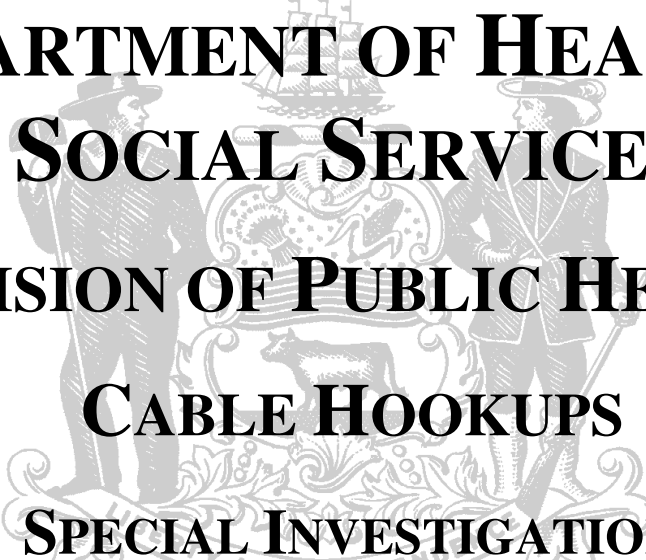


**STATE OF DELAWARE**  
**OFFICE OF**  
**AUDITOR OF ACCOUNTS**



**DEPARTMENT OF HEALTH &  
SOCIAL SERVICES**  
**DIVISION OF PUBLIC HEALTH**  
**CABLE HOOKUPS**  
**SPECIAL INVESTIGATION**

**FIELDWORK END DATE: JUNE 16, 2008**

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State of Delaware  
Office of Auditor of Accounts  
R. Thomas Wagner, Jr. – CFE, CGFM, CICA  
**At a Glance**

*Working Hard to Protect YOUR Tax Dollars*

**Why We Did This Review**

The Office of Auditor of Accounts (AOA) received the following hotline complaints regarding the Division of Public Health (DPH), Department of Health and Social Services (DHSS):

- DPH spent \$27,000 of emergency management federal funds to cable ready the entire long-term care facility at Delaware Hospital for the Chronically Ill (DHCI) for Public Health Preparedness services.
- DHCI pays \$28,000 per year to fund this cable when it is an allowable charge to the residents.

**Background**

DPH is a division within DHSS. DPH's mission is to protect and enhance the health of the people of Delaware by:

- Working together with others.
- Addressing issues that affect the health of Delawareans.
- Keeping track of the state's health.
- Promoting positive lifestyles.
- Responding to critical health issues and disasters.
- Promoting the availability of health services.

DHCI is located just off Route 13, Smyrna, Delaware. The 62-acre campus is a long-term care facility, with 308 licensed beds providing intermediate and skilled care.

**For further information on this release, please contact:**

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**DIVISION OF PUBLIC HEALTH – CABLE HOOKUPS**

**What We Found**

- The allegations were unsubstantiated.
- DPH used \$27,000 of federal funds to cable ready a State Health Operations Center (SHOC) on the campus of the Delaware Hospital for the Chronically Ill (DHCI). The monthly fee totals \$1,032.78 for 45 cable hookups. The initial cost to cable ready the SHOC was an allowable use of federal funds. The monthly cost of \$1,032 is an allowable use of federal funds. Federal funds were not used to cable ready the entire long-term care facility at DHCI. The cable provider agreed to cable-ready the remaining DHCI campus for no additional fee.
- DHCI averages 208 residents in the hospital with a maximum budgeted census of 230. There are an additional 78 emergency beds. This totals 308 available cable hookups at DCHI (this number excludes the 45 hookups at the SHOC). Each month, DHCI pays for 308 hookups for a total monthly cost of \$3,080 and a total annual cost of \$36,960. DHCI is paying for 78 unused hookups; however, if the hookups are disconnected, Comcast would charge \$3,082 per month for a total annual cost of \$36,984. In addition, it is questionable as to the response time in activating the unused hookups in cases of emergency. DHCI worked with Comcast to obtain a cost beneficial plan for cable services.
- The monthly cable cost is not yet included in the patients' per diem rates. DHCI is considering including the cable fees in the next adjustment to the per diem rate; however, the majority of patients are unable to afford the per diem rate and the amount reimbursed by Medicaid/Medicare/Social Security does not cover the per diem rate. Hence, the State pays for the majority of the costs associated with patient care.

**Please read the complete report for a full list of findings/recommendations and to review DHSS's response to our findings.**

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# AUDIT AUTHORITY

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Title 29, Del. C. c. 29 authorizes the Auditor of Accounts to file written reports containing:

1. Whether all expenditures have been for the purpose authorized in the appropriations;
2. Whether all receipts have been accounted for and paid into the State Treasury as required by law;
3. All illegal and un-businesslike practices;
4. Recommendations for greater simplicity, accuracy, efficiency, and economy; and
5. Such data, information, and recommendations as the Auditor of Accounts may deem advisable and necessary.

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# ALLEGATION AND BACKGROUND

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## ALLEGATION

The Office of Auditor of Accounts received the following hotline complaints regarding the Division of Public Health (DPH), Department of Health and Social Services (DHSS):

- DPH spent \$27,000 of emergency management federal funds to cable ready the entire long-term care facility at Delaware Hospital for the Chronically Ill (DHCI) for Public Health Preparedness (PHP) services.
- DHCI pays \$28,000 per year to fund this cable when it is an allowable charge to the residents.

## BACKGROUND

DPH is a division within DHSS. DPH's mission is to protect and enhance the health of the people of Delaware by:

- Working together with others.
- Addressing issues that affect the health of Delawareans.
- Keeping track of the state's health.
- Promoting positive lifestyles.
- Responding to critical health issues and disasters.
- Promoting the availability of health services.

DHCI is located just off Route 13, Smyrna, Delaware. The 62-acre campus is a long-term care facility, with 308 licensed beds providing intermediate and skilled care. In addition, DHCI provides four special programs:

- Medical Adult Day Care
- Respite Care Services
- Emergency Placement through Adult Protective Services
- Central Admission/Intake for the three DPH nursing homes:
  - Delaware Hospital for the Chronically Ill
  - Emily P. Bissell Hospital
  - Governor Bacon Health Center

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# OBJECTIVES, SCOPE, & METHODOLOGY

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## **OBJECTIVES**

The objectives of the investigation were:

- To determine if emergency management federal funds were used properly; and
- To determine the propriety of expenditures for cable services.

## **SCOPE**

The scope of the investigation was Fiscal Years 2007 (July 1, 2006 through June 30, 2007) and 2008 (July 1, 2007 through February 29, 2008).

The investigation was performed in accordance with the President's Council on Integrity and Efficiency, *Quality Standards for Investigations*.

## **METHODOLOGY**

Investigative techniques included:

- Interviews and inquiry.
- Inspection and confirmation of documentation and assets.

The investigation consisted of the following procedures:

- Obtained and reviewed federal grant documentation and determine allowable uses of the funds.
- Determined the amounts spent for cable.
- Performed inquiries of appropriate department, division, and agency representatives.
- Reviewed contracts with cable providers
- Determined if cable was included in the per diem rate for the residents.

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# CONCLUSIONS

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DPH operates a State Health Operations Center (SHOC) on the campus of DHCI. The SHOC enables DPH to maintain situational awareness and risk communications during daily operations as well as during emergencies. The SHOC is primarily located on the second floor of DHCI. The rooms are used for daily offices but can be quickly converted into other uses in times of emergency.

DPH received a federal grant from the Centers for Disease Control. Acceptable uses of the funds included cable wiring to enable DPH and the SHOC to maintain situational awareness and risk communication. DPH entered into a contract with Comcast Cable, which is a sole source provider of cable services in Smyrna. The agreement was for Comcast to cable ready the SHOC for a cost of \$27,000 with a monthly fee of \$1,032.78 for 45 cable hookups. Federal funds are used to pay these costs.

DHCI made a management decision to provide cable services to its patients. Many of DHCI's patients are bedridden, and it was determined that basic cable would be provided. Comcast agreed to cable-ready the remainder of the DHCI campus for no additional fee and charge \$10 per hookup for the patients. This represents a bulk rate based on the number of hookups. The monthly cable cost is not yet included in the patients' per diem rates. DHCI is considering including the cable fees in the next adjustment to the per diem rate; however, the majority of patients are unable to afford the per diem rate and the amount reimbursed by Medicaid/Medicare/Social Security does not cover the per diem rate. Hence, the State pays for the majority of the costs associated with patient care.

AOA determined that DHCI averages 208 residents in the hospital with a maximum budgeted census of 230. There are an additional 78 emergency beds. This totals 308 available hookups at DCHI (this number excludes the 45 hookups at the SHOC). Each month, DHCI pays for 308 hookups for a total monthly cost of \$3,080 and a total annual cost of \$36,960. DHCI is paying for 78 unused hookups; however, if the hookups were disconnected, Comcast would charge \$3,082 per month for a total annual cost of \$36,984. In addition, it is questionable as to the response time in activating the unused hookups in cases of emergency.

AOA concludes that:

- The allegations were unsubstantiated.
- The initial cost to cable ready the SHOC was an allowable use of federal funds.
- The monthly cost of \$1,032.78 for cable hookups at the SHOC is an allowable use of federal funds.
- DHCI worked with Comcast to obtain a cost beneficial plan for cable services.

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# DISTRIBUTION OF REPORT

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Copies of this report have been distributed to the following public officials:

Executive

The Honorable Ruth Ann Minner, Governor, State of Delaware

Legislative

The Honorable Russell T. Larson, Controller General, Office of the Controller General

Other Elective Offices

The Honorable Joseph R. Biden III, Attorney General, Office of the Attorney General

Other

Mr. Vincent Meconi, Cabinet Secretary, Department of Health and Social Services

Ms. Valencia Beaty, Director, Division of Management Services, Department of Health and Social Services

Ms. Melody Lasana, Division of Management Services Controller, Department of Health and Social Services

Mr. Jaime H. Rivera, Director, Division of Public Health, Department of Health and Social Services

Ms. Barbara Jarrell, Deputy Director, Division of Public Health, Department of Health and Social Services

Mr. Jack Askin, Director, Delaware Hospital for the Chronically Ill, Department of Health and Social Services