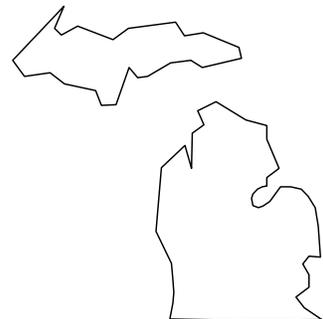


DEPARTMENT OF COMMUNITY HEALTH
FOLLOW-UP REVIEW OF VITAL RECORDS
AND HEALTH DATA STATISTICS

Michigan Department of Community Health
Office of Audit
Special Audits, Review and Compliance Office
November 2007





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JANET OLSZEWSKI
DIRECTOR

November 1, 2007

Ms. Janet D. Olszewski, Director
Department of Community Health
Capitol View Building, 7th Floor
201 Townsend Street
Lansing, Michigan 48933

Dear Ms. Olszewski:

This is our report on the results of our follow-up review of the findings and recommendations contained in the Office of the Auditor General's Performance Audit of Vital Records and Health Data Statistics.

This report contains an introduction; background information; review scope and methodology; and follow-up conclusions.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Pam Myers".

Pam Myers, Acting Director
Office of Audit

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INTRODUCTION

This special report contains the results of our follow-up review of the findings and recommendations reported in the Office of the Auditor General (OAG) Performance Audit of Vital Records and Health Statistics for the period October 1, 2001 through June 30, 2004. The OAG audit report contained 11 findings and 13 corresponding recommendations. DCH's preliminary responses indicated that it generally agreed with all of the recommendations.

PURPOSE OF REVIEW

The purpose of this follow-up review was to determine whether DCH had taken appropriate steps to implement the recommendations related to these findings.

BACKGROUND

Within the Department of Community Health's Bureau of Epidemiology, the Division for Vital Records and Health Statistics registers, codes, and maintains the vital records of the state and provides health related data and statistics based on information from the vital records or other health data providers. The Bureau's mission is to maintain the statewide vital records system and to provide health related data and information.

The Division for Vital Records and Health Statistics is responsible for determining if an individual requesting information is eligible to receive the information and for processing incoming requests, identifying the location of the vital records, pulling requested documents, and forwarding certified copies of requested records. The Division is also responsible for determining if requests to change vital record information are properly supported and to document the change on the vital record. In addition, the Division inputs birth certificates into the Birth Registry System and processes requests for vital

records from the Department of Human Services. Further, the Division obtains health data from health providers, compiles and analyzes the data, and provides information to the public in a useful format.

The Vital Records and Health Statistics Division accepts vital records from local registrars, extracts data from vital records, develops data pools, creates and maintains statistical reports, and provides information to the National Center for Health Statistics and to the Centers for Disease Control and Prevention. The Division is responsible for microfilming vital records for permanent storage, processing affidavits of paternity, and maintaining information within the Central Paternity Registry. Also, the Division places medical and demographic coding data onto death records and abortion notices, creates electronic data pools on death, and provides information on Michigan residents who died out of state. In addition, the Division is responsible for the development, operation, and use of the birth defects and cancer databases, and maintenance of the Michigan birth defects and cancer registries.

The activities of the Division, related to vital records and health statistics, are funded by a variety of sources, including user fees, the federal government, and the Department of Human Services.

REVIEW SCOPE AND METHODOLOGY

Our review procedures were of limited scope; therefore they should not be considered an audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States.

Our review procedures began August 2006 and continued through July 2007, and included an examination of updates made to the databases, review of security and inventory practices, as well as interviews with applicable DCH staff.

FOLLOW-UP REVIEW RESULTS

1. Periodic Reviews of Local Registrar Offices and Hospitals

The Bureau did not periodically review the controls of local registrar offices and hospitals to ensure that these local units had sufficient safeguards over vital records, safety paper, or blank documents used to generate vital records.

Recommendation

The Bureau periodically review the controls of local registrar offices and hospitals to ensure that these local units have sufficient safeguards over vital records, safety paper, and blank documents used to generate vital records.

DCH Preliminary Response

The Bureau accepted the finding and agreed in principle with the recommendation. However, the Bureau pointed out that while state statute provides the State Registrar with superintending control over local registrar offices and control over the activities of the local officials, the statute is silent concerning the degree of authority or control that the State Registrar could realistically impose over those offices and activities. In addition, the Bureau does not necessarily agree that the only solution is through on-site monitoring. The Bureau added that because it no longer has staff or a budget to fund a field program, periodic on-site monitoring is not practical.

The Bureau stated it is currently reviewing the findings identified in the audit and will develop a strategy for communicating and reinforcing the importance of these issues through future training sessions. The Bureau indicated that a number of efforts are planned to address and reinforce the understanding of local registrars and hospitals on secure handling of vital records. The Bureau also indicated that it is in the process of revising and replacing the instructional manuals issued to local registrars and expects these manuals to be distributed in the fall of 2005. The Bureau stated it will also continually review and assess the feasibility of conducting and implementing on-site monitoring of local registrar offices and hospitals should resources become available.

Follow-up Review Conclusion

The Bureau has not fully complied with this recommendation.

The Bureau drafted a revised manual that has not yet been provided in whole to local registrars. Due to new pending federal guidelines, which would require extensive revisions to state practices, and due to the expense involved in mailing the manual a final version has not been produced for distribution. Instead, the local registrars have received written guidance, beginning in January 2006, covering such areas as safety paper storage, security of blank birth and death forms, release of vital records information, confidentiality, and fraud prevention. This written guidance provides suggestions for means of improving controls. In addition, training in the controls for vital records, safety paper, and blank documents has been provided to the county clerks, but not to city registrar offices or hospitals. Training for city registrars is planned for September 2007.

Due to staffing and budget restraints there is no on-site monitoring of local registrars being done. Bureau staff has performed a one-time site visit to those registrars audited by the OAG to evaluate progress in correcting the deficiencies noted by the OAG and have issued reports on the results of those visits.

Subsequent to the completion of our review we were informed by the Bureau that 12 training sessions were conducted. The sessions were attended by 330 people representing 99 registration areas. Any offices unable to attend the training were provided with training materials and handouts. The Bureau believes that a revised manual is not essential to reaching compliance relative to training. Although a revision to the manual was listed as an intended way of addressing training concerns, the Bureau believes other actions taken have sufficiently and more effectively addressed the original concerns.

2. Retrieval of Vital Records From Local Clerk Offices

The Bureau did not retrieve vital records in the possession of local clerk offices that no longer had the authority to accept or issue those documents. Local clerk offices had not properly secured some of the vital records, had improperly issued vital records, and had allowed unauthorized individuals to access these documents.

Recommendation

The Bureau retrieve vital records in the possession of local clerk offices that no longer have the legal authority to accept or issue those documents.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. A series of actions were initiated to address this issue when it surfaced as part of the audit issued in 1991, extensive surveys of local offices were conducted, communications were distributed to closed offices with records in their files, and funds were requested but not approved to develop a comprehensive program to recover and inventory the vital records.

The Bureau will contact every local office believed to continue to retain vital records by letter, by certified letter, and by phone, if necessary. Each office will be advised of the need to secure these records, to prevent access to them, and to refrain from issuing copies. The Bureau will again request that all of those documents and all blank vital records forms be forwarded to the Bureau. The Bureau has started this project and will follow up with telephone calls to any office that fails to respond and, while it will not be possible to visit every local office, the Bureau will attempt to conduct further follow-up, as necessary, through site visits to the local offices. The Bureau expects to have this issue resolved by May 2006.

Follow-up Review Conclusion

The Bureau has not fully complied with this recommendation.

Considerable progress has been made in complying with this recommendation. As of July 26, 2007 an initial mailing and a follow-up mailing have resulted in 99.7% of the local clerks offices either returning the records and blank forms they had in their possession or responding in writing that they no longer have any records or blank forms. There has been a response from 1,418 of 1,422 local offices contacted. A request has been submitted to the Attorney General to determine the legal authority for DCH to demand that the local registrar offices either return the remaining records to DCH or an active registrar office.

Subsequent to the completion of our review we were informed by the Bureau that all local offices have been contacted; there is one office with records to be shipped and one office that refuses to relinquish their records. The Bureau is still awaiting the Attorney General's opinion on legal authority for the Bureau to force this one office to release these records.

3. Retention of Supporting Documentation

The Bureau did not retain all documentation to support changes to vital records and customer requests for information consistent with established retention periods.

Recommendation

The Bureau retain all documentation to support changes to vital records and customer requests for information consistent with established retention periods.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. The Bureau stated that since June 2003 documents have been maintained and are being handled according to the disposal and retention schedule.

The Bureau also stated that it has developed written policies to ensure that it retains requests for exemplified copies of vital records for five years as required by the disposal and retention schedule.

Follow-up Review Conclusion

The Bureau has complied with this recommendation, but has not yet completed all the actions indicated in the preliminary response.

The Bureau has retained documentation that supports changes to vital records going back to June of 2003; however, due to the methods used for maintaining these records we were unable to determine if these records were complete. The Bureau stated in the preliminary response that it had developed written policies to ensure it retained requests for exemplified copies. The Bureau was not able to locate policies regarding the retention of any type of vital records, including the policy on retention of requests for exemplified copies of vital records. The Bureau utilizes the official disposal and retention schedules developed by the Department of History, Arts, and Libraries as the definitive statement on records retention.

4. Periodic Inspections of Vital Record Contractors

The Bureau did not require periodic inspections of contractors responsible for the microfilming and data entry of vital records to ensure that the contractors properly secured the vital records that were in their possession.

Recommendation

The Bureau require periodic inspections of contractors responsible for the microfilming and data entry of vital records to ensure that the contractors properly secure the vital records that are in their possession.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. The Bureau stated that there are currently three vendors under contract that work with vital records. The Bureau stated that site visits had been conducted for all three and that data security agreements were in place for one vendor and pending, with expected completion date of July 15, 2005, for another. The site visits did not reveal anything significant regarding the security over the records.

Follow-up Review Conclusion

The Bureau has not fully complied with this recommendation.

The Bureau has documentation to support the completion of on-site visits for two of the five vendors contracted from 2003 to 2006 to ensure that they properly secured vital records in their possession. The Bureau stated that a visit occurred for a third vendor, but no documentation of that site visit could be located. The site visits completed did not reveal any significant issues. There are currently four vendors under contract that have access to confidential vital records documents. The last on-site visit was conducted in June of 2005. Visits for the remaining vendors are expected to be completed during September 2007. The Bureau has not yet developed written policies or procedures which establish requirements for periodic reviews of the vendors.

Subsequent to the completion of our review we were informed by the Bureau that all current vendors have received inspections. They intend to conduct inspections upon awarding any contract to a new vendor and within the first year of operations by that vendor. Inspection of existing vendors will be conducted when warranted by events that would indicate the vendor may have deviated from required procedures. All contracts that involve the processing of confidential data shall include terms that allow DCH the right of inspection.

5. Controls Over High-Risk Delayed Registrations of Birth

The Bureau did not have controls to ensure that applications for high-risk delayed registrations of birth were notarized or that Bureau management reviewed these applications. As a result, the Bureau could not ensure that applications for high-risk delayed registrations of birth were properly reviewed and approved.

Recommendation

The Bureau establishes controls to ensure that applications for high-risk delayed registrations of birth are notarized and that Bureau management reviews these applications.

DCH Preliminary Response

The Bureau agreed with the finding and corresponding recommendation. The Bureau has developed a new cover sheet to assist vital records staff in the decision-making process. The cover sheet also serves as documentation of management sign-off on these requests and that the Bureau Policy 91-400 was expanded to consider all requests for delayed birth certificates as “high risk.” The Bureau also stated that all requests for delayed birth certificates must be reviewed and approved by the manager of the Vital Records and Health Data Services Section, prior to issuing the new record or denying the request. The application to create a delayed birth record, which requires notarization by a public notary per *Michigan Administrative Code R 325.3220(2)*, was revised and has been in place since August 2004.

Follow-up Review Conclusion

The Bureau has complied with this recommendation; however, all the actions indicated in the preliminary response are not yet completed.

The Bureau complied with the recommendation by implementing the use of a cover sheet that requires management to sign as documentation of approval. The application contains a designated spot for notarization in compliance with *Michigan Administrative Code R 325.3220(2)*.

The Bureau did not amend/expand Bureau Policy 91-400 as indicated in the preliminary response “to consider all requests for delayed birth certificates as ‘high risk.’” However, a revision of this policy was finalized in May 2007 without the indicated additional wording.

6. Environmental Conditions in the Vital Records Vault

The Bureau did not monitor the environmental conditions within its Lansing vault used to store vital records.

Recommendation

The Bureau monitor the environmental conditions within its Lansing vault used to store vital records.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. The Bureau started to actively monitor the environmental conditions in the vault on May 27, 2004 and the supervisor of the Record Search Subunit is now responsible for conducting weekly checks on the temperature and humidity within the vault.

Follow-up Review Conclusion

The Bureau has complied with this recommendation.

The supervisor of the Record Search Subunit is conducting weekly checks on the temperature and humidity within the vault. A second independent gauge was installed in April 2007 to verify the accuracy of the internal gauges. Readings of both devices are recorded on a log. The logs are not currently being signed or initialed by the individual taking the reading. This would provide additional documentation to support the regular monitoring being conducted.

7. Central Paternity Registry (CPR) Database

The Bureau did not maintain security agreements for all individuals who had access to the CPR database. Also, the Bureau did not monitor usage of the CPR database.

Recommendations

The Bureau maintain security agreements for all individuals who have access to the CPR database.

The Bureau monitor usage of the CPR database.

DCH Preliminary Response

Bureau agreed with the finding and both recommendations. The Bureau has retained signed CPR security agreements since 2000. All active users, without a signed agreement on file, have now been contacted and required to resubmit an agreement as a condition of continued access. Discussions with DHS have been held to establish a clear understanding of the need for a usage monitoring procedure by DHS staff in order to ensure appropriate use of the CPR database. An agreed upon approach will be included in the interagency agreement concerning the operation of the CPR database covering fiscal year 2005-06 activities.

Follow-up Review Conclusion

Bureau has only complied with one of the recommendations.

The Bureau indicated that all active users now have a signed security agreement on file. We tested a sample of nine employees and found signed security agreements for each.

The FY 2005/2006 Interagency Agreement with DHS calls for routine monitoring of the usage of the CPR database by DHS. This is to include CPR usage audits of individual users on a periodic basis, and as needed, whenever improper systems usage is known or suspected. DHS will report immediately to DCH whenever improper

usage of the system is identified. In addition, an annual report concerning systems usage monitoring will be submitted to DCH by DHS. Currently, reports are generated by the Bureau and passed along to DHS for review and determination of misuse and/or abuse. Bureau staff members have indicated that they have received no response from DHS regarding their monitoring. DHS has further indicated that “a report is being worked on now,” however, DCH has received none of the reporting required by the current interagency agreement. DCH will require that a reporting process be finalized before any new Interagency Agreement for FY 2007/2008 can be finalized. DHS has suggested that an updated policy and procedure manual should be distributed to CPR users. The manual is being drafted at this time with an expected completion date of October 31, 2007.

8. Microfilm Files

The Bureau did not preserve all vital record information on microfilm for inclusion into the Bureau’s archive files. Also, the Bureau did not perform periodic physical inventories of its backup and archival microfilm.

Recommendation

The Bureau preserve all vital record information on microfilm for inclusion into the Bureau’s archive files.

The Bureau perform periodic physical inventories of its backup and archival microfilm.

DCH Preliminary Response

The Bureau agreed with the finding and recommendations. The Bureau stated that the applications prior to June of 2003 had been destroyed so it is no longer possible for the Bureau to microfilm those documents. All delayed records for the period January 1999 through June 2004 will be microfilmed. Electronic indexing of these records was completed in fall 2004, the records have been boxed and sent to the

vendor for microfilming, and the entire project should be completed by August 1, 2005.

In conjunction with State Records Center staff, the Bureau has completed a physical inventory of microfilm maintained in its office, at the State Records Center, and also at an off-site record location. Inventories of microfilm for all vital record types, except birth, are in an electronic format. The birth inventory of microfilm is still on paper but is being converted to an electronic format.

Follow-up Review Conclusion

The Bureau has not complied with these recommendations.

At the time of this review approximately 31,000 delayed records have not been microfilmed. The documentation for these records has not yet been printed, until this happens the records cannot be microfilmed. We were informed that a request has been submitted to DIT that would permit a bulk print of the 31,000 records. DIT believes that microfilming of these records, already on computer/electronic records, is unnecessary. As of September 2007 there has been no action taken on this request and there are insufficient resources to complete this task manually. DCH is working with the Department of History, Arts, and Libraries (HAL) to determine what should be the appropriate means of preserving these vital records. Currently all vital records are maintained electronically and are backed-up daily by DIT.

Inventories of records held at the State Records Center, at the offsite storage facility, and in the Vital Records vault have been completed; due to staffing concerns the Bureau indicated a complete annual inventory would not be practical. Inventory policies or procedures have not yet been developed. A proposed procedure for continuous monitoring will be developed, if necessary, once the appropriate means for preserving records has been determined.

Subsequent to the completion of our review we were informed by the Bureau that DIT support for the critical redundancy in records archiving will be addressed as soon as the retention and disposal schedules are rewritten. This process is being conducted by HAL and should be completed in the first quarter of 2008.

9. Quality of Microfilmed Vital Records

The Bureau did not periodically inspect backup and archival microfilm records to ensure that they were in satisfactory condition.

Recommendation

The Bureau periodically inspect backup and archival microfilm records to ensure that they are in satisfactory condition.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. The Bureau, with assistance from State Records Center staff, has completed an inspection and physical inventory of all microfilm of vital records in storage at the State Records Center. A quality check by State Records Center staff of each and every microfilm was done to determine whether any of this microfilm has deteriorated and needs to be replaced. The Bureau, in conjunction with staff from the State Records Center, will develop a plan to initiate appropriate periodic physical inventories of both its backup and archival microfilm on an annual basis. In addition, the Bureau will develop a plan by the end of August 2005 for inspecting all microfilm holdings currently stored in non-state facilities and will implement the plan in fiscal year 2005-06 subject to the availability of funds. Further, the Bureau indicated that, in conjunction with staff from the State Records Center, the Bureau will develop a plan to initiate appropriate periodic physical inventories of both its backup and archival microfilm on an annual basis.

Follow-up Review Conclusion

Bureau has not fully complied with this recommendation.

The only inspection of microfilm occurred for records in storage at the State Record Center. We were informed that the identification of microfilm that potentially had vinegar syndrome has been documented. Records have been pulled and sent to be refilmed with that process about 50% completed. The process will be completed by February 2008. It was indicated that there are insufficient resources for annual inspections of all films. Effective September 8, 2006, Michigan Administrative Code R 18.111 which required annual inspection of the microfilm in storage was rescinded. The Department of History, Arts, and Libraries, issued three sets of technical standards in August 2005 to assist each agency in managing its records and information. These technical standards indicate that each department “shall implement appropriate policies, procedures, and business practices, in order to ensure that a microfilm system selected will protect the authenticity, reliability, integrity, and usability of the records contained in the system and...will provide complete protection for the full retention period of the records stored in the system.” The Bureau has not yet implemented a new policy or plan to ensure the reliability, integrity, and usability of microfilm in storage.

Subsequent to the completion of our review we were informed by the Bureau that a policy on routine inspection of microfilms will be developed in consultation with HAL staff by January 1, 2008.

10. Vital Statistics Reporting

The Bureau did not report health data related to live births in accordance with National Center for Health Statistics (NCHS) requirements.

Recommendation

The Bureau report health data related to live births in accordance with NCHS requirements.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. A revised birth certificate that complies with new federal requirements has been developed and approved by an advisory panel of partner agencies and associations and the implementation of the revised form is being held pending development of revised birth certificate reporting software and systems. The Bureau stated that funds for this revision have been identified and efforts to replace the existing software have been under way since March 2004; that software products, capable of reporting live birth health data that meets NCHS requirements, was purchased in August 2004; and that it is currently pursuing a contract to make all necessary modifications to the software. The Bureau expects that reporting changes can be implemented within 12 months of awarding this contract or by August 2005.

Follow-up Review Conclusion

The Bureau has not yet complied with this recommendation.

The Bureau stated that development continues on a revised birth reporting system, which is currently in the test-pilot stage. The targeted date for statewide rollout is now January 2008. This new system is expected to comply with the new federal requirements.

Subsequent to the completion of our review we were informed by the Bureau that a revised birth reporting system has been developed and has been made operational in 40 hospitals with the remainder to be operational by January 1, 2008.

11. Operating Policies and Procedures

The Bureau did not maintain up-to-date written operating policies and procedures. As a result, the Bureau could not ensure that its employees effectively and efficiently performed the activities necessary for the success of the vital records and health statistics operations.

Recommendation

The Bureau maintain up-to-date written operating policies and procedures.

DCH Preliminary Response

The Bureau agreed with the finding and recommendation. The State Registrar approved a comprehensive policy and procedure manual containing 21 policies, 31 procedures, and 6 informational memorandums on June 23, 2004, which is accessible to all of the Bureau's employees through the common drive on the Bureau's computer network. Additional policies and procedures relating to fraud investigations and processing have also been developed. The Bureau has also conducted training sessions of the manual as well as a new computer system for customer service tracking in September and October 2004.

Follow-up Review Conclusion

The Bureau has complied with this recommendation, but has not completed all the actions indicated in the preliminary response.

Bureau staff was made aware of the existence and location of the policies and procedures located in the common drive. There is no record of any training sessions conducted on the manuals content. It is the intent of the Bureau to provide training once key polices and procedures are finalized, hopefully in October 2007. The Bureau indicated they provided employees with a user manual and training on the new computer system for customer service tracking.

GLOSSARY OF ACRONYMS AND TERMS

Birth Registry System (BRS)	The electronic system used by the Bureau of Epidemiology to enter birth data, change birth records, index requests, and issue birth records. This database system was developed and is maintained by DIT.
Central Paternity Registry (CPR)	The electronic system used by the Bureau of Epidemiology, Department of Human Services, and county prosecuting attorney offices to track paternity information. Information on this database system is obtained from affidavit of paternity documents.
DCH	Department of Community Health
DHS	Department of Human Services
DIT	Department of Information Technology
HAL	Department of History, Arts and Libraries
high-risk delayed registration of birth	Birth records submitted to the Bureau of Epidemiology more than one year after the birth in which: the applicant is between 18 and 35 years old; the application documentation appears suspicious; the application is based solely on a baptismal record and an affidavit of personal knowledge; or both parents are foreign born.
mission	The agency's main purpose or the reason that the agency was established.
NCHS	National Center for Health Statistics
notary public	A public officer authorized by law to certify documents, take affidavits, and administer oaths.
performance audit	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
safety paper	Specially treated paper that reveals attempts to alter or duplicate the paper. This paper is designed with unique watermark images embedded into it.
vital records	A certificate or registration of birth, death, marriage, or divorce or an acknowledgment of parentage or other related data.