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April 8, 2003

Thomas R. Frieden, M.D., M.P.H.
Commissioner
New York City Department of Health and Mental Hygiene
125 Worth Street
New York, NY 10013

Re: Report 2002-F-30

Dear Dr. Frieden:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, Article II, Section 8 of the State Finance Law, and Article III of the General Municipal Law, we have reviewed the actions taken by officials of the New York City Department of Health and Mental Hygiene (DOHMH) as of February 12, 2003 to implement the recommendations contained in our audit report, *New York City Department of Health – Monitoring of AIDS/HIV Prevention Services Contracts* (Report 2000-N-13). Our report, which was issued on May 31, 2001, addressed DOHMH's monitoring of contractors who provide AIDS/HIV prevention services.

Background

For the years 1985 through 2001, the cumulative total of newly reported AIDS cases for New York City (City) was 128,141. The DOHMH Bureau of HIV Prevention (Bureau) funds programs implemented by AIDS service organizations to prevent the spread of HIV and AIDS to City residents at risk of acquiring the virus. As of February 2003, the Bureau had 68 three-year contracts for such prevention services. DOHMH entered into a contract with the not-for-profit Medical and Health Research Association of New York City, Inc. (MHRA) effective November 1, 2000, to administer the DOHMH HIV/AIDS prevention contracts. Therefore, the recommendations in Report 2002-N-13 are applicable to the services of MHRA as well as DOHMH. The Bureau's Office of Contract Management (Contract Management) monitors MHRA and certain other contracts that DOHMH administers.

Summary Conclusions

In our prior audit, we found that Contract Management did not conform to its own monitoring guidelines that require the development of monitoring plans tailored to a specific contract and its goals, and did not perform the specified number of activity observations/site visits and annual program reviews. We also found that Contract Management lacked clearly defined performance standards and needed to develop corrective action plans to improve the performance of contractors that did not achieve program goals.

In our follow-up review, we determined that officials of DOHMH and MHRA have implemented all of the recommendations contained in our prior report.

Summary of Status of Prior Audit Recommendations

All seven of the prior audit recommendations have been implemented by DOHMH and MHRA officials.

Follow-up Observations

Recommendation 1

Develop tailored monitoring plans for each contract.

Status – Implemented

Agency Action – MHRA classifies all AIDS prevention contracts under four initiatives – Prevention Case Management, Peer Training Institute, Prevention Collaborative Initiative and Multi-module. Monitoring plans, developed by MHRA and approved by DOHMH, are in place for all four initiatives.

Recommendation 2

Develop and tailor new site visit forms for each contract that summarize the contractual requirements/scope of services being performed by the contractor.

Status – Implemented

Agency Action – MHRA program monitors create a Site Visit Report for each site visit. The Site Visit Report includes information on each program's delivery of service based on the scope of services outlined in the contract. The MHRA program monitors also verify each contractor's delivery of services against the contractor's monthly report.

Recommendation 3

Take steps to ensure that contract monitors conduct all required activity observations and site visits.

Status – Implemented

Agency Action – DOHMH conducts meetings with MHRA and receives quarterly reports that enumerate site visits conducted. We examined a sample of six contract folders where site visits were required to be conducted. For each Site Visit Report, we found there was a checklist and brief narrative verifying that all observations were conducted.

Recommendation 4

Clearly define the performance standard contractors must achieve before monitors recommend them for placement on a corrective action plan.

Status – Implemented

Agency Action – The monitoring plans developed for each initiative include the performance indicators that would place a program on a watch list or require a corrective action plan. The indicators used in assessing whether a contract is recommended to be placed on a watch list or requires a corrective action plan in the first year of a contract include: key staff not hired within six months; site not ready to provide services within six months or actual core services below 70 percent of projected year-to-date service targets and/or other service deliverables not provided, or not adequately provided, within 90 days of the projected time frame. In subsequent contract years, placement on a watch list or preparation of a corrective action plan should occur when: services provided are not consistent with the approved scope of services; actual core services fall below 80 percent of the projected year-to-date service targets and/or other core service deliverables are not provided, or not adequately provided, within 60 days of the projected timeframe.

Recommendation 5

Initiate corrective action plans when contractors do not achieve program goals.

Status – Implemented

Agency Action – Four of the seven contracts we reviewed required corrective action plans. In all four cases, the plans were initiated.

Recommendation 6

Take steps to ensure that monitors document their review of the contractors' monthly reports.

Status – Implemented

Agency Action – MHRA requires that contractors submit monthly reports before vouchers are paid. In addition to providing fiscal data, monthly reports include programmatic information such as staffing levels, outreach efforts and levels of service. MHRA's review is documented by

the MHRA Program Coordinator's signature on the vouchers. Additionally, MHRA staff members also enter data from the monthly reports onto a computer.

Recommendation 7

Take steps to ensure that contractors fully report on the accomplishment of contract goals on a regular basis.

Status – Implemented

Agency Action – As noted in the Agency Action section of Recommendation 6, MHRA requires contractors to submit monthly reports. These reports include information regarding the accomplishment of contract goals. In reviewing a sample of contracts, we found that in most cases the required monthly reports were submitted and included accomplishment of contract goals. In those cases where a monthly report was not submitted, no payment was made and the program was subject to a corrective action plan or placement on a watch list.

Also, MHRA reports to DOHMH on the accomplishment of its contract goals on a quarterly basis. We reviewed a copy of this report and found it includes: number of site visits conducted for the period; cumulative site visits for the year; and compliance status by category (e.g., number of compliant contracts, number of corrective action plans requested, and number of contracts on the watch list).

Major contributors to this report were Allen Cohen, Tenneh Blamah and Jeffrey Marks.

We thank the management and staff of DOHMH and MHRA for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Kevin M. McClune
Audit Director

cc: Charles Troob, DOHMH