measure reports to enforce compliance with program requirements and identify opportunities for program improvement.
- Establish processes and controls to limit expenditures to allowable program activities for the STD/HIV Prevention Services Program.
- Develop a process to verify that submitted voucher support forms describe the goods and services provided in sufficient detail to meet state and federal contracting requirements.
- Develop processes to include and update all relevant security requirements in DSHS guidance manuals, instructions, and contract language, as applicable.
- Develop a process to (a) complete the contract development quality assurance process timely and (b) align its STD/HIV Prevention Services Program contracts and amendments with internal DSHS requirements as well as requirements from the Code of Federal Regulations and *Texas Grant Management Standards*.

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Audit Overview

Overall Conclusion

The Texas Department of State Health Services (DSHS) managed oversight activities for the Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Prevention Services Program. DSHS had processes in place to review contracts and reimbursements to manage the program. However, management functions did not always effectively ensure (a) program performance measures were met, (b) financial expenditures were supported, (c) security and confidentiality requirements were communicated, and (d) contract development quality assurance checklists were completed timely.

Objective

The audit objective was to determine whether DSHS, through certain contracting and program management functions, effectively managed the STD/HIV Prevention Services Program.

Scope

The audit scope covered the period from January 1, 2021, through August 31, 2022. The audit included a review of DSHS's internal controls as well as testing of controls that were significant within the context of the audit objective.

Key Audit Results

DSHS performed contracting and program management activities for the STD/HIV Prevention Services Program, such as verifying that contracts were reviewed and approved before execution and program reimbursements did not exceed total budgets. However, DSHS did not ensure contracted local health departments met program performance measures designed to gauge the effectiveness of the STD/HIV Prevention Services Program. Specifically, DSHS instructed all 17 local health departments contracted to participate in the program to stop reporting variance explanations on program performance measures, including during the audit scope period from January 2021 through August 2022.¹

¹ The DSHS direction to not report STD/HIV Prevention Services Program performance measures was in effect for calendar years 2019, 2020, 2021, and 2022.

DSHS did not always verify that expenditures were allowable because vouchers submitted were not detailed. Not all expenses incurred by the contracted local health departments and reimbursed by DSHS were allowable. Specifically, 12 of 28 vouchers tested, totaling \$1,285,920.94, were submitted with insufficient detail for DSHS to determine allowability.

Additionally, while DSHS required the contracted local health departments to appropriately restrict access to confidential data, it did not effectively communicate information security and confidentiality control requirements to contracted local health departments participating in the STD/HIV Prevention Services Program.

DSHS completed its quality assurance process for all 29 STD/HIV Prevention Services Program contract documents reviewed as part of this audit;² however, it did not complete the review process for 26 of the 29 contract documents timely. On average, DSHS finalized the process 305 days after the contract or amendment was signed.

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) offered recommendations to DSHS, which, if implemented, will help improve compliance with applicable requirements.

What Prompted This Audit

During state fiscal year 2022, OIG Audit conducted audits of three local health departments contracted with DSHS to administer STD and HIV control and prevention activities under the STD/HIV Prevention Services Program. These audits identified potential risks and deficiencies specific to DSHS in the following areas:

- STD/HIV Prevention Services Program contract and amendment development.
- Data security and confidentiality.
- Program performance measures.
- Financial oversight.

² Within the scope of the audit, DSHS executed 14 contracts and 63 contract amendments. Of these, OIG Audit reviewed (a) all 14 contracts and (b) 15 of 63 contract amendments.

The “Detailed Audit Results” section of this report presents additional information about the audit results and is considered written education in accordance with Texas Administrative Code.⁵ In addition, other audit issues identified in this report may be subject to OIG administrative enforcement measures.⁶

OIG Audit communicated other, less significant issues to DSHS in a separate written communication.

OIG Audit presented preliminary audit results, issues, and recommendations to DSHS in a draft report dated July 25, 2023. DSHS partially agreed with the audit recommendations and indicated corrective actions would be implemented by February 2024. Management responses from DSHS are included in the report following each recommendation.

OIG Audit recognizes the unique challenges that DSHS faced as a result of the COVID-19 public health emergency, which was present during the audit scope period. OIG Audit thanks management and staff at DSHS for their cooperation and assistance during this audit.

Key Program Data

The DSHS STD/HIV Prevention Services Program is designed to control and prevent the spread of sexually transmitted diseases (STDs), including human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and viral hepatitis, through services that include education, prevention counseling,

STD Prevention and Control

The CDC estimated that approximately 26.2 million new viral and bacterial sexually transmitted infections occurred in 2018.³ STDs are often asymptomatic, and infected individuals may be unaware of their infection. This can result in serious, long-term medical complications.

DSHS contracts with local health departments to monitor, surveil, and respond to STD outbreaks. These efforts are essential for preventing and controlling the spread of STDs.⁴

³ Kristen M. Kreisel et al., “Sexually Transmitted Infections Among US Women and Men: Prevalence and Incidence Estimates, 2018,” *Sexually Transmitted Diseases* 48, no. 4 (Apr. 2021): 208–214, <https://doi.org/10.1097/olq.0000000000001355>.

⁴ U.S. Centers for Disease Control and Prevention Request for Applications (RFA), “Strengthening STD Prevention and Control for Health Departments (STD PCHD),” RFA #CDC-RFA-PS19-1901 (Jan. 1, 2019).

⁵ 1 Tex. Admin. Code § 371.1701 (May 1, 2016).

⁶ 1 Tex. Admin. Code § 371.1603 (May 20, 2020).

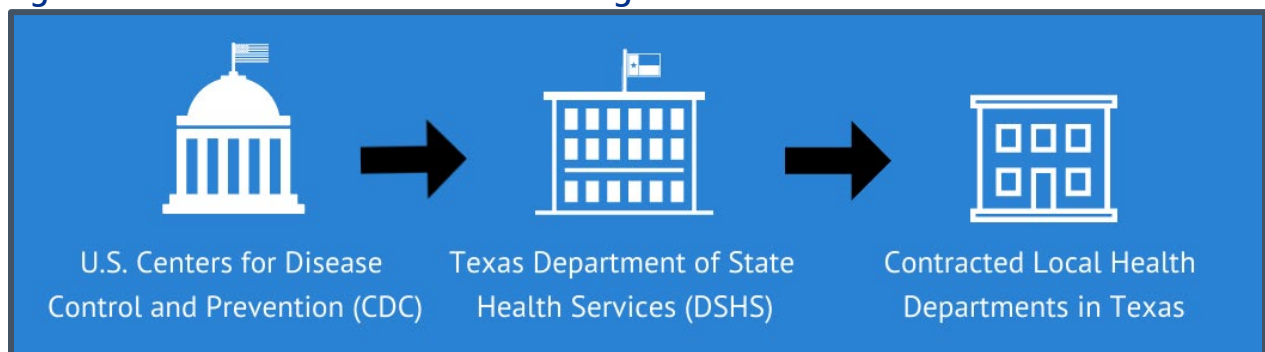
medical consultations, diagnosis, treatment, and partner notification. DSHS provides these services through contracts with 17 local health departments⁷ and must report outcomes to the U.S. Centers for Disease Control and Prevention (CDC).⁸

DSHS is responsible for overseeing the STD/HIV Prevention Services Program by (a) communicating program requirements to contracted local health departments; (b) monitoring program performance outcomes; (c) developing and implementing adequate policies and procedures to oversee the program's budget, expenses, data security, and confidentiality; and (d) following applicable state and federal policies, laws, and regulations.

STD/HIV Prevention Services Program Structure and Budget

DSHS acts as a pass-through entity between the CDC and the contracted local health departments for STD prevention and control programs.⁹ Contracts for all 17 contracted local health departments were valued at \$35.2 million for the period from January 1, 2021, through August 31, 2022. Figure 1 illustrates the STD prevention and control program structure for DSHS.

Figure 1: STD Prevention and Control Program Structure for DSHS



Source: OIG Audit

⁷ The 17 contracted local health departments and their associated contracts are listed in Appendix C. The Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended, is used for referencing contract requirements in this report.

⁸ U.S. Centers for Disease Control and Prevention, Request for Applications (RFA), "Strengthening STD Prevention and Control for Health Departments (STD PCHD)," RFA #CDC-RFA-PS19-1901 (Jan. 1, 2019).

⁹ In 2018, the CDC awarded funding to state, local, and territorial health departments through the Strengthening STD Prevention and Control for Health Departments program.

The contracted local health departments submit a budget to DSHS for each contract year, and DSHS reviews and approves the budget before incorporating it into the final agreement for the year. The contracted local health departments each submit vouchers to DSHS to request reimbursement for allowable expenses.

Auditing Standards

Generally Accepted Government Auditing Standards

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

Detailed Audit Results

OIG Audit reviewed DSHS's oversight of the STD/HIV Prevention Services Program for compliance with selected program requirements. While DSHS had processes in place to review contracts and reimbursements to manage the program, DSHS's oversight activities did not ensure (a) local health departments met performance measures, (b) contract funds were used as intended, (c) data security and confidentiality requirements were communicated to contracted local health departments, and (d) the DSHS contract development quality assurance process was completed timely.

The following sections of this report provide additional detail about the findings of noncompliance identified by OIG Audit.

Unless otherwise described, any year referenced is the contracted year, which covers the period from January 1, 2021, through August 31, 2021, for contract year 2021; and September 1, 2021, through August 31, 2022, for contract year 2022.

Chapter 1: DSHS Did Not Effectively Oversee Contracted Local Health Departments' Performance Measure Outcomes

DSHS's oversight of the STD/HIV Prevention Services Program was not effective to monitor contracted local health departments' outcomes for program performance measures. While DSHS provided general guidance on STD and HIV program objectives through its guidance manual, it directed all 17 contracted local health departments to stop reporting variance explanations on program performance measures, including during the audit scope period from January 2021 through August 2022.^{10,11}

Contracted local health departments are required to perform certain outreach, screening, education, and testing activities to control and prevent the spread of STDs.¹² Program performance measures are designed to measure the effectiveness of the STD/HIV Prevention Services Program and are required by the CDC.¹³ Examples of program performance measures include:

- Interviewing and completing an HIV medical appointment for 90 percent of individuals diagnosed with HIV.
- Completing syphilis tests and treatment for 60 percent of partners exposed to syphilis.

DSHS' Tuberculosis (TB), HIV, STD Integrated System (THISIS) electronic disease surveillance system is used by the contracted local health departments to record outreach, screening, education, and testing activities. In support of OIG Audit projects conducted of three contracted local health departments during state

¹⁰ The DSHS direction to not report STD/HIV Prevention Services Program performance measures was in effect for calendar years 2019, 2020, 2021, and 2022.

¹¹As part of the STD/HIV Prevention Services Program contract, DSHS requires the contracted local health departments to submit a report on public health follow-up and STD surveillance activities. This report is submitted annually and should include program performance measures.

¹² Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended.

¹³ U.S. Centers for Disease Control and Prevention, Request for Applications (RFA), "Strengthening STD Prevention and Control for Health Departments (STD PCHD)," RFA #CDC-RFA-PS19-1901 (Jan 1, 2019).

fiscal year 2022,¹⁴ DSHS calculated selected program performance measures, using the data in THISIS, for the three contracted local health departments and determined that these local health departments consistently did not meet program objectives. Specifically, each of the three local health departments selected did not meet performance measures for:

- 7 of 8 program objectives for 2019.
- 9 of 10 program objectives for 2020.
- 9 of 10 program objectives for 2021.

While the STD/HIV Prevention Program contract required all 17 contracted local health departments to submit reports on public health follow-up and STD surveillance activities,¹⁵ DSHS's direction to exclude program performance measures from these reports meant that DSHS did not obtain performance measures from any of the contracted local health departments during the audit scope. This may have impacted DSHS's ability to ensure the contracted local health departments performed required program activities.

Recommendation 1a

DSHS should enforce contract requirements and direct contracted local health departments to report program performance measures.

Management Response

Action Plan

DSHS HIV/STD program management suspended the enforcement of performance metrics starting in 2020 as a result of measures implemented to prevent the spread of COVID, and the role of the public health activities performed by the contractors in response to the pandemic.

The Local Health Department contractors played a critical role in the state's response to the pandemic to safeguard the public's health. Moreover,

¹⁴ Related OIG audit reports are listed in Appendix E.

¹⁵ Sexually Transmitted Disease/Human Immunodeficiency Virus (STD/HIV) Contract, Contract #HHS000309100001 (Jan. 1, 2019), as amended.

enforcement of performance metrics would have conflicted with measures and protocols implemented to help stem the spread of COVID. For example, outreach and targeted testing requires travel and in-person interactions within the community. These activities were intentionally limited during COVID. By not enforcing contract performance metrics, local health departments were able to align their programmatic efforts and focus on the COVID response.

DSHS began providing monthly and semi-annual (i.e., cumulative six-month period) program performance measure reports to contracted local health departments in April 2022. Contractors will begin responding to performance measure variances on the annual progress report as of September 2023, to be submitted to DSHS as determined by contract terms.

Responsible Manager

Director, HIV/STD Prevention Unit

Target Implementation Date

By September 1, 2023, the HIV/STD unit will require contractors to submit program performance measure reports.

Recommendation 1b

DSHS should use information obtained from program performance measure reports to enforce compliance with program requirements and identify opportunities for program improvement.

Management Response

Action Plan

On March 20, 2020, DSHS Contract Management Section issued an "Administrative Relief for Contractors Impacted by the Novel Coronavirus (COVID-19)." In this notification, waivers from contract activities were provided to address the inability to conduct outreach activities during a time when the public was encouraged to remain at home.

Based on the pandemic event and the inability to perform outreach activities, the DSHS HIV/STD program did not enforce performance metrics starting in 2020 as noted in the response to Recommendation 1a.

By December 1, 2023, DSHS HIV/STD will begin assessments and calculate variances on program performance measures based on annual progress reports submitted by contracted local health departments. To better enforce compliance with program requirements, DSHS will provide a written technical review report, identifying strengths, weaknesses, and recommendations to the contractor. DSHS will also provide technical assistance to local health departments for program improvement as needed or requested. Completion of these technical reviews will identify programmatic gaps which, once addressed, will strengthen Texas' overall HIV/STD prevention and response efforts.

Responsible Manager

Director, HIV/STD Prevention Unit

Target Implementation Date

Starting December 1, 2023, HIV/STD expects to provide an annual technical review report to each HIV/STD contractor.

Chapter 2: DSHS Did Not Always Verify Program Expenditures Were Allowable

While DSHS reviewed and approved each contracted local health department's monthly expenditures, DSHS's review of monthly vouchers did not ensure all uses of program funds met CDC requirements. Further, some vouchers the contracted local health departments submitted did not contain detailed information about program expenses. For example, of 28 vouchers tested as part of this audit, the contracted local health departments submitted 12 vouchers (42.9 percent) to DSHS, totaling \$1,285,920.94, without sufficient detail.¹⁶

During the audit scope, DSHS did not require the contracted local health departments to submit detailed evidence to validate that claimed expenses were allowable or used in support of the STD/HIV Prevention Services Program. In September 2022, DSHS began requiring a voucher support form, which prompts the contracted local health departments to provide details about each cost in categories such as personnel, supplies, and equipment.

DSHS identified reviews conducted by the DSHS Independent Fiscal Support and Oversight Unit (FSO) as a key oversight component to ensure the contracted local health departments used program funds as intended. However, FSO review of the STD/HIV Prevention Services Program was limited to one contracted health department during the audit scope period.

CDC STD Prevention and Control Program Requirements

The CDC grant titled *Strengthening STD Prevention and Control for Health Departments* includes a funding restriction that limits HIV prevention activities to no more than 10 percent of program effort and allocation of funds.¹⁷ This CDC grant is a funding source for all 17 contracted health departments; however, none of the 28 tested vouchers submitted to DSHS by the contracted local health

¹⁶ Texas Comptroller of Public Accounts, *State of Texas Procurement and Contract Management Guide*, "Invoice Review," v. 1.3 (Dec. 31, 2019) through v. 2.1 (May 3, 2022).

¹⁷ U.S. Centers for Disease Control and Prevention Request for Applications (RFA), "Strengthening STD Prevention and Control for Health Departments (STD PCHD)," RFA #CDC-RFA-PS19-1901, Part II, § D(17) (Jan. 1, 2019).

departments specified whether the voucher related to costs for HIV prevention activities. For example, 6 of 28 vouchers tested only included the total monthly expenditures with no additional information.

Recommendation 2a

DSHS should establish processes and controls to limit expenditures to allowable program activities for the STD/HIV Prevention Services Program.

Management Response

Action Plan

DSHS Contract Management Section (CMS) requires all contractors to submit an invoice and supporting documentation. In fiscal years 2020, 2021, and 2022, contractors provided expenditures by activity code to align with the statement of work. During the current fiscal year 2023, the contractor's supporting documentation requirement for reporting expenditures included both activity code and category to align with the contract.

To address this recommendation, starting in Fiscal year 2024, Contractor expenditure reporting will include a requirement to report their expenditures by category and line-item to better determine allowability by identifying specific services or goods.

Responsible Manager

Contract Management Section Director

Target Implementation Date

By September 1, 2023, new invoice reporting requirements will start and be communicated to programs with contracts and to their contractors.

Further development of the use of these requirements is addressed in the response to recommendation 2b.

Recommendation 2b

DSHS should develop a process to verify that submitted voucher support forms describe the goods and services provided in sufficient detail to meet state and federal contracting requirements.

Management Response

Action Plan

DSHS CMS currently has a verification process for all contracts and will ensure the process is followed for HIV/STD contracts. Fiscal year 2024 contractors will be required to submit additional detailed support documentation with their monthly invoices to meet state and federal contracting requirements.

Responsible Manager

Contract Management Section Director

Target Implementation Date

By November 30, 2023, DSHS CMS will make a series of notifications and hold trainings with internal staff and with contractors to ensure an understanding of the current year's processes.

Chapter 3: DSHS Did Not Provide Effective Guidance on Some Security and Confidentiality Requirements

DSHS did not effectively communicate data security requirements to the contracted local health departments. While DSHS required the contracted local health departments to restrict access to confidential data, it did not incorporate all applicable HHS security requirements into (a) its contracts with local health departments or (b) its guidance manual.

DSHS's guidance manual included some security and confidentiality instructions; however, those instructions did not always align with HHS security requirements. For example, DSHS's guidance manual stated that all software used to access HIV/STD confidential data should be password protected; however, this manual did not specifically require password protection.¹⁸ HHS Information Security Controls (IS-Controls) requires user identification and authentication before allowing access to information systems.¹⁹

Because DSHS did not effectively communicate security and confidentiality requirements to the contracted local health departments, there is an increased risk that protected health information may be accessed by unauthorized users. Ineffective communication and guidance may have contributed to the security and confidentiality issues identified in the audits of contracted local health departments.

Recommendation 3

DSHS should develop processes to include and update all relevant security requirements in DSHS guidance manuals, instructions, and contract language, as applicable.

¹⁸ Texas DSHS, *Program Operating Procedures and Standards*, § 8.3.3 (Nov. 2014).

¹⁹ Texas HHS Information Security, *Information Security Controls (IS-Controls)*, Appendix B, (IA) Identification and Authentication, v. 1.1 (Sept. 28, 2020) through v. 1.2.2, (Dec. 20, 2021).

Management Response

Action Plan

Since February 2023, the DSHS HIV/STD program has been working diligently with the DSHS Privacy Officer to update and better align program procedures with agency security requirements in two key areas:

Procedure 2016.01 update: DSHS HIV/STD Section is currently engaged with the DSHS Privacy Office in reviewing and revising Procedure 2016.01 to ensure alignment with DSHS and CDC privacy and security standards. Upon completion, the program will review and revise all Program Operating Procedures and Standards (POPS) to ensure all privacy and security requirements are aligned with Procedure 2016.01 standards. This will include revising POPS Chapter HIV/STI Surveillance 8.3.3 to require appropriate protections for storing and accessing confidential information.

Identification & Authentication: DSHS HIV/STD program procedures currently capture the requirements for user identification and authentication before allowing access to the TB, HIV, STD Integrated System (THISIS). These procedures are available to all staff and contractors online. DSHS will disseminate this resource to contractors before December 1, 2023.

Responsible Manager

Operations Director, HIV/STD Operations Unit

Target Implementation Date

Identification and authentication procedures and requirements are now in place and are available to all staff within an internal link.

By December 1, 2023, DSHS HIV/STD will disseminate the link to the THISIS identification and authentication resource to contractors.

By December 31, 2023, DSHS HIV/STD Section Procedure 2016.01 will be updated.

By February 1, 2024, POPS Chapter HIV/STI Surveillance 8.3.3 will be updated.

Chapter 4: DSHS Did Not Complete Its Contract Development Quality Assurance Checklist Timely

DSHS uses its contract development quality assurance checklist when processing each STD/HIV Prevention Services Program contract or amendment.²⁰ However, DSHS did not complete 26 of 29 (89.7 percent) contract development quality assurance checklists timely. Specifically, DSHS finalized the 26 checklists an average of 305 days after the associated contract or amendment was signed.

While DSHS developed and implemented a contract development quality assurance process, it was not completed timely. Quality assurance processes can be a key component in an entity's efforts to meet state and federal requirements.

Recommendation 4

DSHS should develop a process to (a) complete the contract development quality assurance process timely and (b) align its STD/HIV Prevention Services Program contracts and amendments with internal DSHS requirements as well as requirements from the Code of Federal Regulations and *Texas Grant Management Standards*.

Management Response

Action Plan

DSHS conducts all required elements of the contract development timely, to ensure there is not a gap in service. CMS currently has a detailed and robust Contract Development Quality Assurance (QA) Checklist that documents each contracting milestone and various controls. The QA Checklist is compliant with the PCS Contract Management Handbook, Texas Grant Management Standards, and federal requirements. To improve the timeliness of QA Checklist completion documentation, CMS will conduct refresher work sessions for Contract Managers by September 2023.

²⁰ Texas DSHS Operating Procedure, "Contract Development Quality Assurance Checklist," OP-18-103 (Mar. 16, 2018).

Responsible Manager

Contract Management Section Director

Target Implementation Date

By September 15, 2023, staff training will be completed.

Appendix A: Objective, Scope, and Criteria

Objective and Scope

The audit objective was to determine whether DSHS, through certain contracting and program management functions, effectively managed the STD/HIV Prevention Services Program.

The audit scope covered the period from January 1, 2021, through August 31, 2022. The audit included a review of DSHS's internal controls as well as testing of controls that were significant within the context of the audit objective.

Criteria

OIG Audit used the following criteria to evaluate the information provided:

- 2 C.F.R. § 200 (2020)
- Texas Comptroller of Public Accounts, *State of Texas Procurement and Contract Management Guide*, v. 1.3 (2019) through v. 2.1 (2022)
- Texas Comptroller of Public Accounts, *Texas Grant Management Standards*, v. 1.0 (2020) through v. 1.1 (2021)
- Texas HHS Information Security, *Information Security Controls (IS-Controls)*, v. 1.1 (2020) through v. 1.2.2 (2021)
- Texas HHS, *Procurement and Contract Management Handbook*, v. 1.0 (2020) through v. 1.1 (2022)
- U.S. Centers for Disease Control and Prevention, Request for Applications (RFA), "Strengthening STD Prevention and Control for Health Departments (STD PCHD)," RFA #CDC-RFA-PS19-1901 (2019)
- Texas HHS, "Procurement and Contracting Services (PCS) Policy," Policy no. 353, v. 01.30 (2020 through 2021)
- Texas DSHS Operating Procedure, "Contract Development Quality Assurance Checklist," OP-18-103 (2018)
- Texas DSHS Operating Procedure, "Invoice Review Process," OP-18-202 (2018)

Appendix B: Detailed Methodology

OIG Audit engaged DSHS on August 2, 2022, providing information about the upcoming audit, and conducted fieldwork from November 3, 2022, through March 28, 2023.

To accomplish the audit objectives, auditors:

- Conducted interviews with DSHS management and staff with oversight responsibilities for policies, procedures, and processes governing the STD/HIV Prevention Services Program.
- Reviewed relevant documentation, such as policies and procedures for contract development, invoice reimbursement, performance measurement, and data security and confidentiality controls.
- Performed selected tests of the relevant documentation.

OIG Audit also reviewed DSHS's system of internal controls, including components of internal control,²¹ within the context of the audit objectives.

Data Reliability

To assess the reliability of data provided by DSHS, auditors interviewed DSHS personnel who were knowledgeable about the systems and data. OIG Audit determined the data was sufficiently reliable for the purposes of this audit.

Testing Methodology

OIG Audit collected information for this audit through interviews and electronic communications with DSHS management and staff. Additionally, OIG Audit reviewed DSHS's:

- Oversight of STD/HIV Prevention Services Program (a) performance measures and (b) key data security and confidentiality controls.

²¹ For more information on the components of internal control, see the United States Government Accountability Office's *Standards for Internal Control in the Federal Government*, (Sept. 2014), <https://www.gao.gov/assets/gao-14-704g.pdf> (accessed Apr. 16, 2021).

- Review and approval of monthly vouchers for the STD/HIV Prevention Services Program.
- Communication of security and confidentiality requirements to contracted local health departments providing services for the STD/HIV Prevention Services Program.
- Quality assurance process for developing and executing contracts and amendments.

Sampling Methodology

Auditors selected nonstatistical samples, through both random and risk-based selections. These sample designs were chosen to ensure risk-based samples included specific characteristics, such as payments made in the last quarter of the contract year. The sample items were generally not representative of the populations; therefore, it would not be appropriate to project the test results to the populations.

Appendix C: Local Health Department Contracts

Table C.1 identifies the 17 local health departments contracted with DSHS to provide STD/HIV Prevention Services Program services.

Table C.1: Contracted Local Health Departments

Local Health Department Name	Contract Number(s)
City of Amarillo	HHS001120300001
City of Austin	HHS000288900001, HHS001120300002
City of Corpus Christi	HHS001120300007
City of El Paso	HHS000288900002, HHS001120300003
City of Houston	HHS000309100001, HHS001120300004
City of Lubbock	HHS001120300005
City of San Antonio	HHS000288900006, HHS001120300013
City of Wichita Falls	HHS001120300012
Collin County	HHS001120300006
Dallas County	HHS000288900005, HHS001120300008
Denton County	HHS001120300009
Fort Bend County	HHS001120300010
Galveston County Health District	HHS000288900004, HHS001120300011
Harris County Hospital District	HHS000322300001
Nueces County	HHS000288900003
Tarrant County	HHS000288900007, HHS001120300014
University of Texas Rio Grande Valley	HHS000751000001

Source: OIG Audit

Appendix D: Summary of Recommendations

Table D.1: Summary of Recommendations to DSHS

No.	Recommendation
1a	DSHS should enforce contract requirements and direct contracted local health departments to report program performance measures.
1b	DSHS should use information obtained from program performance measure reports to enforce compliance with program requirements and identify opportunities for program improvement.
2a	DSHS should establish processes and controls to limit expenditures to allowable program activities for the STD/HIV Prevention Services Program.
2b	DSHS should develop a process to verify that submitted voucher support forms describe the goods and services provided in sufficient detail to meet state and federal contracting requirements.
3	DSHS should develop processes to include and update all relevant security requirements in DSHS guidance manuals, instructions, and contract language, as applicable.
4	DSHS should develop a process to (a) complete the contract development quality assurance process timely and (b) align its STD/HIV Prevention Services Program contracts and amendments with internal DSHS requirements as well as requirements from the Code of Federal Regulations and <i>Texas Grant Management Standards</i> .

Source: OIG Audit

Appendix E: Related Reports

- The Sexually Transmitted Disease/ Human Immunodeficiency Virus (STD/HIV) Prevention Services Grant Program: City of Houston Health Department, [AUD-22-018](#), August 11, 2022
- The Sexually Transmitted Disease/ Human Immunodeficiency Virus (STD/HIV) Prevention Services Grant Program: Dallas County Health and Human Services, [AUD-22-017](#), August 2, 2022
- The Sexually Transmitted Disease/ Human Immunodeficiency Virus (STD/HIV) Prevention Services Grant Program: San Antonio Metropolitan Health District, [AUD-22-014](#), July 15, 2022

Appendix F: Resources for Additional Information

The following resources provide additional information about the topics covered in this report.

For more information on the DSHS HIV/STD Program:

"HIV/STD Program," Texas Department of State Health Services,
<https://www.dshs.texas.gov/hivstd/> (accessed June 19, 2023)

For more information on the Strengthening STD Prevention and Control for Health Departments program:

"NOFO: PS19-1901 Strengthening STD Prevention and Control for Health Departments (STD PCHD)," U.S. Centers for Disease Control and Prevention, <https://www.cdc.gov/std/funding/pchd/default.htm> (accessed June 19, 2023)

For more information on the CDC National Center for HIV, Viral Hepatitis, STD, and TB Prevention:

"National Center for HIV, Viral Hepatitis, STD, and TB Prevention," U.S. Centers for Disease Control and Prevention,
<https://www.cdc.gov/nchhstp/default.htm> (accessed June 19, 2023)

For more information on DSHS:

Homepage, Texas Department of State Health Services,
<https://www.dshs.texas.gov/> (accessed June 19, 2023)

Appendix G: Report Team and Distribution

Report Team

OIG staff members who contributed to this audit report include:

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- Sarah Corinne Warfel, CPA, CISA, Audit Director
- Leia Villaret, CGAP, Senior Auditor
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- Josh Hutchison, HIV/STD Section Director
- Samuel Hebbe Goings, Director, HIV/STD Prevention Unit
- Patty Melchior, Contract Management Section Director
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Appendix H: OIG Mission, Leadership, and Contact Information

The mission of OIG is to prevent, detect, and deter fraud, waste, and abuse through the audit, investigation, and inspection of federal and state taxpayer dollars used in the provision and delivery of health and human services in Texas. The senior leadership guiding the fulfillment of OIG's mission and statutory responsibility includes:

- Sylvia Hernandez Kauffman, Inspector General
- Kacy J. VerColen, Chief of Audit and Inspections
- Diane Salisbury, Chief of Data Reviews
- Susan Biles, Chief of Staff, Chief of Policy and Performance
- Erik Cary, Chief Counsel
- Matt Chaplin, Chief of Operations
- Steve Johnson, Chief of Investigations and Utilization Reviews

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- Phone: 1-800-436-6184

To Contact OIG

- Email: oig.generalinquiries@hhs.texas.gov
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- Phone: 512-491-2000