

Memorandum



Date: December 18, 2012

To: Honorable Vice Chairwoman Audrey M. Edmonson
and Members, Board of County Commissioners

From: Carlos A. Giménez
Mayor

Subject: Supplement to Legistar 122352, Health and Support Services for Persons Living with HIV/AIDS

Supplement to
Agenda Item No. 8G1

This supplement is provided to update the Board of County Commissioners on the status of the ongoing investigation at Miami Beach Community Health Center (MBCHC) one of the entities recommended for award through RFP No. 0313. MBCHC (formerly known as Stanley C. Myers Community Health Center) is a Federally Qualified Health Center with a total client population of approximately 20,000. MBCHC has been funded by the County under the Ryan White Part A Program for more than 20 years. MBCHC currently provides a wide array of health care and support services, including, but not limited to, outpatient medical care, prescription drugs, oral health care, medical case management, and mental health therapy/counseling, to approximately 3,000 eligible residents of Miami-Dade County living with HIV or AIDS.

In 2010, due to the sale of Mercy Hospital, Inc. to a for-profit entity, Mercy Hospital worked with MBCHC to transition its entire Ryan White Program, including program-related staff and an extensive network of contracted medical providers. This was necessary due to federal legislation restricting funding to for-profit organizations. The transition was complete in March 2011. Presently, MBCHC manages a provider network of 73 private physicians and mental health care providers throughout the County.

In July 2012, the U.S. Department of Health and Human Services' Office of Inspector General (OIG) and the U.S. Health Resources and Services Administration (HRSA) HIV/AIDS Bureau (HAB) conducted an investigation into alleged embezzlement and mismanagement of federal funds by persons at MBCHC. Initially, the main focus of this OIG investigation was related to MBCHC's Bureau of Primary Healthcare Section 330 funding. This focus grew to include MBCHC's remaining federal funds. Around the same time, the Chief Executive Officer, Chief Financial Officer, and Chief Compliance Officer were fired by MBCHC's Board of Directors. As reported in the media, the Chief Executive Officer allegedly embezzled more than \$7 million dollars from MBCHC over a five-year period beginning in 2007.

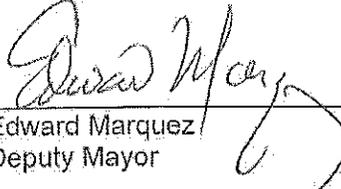
Since July 2012, County staff has been working closely with the federal and County OIG in support of their investigations and MBCHC's Board also commissioned an independent forensic audit. In addition, staff conducted a comprehensive, eight-day site visit to various MBCHC service locations in order to review programmatic, administrative, and fiscal records. Preliminary concerns and findings mirrored those also identified in the MBCHC's forensic audit, including but not limited to, mismanagement of funds and a lack of internal controls. However, it is important to note that reviewers are confident that based on the documentation reviewed MBCHC had indeed provided allowable, medically appropriate, and required services to eligible clients living with HIV or AIDS.

In November 2012, after consultation with federal grant Project Officers, the County OIG, and the Assistant County Attorney, an amendment to MBCHC's existing contract, which included numerous special conditions of award, was approved. These special conditions, the majority of which have already been satisfied by MBCHC, include:

- A restriction on the use of funds related to salary bonuses, special payments, loans to staff, merit increases, and travel;
- Submission of a revised Chart of Accounts by funding source, an annualized agency-wide budget detailing all budget line items and expenses, a Time and Effort reporting methodology, and a cost allocation methodology for how costs would be attributed to multiple funding sources;
- A requirement to tighten internal controls based on Generally Accepted Accounting Principles (GAAP) and OMB A-133 single audit requirements;
- Recruitment of new board members that have appropriate legal and financial expertise;
- Submission of a revised Fiscal and Operational Policies and Procedures;
- Submission of MBCHC Board of Directors' meeting minutes on a monthly basis beginning August 2012;
- Submission of a revised Signature Authority Form removing all terminated staff; and
- A review of all employee personnel files and contracted providers' files to ensure that only competent, qualified, and ethical persons continue to hold or are hired for their respective positions.

In addition to the Chief Executive Officer, Chief Financial Officer, and Chief Compliance Officer, all former MBCHC finance staff have separated from the agency, either by termination or resignation. Investigations being conducted by various authorities are on-going and possible criminal charges are pending. It appears that all of the personnel involved in the alleged theft have been terminated and the MBCHC Board of Directors is aggressively taking corrective action to address all concerns and ensure continuity of care to clients.

As directed by the County Attorney's Office, the Evaluation/Selection Committee members for RFP No. 0313 were instructed to base scoring solely on the content of the written proposals. Further, additional safeguards put in place by MBCHC and the County via the Amendment to the Fiscal Year 2012 Professional Services Agreement (contract) for Ryan White Program Services will be included in any new agreement resulting from RFP No. 0313 contract award recommendations. Staff will continue to closely monitor this situation and will advise the Board of any further developments.



Edward Marquez
Deputy Mayor

Mayor01913