

PrimeCare Contract Audit

BROOME COUNTY GOVERNMENT
DEPARTMENT OF AUDIT AND CONTROL



State of New York County of Broome Government Offices

Department of Audit & Control

Meaghan E. Klenovic, Comptroller · Daniel J. Reynolds, Chairman of the Legislature

October 20, 2023

Jason T. Garner, County Executive:

The Department of Audit and Control has conducted an audit of the contract (CA 12-732) between PrimeCare Medical of New York, Inc. and Broome County. The agreement is for the purpose of obtaining and providing reasonably necessary medical and dental care for inmates under the care and custody of the Broome County Sheriff. The principal objective was to determine if the actual hours provided by PrimeCare and each of the three Professional Service Corporations (P.C.s) are in accordance with the hours contracted for in the agreed upon staffing matrix in CA 12-732.

We conducted this examination in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Sincerely,

Meaghan E. Klenovic
Comptroller

cc: Frederick J. Akshar II, Broome County Sheriff
Sammy Davis, Undersheriff
Daniel J. Reynolds, Chairman of the Legislature
Aaron M. Martin, Clerk of the Legislature
Members of the Legislature

Background:

Effective 2/1/2022, Broome County entered into an agreement (CA-12-732) with PrimeCare Medical of New York, Inc. for medical, dental, and nursing services to be provided to the inmate population at the Broome County Jail.

PrimeCare Medical provides administrative and management services for three professional service corporations (P.C.s). They are a medical PC, a dental PC, and a nursing PC. The agreement was renewed February 1, 2023 through January 31, 2024 and could potentially renew February 1, 2024 through January 31, 2025.

For the first year of the contract, February 2022 through January 2023, the Total Maximum Base Compensation for PrimeCare Medical of New York, Inc. and the three P.C.s was \$4,420,374.19 annually or \$368,364.52 per month. Effective February 1, 2023, the Total Maximum Base Compensation was increased to \$4,601,609.40 annually or \$383,467.45 per month. The contract stipulates that invoices are to be billed monthly at the Maximum Base Compensation.

We examined the PrimeCare contract based on a request from the Broome County Sheriff's Office. The Sheriff's primary concern is that the inmate population is not receiving the necessary professional services that were agreed upon in the contract and that the Sheriff's Office is paying for monthly.

The Sheriff's Office compared the contracted hours to the actual hours provided for the period of August 2022 through December 2022. For the five months that the Sheriff's Office examined, a disparity of close to 3,000 hours was noted. The Sheriff's Office valued the shortage of hours at \$263,247. This issue was communicated to PrimeCare Medical by the Sheriff in a letter dated January 30, 2023.

In PrimeCare's written response, dated February 14, 2023, PrimeCare acknowledged a shortage of 3,023 hours. PrimeCare pointed out that, although not a one-for-one replacement, the 2,652 hours of Licensed Practical Nursing hours provided was more than the contracted hours for the period reviewed by the Sheriff's Office. PrimeCare assured the Sheriff that they are meeting their obligation to provide healthcare services to the inmate population at the Broome County Jail.

We limited the scope of our examination to a comparison of the contract hours based on the staffing matrix to the actual hours provided by PrimeCare and the three P.C.s. In turn, we calculated the net value of the variances between the contracted hours and the actual hours provided. We examined the period of February 2022 through July 2023.

The attached appendix references a staffing matrix from the contract (CA-12-732) which details the licensed professionals to be provided for inmate health care services. Additionally, this matrix specifies the weekly service hours that should be received from each licensed professional group. The related Wage Schedule from the Request for Proposal (RFP 2021-076) that was incorporated into the contract has also been attached.

FINDING 1: PRIME CARE AND THE P.C.s DO NOT ROUTINELY PROVIDE THE SHERIFF'S OFFICE WITH THE COSTS INCURRED DURING THE MONTH

During our examination, we reviewed the monthly invoices provided to the Sheriff's Office by PrimeCare and the P.C.s. We noted that the monthly costs incurred for services rendered are not provided to the Broome County Sheriff's Office.

The contract stipulates that "the invoices issued by the P.C.s and PrimeCare shall show the costs incurred by these parties for services rendered during the month invoiced" (Article V, section 5.2). When details of the actual hours provided have been requested, PrimeCare has been responsive, but that has occurred after the fact.

The actual hours provided by PrimeCare and the P.C.s are variable and worthy of monitoring monthly. Comparing the actual hours provided to the contract hours based on the staffing matrix would allow shortages of hours, incorrectly classified hours, and other errors to be more easily identified on a timely basis.

RECOMMENDATION:

We recommend that PrimeCare and the P.C.s provide the Sheriff's Office with the costs incurred for services rendered during the month. The monthly costs incurred should detail the number of actual hours provided by each professional position.

We recommend that the Sheriff's Office compare actual monthly hours provided by PrimeCare and the P.C.s to the monthly hours indicated by the staffing matrix.

MANAGEMENT RESPONSE:

The Sheriff's Office concurs with the recommendation above.

FINDING 2: NET VALUE OF SERVICES NOT RENDERED EXCEEDS \$250,000

During our examination, we calculated contracted hours for each month based on the staffing matrix included in the contract. We then calculated the value of those hours based on the wage schedule included in the Request for Proposal (RFP 2021-076). Finally, we compared the value of contract hours to the value of the hours provided by PrimeCare and the P.C's. We did this for the ten positions detailed in the staffing matrix. For the eighteen months that we examined, we found that the contract hours exceeded the actual hours by 4,475. The net value of the shortage of hours totaled \$257,874. This is, in effect, the net value of services that were not rendered.

The net shortage of actual hours provided by PrimeCare and the P.C.s indicates that Broome County is not receiving the hours necessary to provide medical services to the inmate population.

The Broome County Law Department has reviewed the contract and it is their opinion that the agreed monthly compensation is based on the expectation that PrimeCare meets the agreed upon staffing levels each week.

The contract does include the mechanisms (the staffing matrix and wage schedule) to calculate the net value of hour shortages monthly. In turn, invoices billed at maximum base compensation can and should be reduced by the net value of the actual hours not provided.

By not adjusting the invoices for the net value of the hour shortages, Broome County is ultimately paying for services not provided to the inmate population of Broome County.

RECOMMENDATION:

We recommend that the Broome County Sheriff's Office seek credit for the previous value of services not rendered.

We also recommend that, going forward, the Broome County Sheriff's Office withhold payments by reducing invoices billed by the net value of hours not provided.

MANAGEMENT RESPONSE:

The Sheriff Office agrees and is working with the Broome County Law Department to resolve the issue.

FINDING 3: STAFFING MATRIX DOES NOT REASONABLY REFLECT THE MIX OF NURSING HOURS BEING PROVIDED

During our examination, we considered both the total nursing hours and the mix of Licensed Practical Nursing (LPN) hours and Registered Nursing (RN) hours.

For the 18-month period we reviewed, total contracted hours for both nursing positions (LPN and RN) were 44,304. We calculated 35,568 contract hours for RNs and 8,736 contract hours for LPNs.

For the 18-month period we reviewed, total actual hours for both nursing positions (LPN and RN) were 42,907. We calculated 26,412 actual hours for RNs and 16,495 actual hours for LPNs.

When compared to the contract hours, the actual nursing hours show a 18% reduction in RN hours and a corresponding 18% increase in LPN hours. When compared to the staffing matrix, actual RN hours decreased by 9,156 hours and actual LPN hours increased by 7,759 hours. Whether the shift from RN hours to LPN hours is a result of a change in the system design or the result of a tight labor market for RNs, this is a significant change from the staffing matrix (Exhibit A) in the contract. Therefore, the staffing matrix does not reasonably reflect the mix of nursing hours currently being provided.

The staffing matrix (Exhibit A) should reasonably reflect both the total actual hours provided and the mix of hours for the individual nursing positions (LPNs and RNs).

RECOMMENDATION:

We recommend that PrimeCare fulfill their staffing obligations as detailed by the staffing matrix provided in CA 12-732 (Exhibit A).

MANAGEMENT RESPONSE:

The Sheriff Office agrees that PrimeCare should meet their contractual obligations. PrimeCare should continue to aggressively recruit and fulfill their staffing obligations to the Broome County Sheriff's Office. If they cannot fulfill that obligation, then as discussed in Finding #2, the Broome County Sheriff's Office should withhold payments by reducing invoices billed by the net value of hours not provided.

APPENDIX

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STAFFING MATRIX PER CONTRACT 12-732	Page 8
WAGE SCHEDULE PER RFP # 2021-076	Page 9

CONTRACTED HOURS VS. ACTUAL HOURS

PERSONNEL CATEGORY	CODE	CONTRACT HOURS	ACTUAL HOURS	VARIANCE	PMT AMT		VARIANCE
					BASED ON CONTRACT HOURS	BASED ON ACTUAL HOURS	
CONTRACT POSITIONS							
Administrative Assistant	AdminAsst	3,120.00	2,927.21	-192.79	\$ 62,400.00	\$ 58,544.20	\$ (3,855.80)
Case Manager/Discharge Planner	BHStaff	3,120.00	2,686.09	-433.91	\$ 118,560.00	\$ 102,071.42	\$ (16,488.58)
Dentist	Dentist	1,560.00	722.28	-837.72	\$ 195,000.00	\$ 90,285.00	\$ (104,715.00)
D&A Counsler	-	-	-	-	-	-	-
Health Services Administrator	HSAdmin	3,120.00	3,728.69	608.69	\$ 171,600.00	\$ 205,077.95	\$ 33,477.95
Licensed Mental Health Social Worker (LMSW)	BHProf	9,360.00	7,152.44	-2,207.56	\$ 355,680.00	\$ 271,792.72	\$ (83,887.28)
Physician/Physician Assistant/Nurse Practioner	PHYSC/CRNP	2,184.00	1,942.60	-241.40	\$ 294,840.00	\$ 262,251.00	\$ (32,589.00)
Psychiatrist/Psych NP	Phychrst	936.00	1,163.14	227.14	\$ 280,800.00	\$ 348,942.00	\$ 68,142.00
Staff Nurse (LPN)	LPN	8,736.00	16,494.85	7,758.85	\$ 279,552.00	\$ 527,835.20	\$ 248,283.20
Staff Nurse (RN)	RN	35,568.00	26,411.97	-9,156.03	\$ 1,422,720.00	\$ 1,056,478.80	\$ (366,241.20)
TOTAL		67,704.00	63,229.27	-4,474.73	\$ 3,181,152.00	\$ 2,923,278.29	\$ (257,873.71)

Broome County / PCM Staffing Pattern

Exhibit A

Position	FTE	Hours
Health Services Administrator	1.00	40.00
Staff Nurse (RN)	11.40	456.00
Staff Nurse (LPN)	2.80	112.00
Administrative Assistant	1.00	40.00
Case Manager / Discharge Planner	1.00	40.00
D&A Counselor	0.00	0.00
Physician / Physician Assistant / Nurse Practitioner	0.70	28.00
Psychiatrist / Psych NP	0.30	12.00
Social Worker (LMSW)	3.00	120.00
Dentist	0.50	20.00

PROPOSED WAGE SCHEDULE

Health Services Administrator	\$55.00
Staff Nurse (RN)	\$40.00
Staff Nurse (LPN)	\$32.00
Administrative Assistant	\$20.00
Case Manager / Discharge Planner	\$38.00
RN (Intake 1230-2100hrs)	\$40.00
Medical Director	\$135.00
Psychiatrist	\$300.00
Social Worker (LMSW)	\$38.00
Dentist	\$125.00