

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUREAU OF PROGRAM INTEGRITY
FINANCIAL COMPLIANCE UNIT



LAMPREY HEALTH CARE

FINANCIAL CONTRACT COMPLIANCE REVIEW

October 1, 2021

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUREAU OF PROGRAM INTEGRITY
FINANCIAL COMPLIANCE UNIT

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ACRONYMS AND DEFINITIONS

Acronyms

Definitions

BOD	Board of Directors
BPI	Bureau of Program Integrity
CFDA	Catalog of Federal Domestic Assistance
DHHS	Department of Health and Human Services
DPHS	Division of Public Health Services
FCU	Financial Compliance Unit
FFY	Federal Fiscal Year
OMB	Office of Management and Budget
RSA	Revised Statute Annotated
SFY	State Fiscal Year
TANF	Temporary Assistance to Needy Families
YTD	Year to Date

EXECUTIVE SUMMARY

The Department of Health and Human Services (DHHS) Financial Compliance Unit (FCU) staff conducted an in-office financial contract compliance review of Lamprey Health Care from July 29, 2021 – September 7, 2021. The financial contract compliance review is one element of an ongoing monitoring process for the departments contracted vendors.

The purpose of the review is to ensure all invoiced amounts are supported with documentary evidence for the contracted services. In accordance with *2 CFR Chapter I, Chapter II, Part 200, et al., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule, 200.331(d)* (<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>), the State of New Hampshire is required to monitor the financial expenditures of contracted agencies that receive federal awards passed through the State of New Hampshire to ensure compliance with allowable costs.

Lamprey Health Care provides multiple services to the residents of New Hampshire, but this review focused on the Family Planning Program and the Temporary Assistance to Needy Families (TANF) funding. Family Planning funding provides individuals with access to high quality reproductive, sexual and preventative health care services. These services are intended to help individuals maintain their sexual and reproductive health, determine if and when to have children, and to prevent unintended pregnancy. Family Planning services are available to all individuals, regardless of income and residency status, at designated health care clinics across the state. Services include birth control, annual exams, pregnancy testing and linkage to prenatal care, STI/HIV testing and treatment, breast cancer screening, and cervical cancer screening.

TANF funding is used to support family planning program outreach, promotional activities or events that support the knowledge of and access to family planning services by populations in need throughout the state.

The project team consisted of two staff members from the Bureau of Program Integrity (BPI). Lamprey Health Care was notified of the review in advance and sent a detailed letter on July 28, 2021 describing the review and requesting financial information. This review focused primarily on Uniform Guidance, general financial internal controls and a contract specific financial review.

The review found that no State funds were used to subsidize abortion either directly or indirectly. Additionally, Lamphrey Health Care attested to the Department that they do not provide abortion services and the review found no evidence of such services being provided.

The following recommendations for Lamprey Health Care are included in the report:

- The agency shall bill for expenses in the months they incur.

- It is recommended that all costs be invoiced based on actual expenditures incurred.

PURPOSE, SCOPE AND METHODOLOGY OF REVIEW

DHHS staff conducted a financial contract compliance review of Lamprey Health Care from July 29, 2021 – September 7, 2021. DHHS contracted general funds with this agency for the Family Planning program as well as federal funds for the TANF Outreach program.

The purpose of the review was to:

- Assess compliance with Uniform Guidance, state administrative rules and DHHS contracts
- Review documentation supporting claims submitted to DHHS for reimbursement
- Identify opportunities for technical assistance from DHHS
- Identify best practices

The scope included the review of:

- Source documentation (invoices, purchase orders, payroll registers, timesheets, etc.) supporting selected expenses from specific grants;
- Employee descriptions;
- Agency personnel manual/fiscal manual/policy and procedures;
- Completed Financial Monitoring Questionnaire;
- Specific contract(s) with DHHS; and
- Specific written policies required by OMB Uniform Guidance.

FINANCIAL CONTRACT COMPLIANCE REVIEW SUMMARY

DATE OF REPORT: October 1, 2021

AGENCY MONITORED: Lamprey Health Care
22 Prospect Street
Nashua, NH 03060

FISCAL YEAR: 2021

CONTRACT PERIOD: July 1, 2020 – June 30, 2021

CONTRACT NUMBER (S): #1069349

CONTRACT AMOUNT (S):

Fiscal Year	Amount	Program	% Federal	% General
FY2021	\$ 199,306.00	Family Planning Program Services		100%
FY2021	<u>\$ 29,719.00</u>	Temporary Assistance for Needy Families	100%	
	\$ 229,025.00	TOTAL FUNDING		

DATE(S) MONITORED: July 29, 2021 – September 7, 2021

OBSERVATIONS AND RECOMMENDATIONS

SECTION I: FIDUCIARY ACTIVITIES

Observation 1:

Requirement: In accordance with Exhibit B, Section 3 the Contract states, “Payment shall be on a cost reimbursement basis for actual expenditures incurred in fulfillment of this agreement, and shall be in accordance with approved budget line item.”

In addition, in accordance with Exhibit B, Section 5.1 the Contract states, “The Contractor shall submit monthly invoices in a form satisfactory to the State by the tenth (10th) day of each month. The State shall make payment to the Contractor within thirty (30) days of receipt of each accurate and correct invoice for Contractor services provided pursuant to this Agreement.”

Observation: Upon review of May 2021 Family Planning medical supplies expenses, it was noted that the agency billed for \$2,500 worth of expenses that were incurred between July 2020 to March 2021.

Recommendation: The agency must invoice for expenses in the month that they occur. This will allow the agency to see the actual costs pertaining to each of the programs and make appropriate changes to help defray excess costs.

Contract Agency Response:

We have no concern with and do concur with your final finding regarding the timeliness of the billing of the supplies expense though would reiterate that this was not intentional but rather the result of a change in vendor for which the grant billing team was not made aware. We have had conversations with the relevant parties to ensure that in the future when these kinds of changes are made that the communication does include the Grant Accountant to ensure timely billing of expenditures under the contract.

Anticipated Completion Date: December 31, 2021

SECTION II: BEST PRACTICE RECOMMENDATIONS

The information and recommendation in the following section are for technical assistance and best practices.

Upon review of May 2021 Family Planning and TANF salaries, it was noted that the agency's actual expenses incurred exceeds the amount billed to the State.

Recommendation: It is recommended that all costs be invoiced based on actual expenditures incurred, even when costs are higher than the available budget. This will allow the agency and DPHS to see the actual costs pertaining to each of the programs and make appropriate changes to help defray excess costs. This information is essential to agency staff, BOD and DPHS.

In order for the agency to request a lower amount than expended, an additional column must be added on the budget workbook. One column will be titled "Actual Expenses Incurred" and the other will be titled "Requested Expenses This Period."