

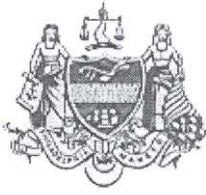


OFFICE OF THE CONTROLLER

CITY OF PHILADELPHIA PENNSYLVANIA

**RIVERVIEW
PERFORMANCE
REVIEW
OCTOBER 2007**

**Alan Butkovitz
City Controller**



CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER
1230 Municipal Services Building
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102-1679
(215) 686-6680 FAX (215) 686-3832

ALAN BUTKOVITZ
City Controller

ALBERT F. SCAPEROTTO
Deputy City Controller

October 5, 2007

Ms. Dainette Mintz
Deputy Managing Director for Special Needs Housing
Municipal Services Building, Room 1030
Philadelphia, PA 19102

The Controller's Office conducted a review of Riverview's operating activities to identify opportunities to reduce cost and improve the efficiency and effectiveness of operations. This review was conducted pursuant to Section 6-400(d) of the Home Rule Charter. Our results are contained in the attached report, and a synopsis can be found in the report's executive summary.

We have discussed the findings and recommendations contained in this report with representatives of your administration, and their response is included with our report. Our recommendations have been numbered to facilitate tracking and follow-up in subsequent years. We believe that, if implemented by management, these recommendations will reduce cost and improve the effectiveness and efficiency of Riverview's operations.

We would like to express our thanks to the management and staff of Riverview, the Office of Supportive Housing, the Department of Public Health, the Department of Public Property, and the Department of Revenue, and the Philadelphia Prisons for the courtesy and cooperation displayed during the conduct of this review.

Very truly yours,

ALAN BUTKOVITZ
City Controller

cc: Honorable John F. Street, Mayor
Honorable Anna C. Verna, President,
and Honorable Members of City Council
Members of the Mayor's Cabinet
Sally Fisher, Superintendent, Riverview Home
John F. Domzalski, JD, MPH, Commissioner, Department of Public Health



RIVERVIEW OPERATIONAL REVIEW

EXECUTIVE SUMMARY

Why The Controller's Office Conducted the Examination

We conducted a review of Riverview's operating activities to identify opportunities to reduce cost and improve the efficiency and effectiveness of operations.

What The Controller's Office Found

- Security risk to Riverview residents has been heightened by the opening of a homeless shelter on the grounds of the facility. Though security risk can be managed, certain practices and conditions at Riverview make that risk higher than it needs to be. Guard coverage is limited; written orders are not distributed; searches are not defined; and guard performance has not always been exemplary.
- Riverview is not adequately monitoring and aggressively enforcing its food-service contract, and its provider is not complying (or is not evidencing compliance) with certain contract provisions, such as food-safety certification, acknowledged receipt of diet meals, inspections by a registered sanitarian, in-service training for staff, a continuous quality-improvement plan, performance reports, or plate-waste studies. Noncompliance with such contract provisions could lead to unsafe conditions, substandard performance, and unnecessary cost.
- Provisions set forth in the city's food-service request for proposal and/or the provider's response did not find their way into the food-service contract (e.g., a job-training program, donations, and a count history). Deleting terms and conditions requested by the city and agreed to by the bidder, or simply proposed by the bidder as a means of enhancing its service offering, could serve to decrease competition, undermine public confidence in the bid process, reduce service levels, and increase cost. A count history, had it been submitted on a regular basis, could have prevented over-ordering, which we estimate cost the city \$50,000 over a 13-month period.
- Department of Public Health personnel are not adequately familiar with the terms and provisions of the Riverview drug contract, and they are paying vendor invoices without verifying the accuracy of quantities or prices.

What The Controller's Office Recommends

The Controller's Office has developed a number of recommendations to address the above findings. Those recommendations can be found in the body of our report.

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INTRODUCTION

BACKGROUND

Riverview is the city's personal care home. "Personal Care Homes (PCHs) are residences that provide shelter, meals, supervision and assistance with personal care tasks, typically for older people, or people with physical, behavioral health, or cognitive disabilities who are unable to care for themselves but do not need nursing home or medical care."¹ PCHs are not nursing homes (licensed medical facilities), are not required to hire professional staff (doctors, nurses, or social workers), and are not eligible for Medicare or Medicaid reimbursement.² However, PCHs are licensed by the state Department of Public Welfare and are subject to periodic inspection. The latest inspection was February 2007, and Riverview has a license to operate through February 2008.

Riverview's licensed capacity is 140 (down from 272 in August 2004), and its average personal care census during calendar 2006 was 132 and the average length of stay was 5.2 years.

Many residents are eligible for Supplemental Security Income, a state boarding home subsidy, or both. These entitlements, plus Social Security benefits, Veterans Administration pensions, and private pensions amounted to \$1.3 million for fiscal 2006.

Early in calendar 2005, the city began operating a homeless shelter in one of the cottages at Riverview. The average shelter census for calendar 2006 was 80, and included men, women, and children. The table below shows the gender and age breakout of the shelter population at January 31, 2007. Most of the operating costs of the shelter are borne by the Riverview budget.

HOMELESS POPULATION

January 31, 2007

	Male	Female	Total
Adults*	15	33	48
Children**	26	31	57
Total	41	64	105

*Average age was 33 years.

**Average age was 6.3 years; however, population included 8 individuals (4 boys and 4 girls) between 13 and 17 years of age.

Riverview's fiscal 2006 operating budget was \$4.7 million. However, this figure does not reflect the cost of utilities (charged to the Department of Public Property) or the cost of Riverview's dispensary (charged to the Department of Public Health). Once these items are factored in, the total cost of operations for fiscal 2006 was approximately \$5.9 million.

¹ Pennsylvania Department of Public Welfare, "About Personal Care Homes – General Information – Updated 9/22/06." <http://www.dpw.state.pa.us/Disable/PersonalCareAssistedLiving/>.

² Although not required by law to do so, the city provides medical, nursing, and social work staff for Riverview's personal care residents.

Determining the city’s monthly cost per resident for personal care is problematic because some operating costs are budgeted in other departments, the facility is used for both personal care and shelter activities, and the city does not routinely develop such cost figures. However, our best estimate, based on the information available, is \$2,065. (The calculation of this figure appears in the table below.)

Riverview Personal Care Home	
Average Monthly Net Cost per Resident	
Fiscal 2006	
Direct charges to Riverview	\$ 4,716,594
Utilities*	302,239
Dispensary	890,981
	\$ 5,909,814
Shelter costs*	(881,566)
Gross cost of personal care	\$ 5,028,248
Entitlements	(1,335,382)
Net cost of personal care	\$ 3,692,866
Average personal care census	149
Average monthly net cost per resident	\$ 2,065
<small>*The figures used for the utility costs associated with Riverview and the operating costs associated with the homeless shelter are approximations.</small>	

OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of our work were to review Riverview’s operating activities and identify opportunities to reduce cost and improve the efficiency and effectiveness of operations. The scope of our review was security, food service activities, and payments for prescription drugs. Our work consisted principally of reviews and analyses of contracts, budget documents, payments, reports, correspondence, board minutes and other documents concerning Riverview’s operations; interviews of management, staff, and contract personnel; and observations of the physical plant and certain food-service and security activities.

Our work was conducted between December 2006 and May 2007.

SECURITY RISK TO RESIDENTS SHOULD BE REDUCED

Because the elderly are fragile, they are vulnerable to crime. And because the Riverview Home now includes a homeless shelter, the risk of crime to the elderly residents has increased. But the risk to Riverview residents can be managed with more security coverage, better performance by security staff, better communication between management and the security company, more attention to facility maintenance, and minor equipment and configuration changes.

Early in calendar 2005, the city began using one of the Riverview cottages (Fernwood East) as an overflow homeless shelter. Placing a homeless facility next to an elder-care facility presents an increased security risk because there is a significant difference in age between the two populations;³ because many of the city's homeless clients "have serious mental and personality problems";⁴ and because there is little to keep the homeless residents from wandering the grounds and confronting the elder-care residents. To respond to this risk, the city has added a second guard at Riverview, stationed just inside the shelter entrance. This guard searches the shelter residents as they enter the building. There is no guard inside any of the personal-care cottages.

Security risk can be managed; nevertheless, certain practices and conditions at Riverview make that risk higher than it needs to be.

Coverage. The shelter guard is only on duty 12 hours a day, from 10 A.M. until 10 P.M. Overnight, security is furnished by health care aides. Some other city shelters have guards 24 hours a day.

Postings. The security contract requires the security company to warn would-be intruders by posting signs announcing that the facility is protected. This has not been done.

Orders. The security contract requires the security company to develop general and specific orders for its guards, have the orders approved by the city, and provide the guards with the finished product. These things have not been done. While Riverview has developed its own set of security protocols, a guard that we interviewed indicated she had never seen them.

Defining searches. The security contract requires that the shelter guard search residents when they enter the facility. The term "search" can have many meanings; however, the contract does not define it and, as indicated above, the guards have no written guidelines.

Conducting searches. Management informed the auditors that the purpose of searching shelter residents was to detect weapons and contraband (alcohol and drugs). But the nature

³ At January 31, 2007, the average age of the personal care (non-shelter) population was 67. The average age of the adult shelter population was 33. See table on page 1 for age and gender details.

⁴ City of Philadelphia's request for proposal for security services at its homeless shelters.

of the searches being done (a sweep with a metal-detecting wand, no turnout of pockets, and little or no physical contact) raises serious questions as to their efficacy for that purpose. Unless pockets are turned out and full-body pats are done, non-metallic weapons and contraband are likely to go undetected. Drugs have already been found in the shelter.

Security performance. Performance by the city's security company has not always been exemplary. Documents disclosed that over a 16-month period (August 2005 – December 2006) nine reports were filed alleging guards had failed to properly discharge their duties, chiefly, searching residents. Five of these reports were filed in the last 10 weeks of calendar 2006. One of the reports indicated that a large pair of scissors had been confiscated from one of the shelter residents by a health care aide inside the facility.

Fire-door entrance. The Fernwood cottage has a fire door just inside the perimeter fence and just outside of the shelter guard's line of sight. An auditor witnessed an individual entering the facility through the fire door, which has held open by another resident. The door is not alarmed so there is no way for the guard to detect unauthorized entry.

Missing barbed wire. Though most of the facility's perimeter fence is topped with barbed wire, it is missing in certain sections (see illustration #1). There have been at least two documented instances where individuals gained unauthorized entry to Riverview. In one case, a male intruder (an individual not residing at Riverview) found his way into the women's residence.

Access by homeless. Fernwood East, the homeless shelter, sits several hundred yards inside Riverview (see illustration #1). Because of the shelter's location, homeless residents must have access to the facility at large in order to enter and leave the shelter. Although the homeless are not authorized to wander about the facility, there is little to stop them from doing so. They can confront elderly residents who are out and about, and they can enter the non-shelter cottages through side doors. (To date, there have been no documented instances of the homeless confronting elderly residents or entering their cottages.)

Police reports emphasize the heightened risk associated with the homeless shelter. During calendar 2006, the police arrested a man inside the shelter who had confronted a guard with a gun. Other reports detail a theft of cash and property and the discovery of crack cocaine.

Recommendations

To reduce security risk at Riverview, we recommend that management consider the following actions:

- Increase security coverage to 24 hours. [21706.01]
- Require the security company to post the facility as protected by security guards. [21706.02]
- Require the security company to develop general and specific orders for its personnel and ensure they have copies while on duty. These orders should include a definition of the term "search." [21706.03]

- Require guards to perform full-body-pat searches. If this recommendation is implemented, it would be best to have female guards assigned to the shelter because of its mixed population. If the recommendation is not implemented, management must realize that weapons and contraband may find their way into the shelter and management must plan for that eventuality. [21706.04]
- Find another security company if the performance of the current firm does not improve significantly. [21706.05]
- Alarm the fire door on the east side of the Fernwood Shelter. [21706.06]
- Replace the barbed wire where it is missing on the various sections of the perimeter fence (see illustration #1). [21706.07]
- Consider providing shelter residents their own entrance to the Riverview facility. This can be done by erecting a cyclone fence between the south wall of the east transept and the perimeter fence and by installing a gate where the two fences meet. Illustrations #2 and #3 show the current and proposed configurations. All fencing around the shelter must be topped with barbed wire. [21706.08]

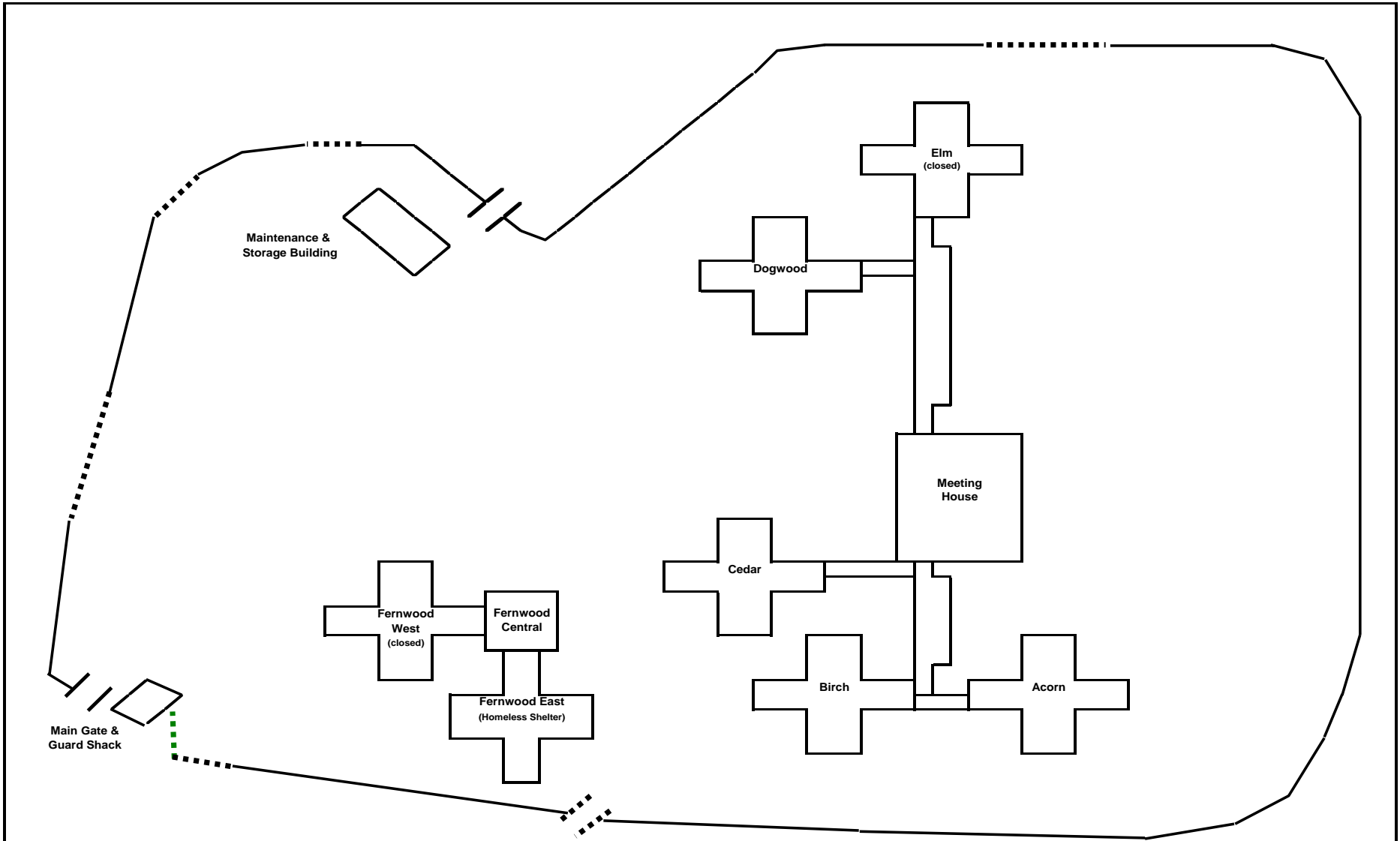
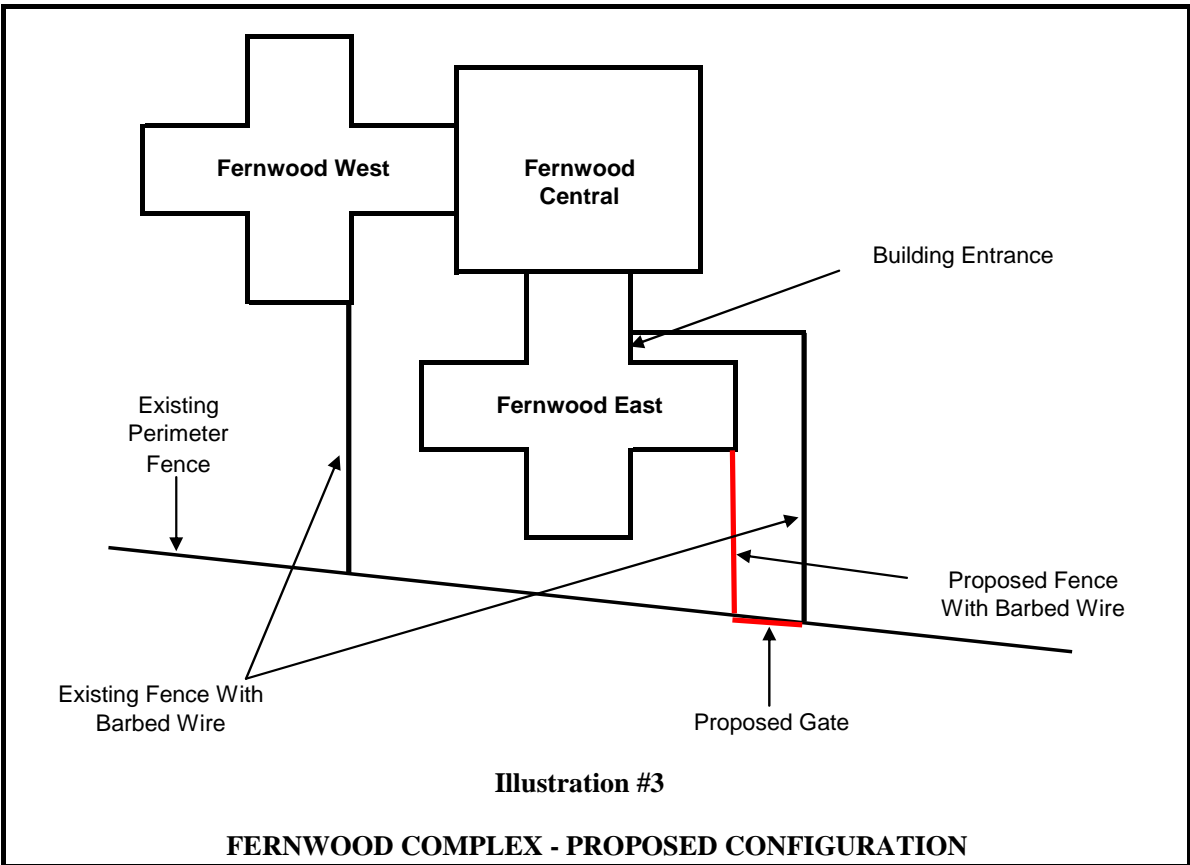
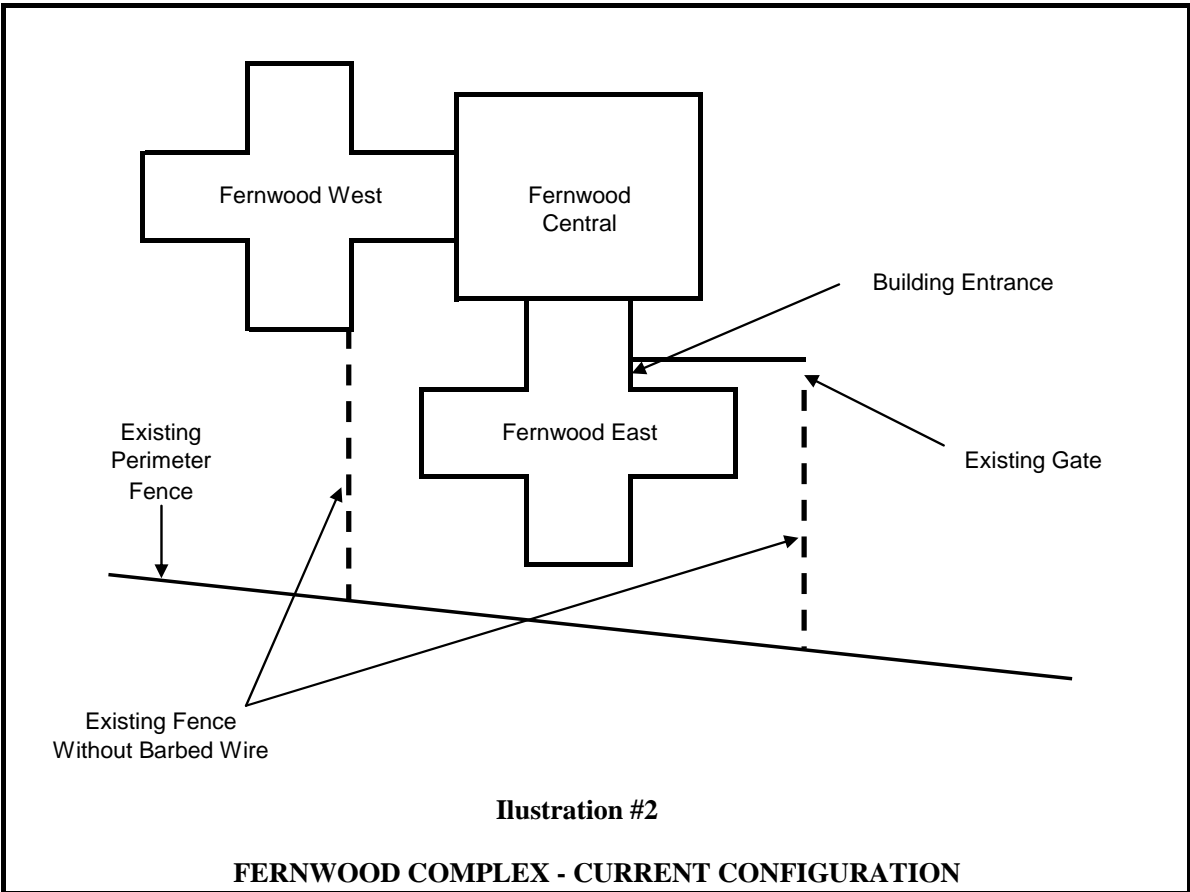


Illustration #1

RIVERVIEW HOME

NOTE: Dotted lines along the perimeter fence and gates indicate areas where barbed wire is missing.



FOOD SERVICE OPERATIONS ARE NOT ADEQUATELY MONITORED AND THE PROVIDER IS NOT COMPLYING WITH CONTRACT TERMS

Riverview is not adequately monitoring and aggressively enforcing its food-service contract, and its provider is not complying with certain contract provisions. Such noncompliance could lead to unsafe conditions and substandard performance.

Review Disclosed Instances of Non-compliance and Questionable Compliance

Food safety certificate. The contract with Riverview’s food-service provider requires that supervisory personnel have a food-safety certificate. At the time of our kitchen inspection, March 13, 2007, the food-service manager on duty did not have a food-safety certificate. The city’s Department of Health found the same thing during its March 8, 2007, inspection and cited Riverview for a “critical violation” of the city’s Health Code. Given this manager has been on duty for approximately 18 months (management estimate), and given the food-service contract provides for “liquidated-damages” of between \$5 and \$15 per day per resident for failure to comply with contract terms, the city could assess damages against the provider ranging from \$540,000 to \$1.6 million.

Medical diet compliance. The contract requires that a communication device “be negotiated” to ensure that residents are “*acknowledging receipt* of [their medical-] diet meal” (emphasis supplied). In the city prisons, which are serviced by the same provider as Riverview, the communication device is a signature sheet. Riverview management informed the Controller’s Office that a signature sheet was impractical at Riverview because many of the residents had cognitive difficulties.

The current method used to ensure the receipt of diet meals at Riverview is a three-item sample of the meals served conducted by the provider. This sample is occasionally spot-check by management, though the spot-check process is not documented.

If the intent of the contract provision is to ensure the receipt of diet meals, it is unclear how this could be accomplished short of a 100 percent census, particularly where the population suffers from cognitive difficulties. Furthermore, given the contract provides for liquidated damages in the event the provider fails to effectively distribute diet meals to the intended recipients, it is unclear how the discharge of this requirement could be assessed via a three-item sample that is occasionally spot-checked.

Hazard Analysis Critical Control Point (HACCP)³ Plan. The contract requires that the provider develop a HACCP-based food safety plan and submit it annually to city management and the city’s Department of Health for approval. Riverview management informed us it had never heard of such a thing, and the Department of Health informed us the provider hadn’t submitted a HACCP plan to them in six or seven years.

³HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards. It was developed in the 1960s for the U.S. space program.

Registered sanitarian. The contract requires quarterly inspections by an independent registered sanitarian and submission of a report to the city's contract administrator. This is not being done. Without such independent inspections, the risk of food-borne disease is not reduced to the level anticipated when the food-service contract was drafted.

In-service training. The contract requires that the provider develop an annual schedule of in-service training for all of its staff. Among other things, the training is supposed to address sanitation and food handling. The Controller's Office requested a copy of the plan and proof of attendance. We have not, as yet, received either.

Continuous quality improvement program (CQIP). The contract requires that the provider establish and maintain a CQIP, provide a written copy to the city, and provide annual revisions. The purpose of the CQIP is to "***assure the requirements of the Contract are met***" (emphasis supplied). Riverview management maintains they had never seen such a document. When auditors asked provider management if they had ever submitted a CQIP and whether the Controller's Office could have a copy, provider management did not respond to the submission question, did not provide a copy of the program, but did admit that they were not making annual revisions.

Monthly performance report. The provider is required to develop and submit a monthly performance report detailing such things as activity levels (e.g. meals served), problems incurred, corrective actions, and unresolved issues. Management maintains they have never received this report.

Certification of nutritional adequacy. The contract requires that a registered dietician certify the nutritional adequacy of the menus being used. The current menus are certified as being adequate for a population 19 to 50 years old. The average age of Riverview's personal-care population is 67. The average age of the shelter children is 6.

Dietician – registration and education. The contract requires that the provider supply proof of its dietician's registration plus her plan for continuing education. Prior to the Controller's Office request, the provider had supplied neither. The provider has still not supplied the education plan.

Equipment inventory. The contract requires the provider to conduct an inventory of equipment semi-annually and submit it to the contract administrator. This is not being done.

Plate waste studies. The provider is required to assess the acceptability of its meal offering through, among other things, "plate-waste studies": reviewing what is not eaten to identify what should be deleted from the menu. Plate-waste studies are not being conducted.

Previous Reports of Noncompliance

Riverview board minutes from October 2005 through December 2006 refer to instances of noncompliance (“menus and serving times”) by the food-service provider dating back to August 2005. The minutes discuss punitive damages (\$5,000 to \$8,000), slow response to complaints, and continuing documentation of provider noncompliance by the Riverview staff.

The minutes were not specific as to the issues, and the Controller’s Office was unable to obtain any other documentation (e.g. correspondence with the provider) that would shed light on what did or did not take place. A January 2007 payment shows damages in the amount of \$2600 being assessed, but the reasons for the assessment are not given, and the assessment amount does not agree with the amounts discussed in the board minutes.

Planned Monitoring by Office of Supportive Housing (OSH) Was Not Realized⁴

The food-service RFP for Riverview contains the following language:

[OSH] will systematically implement a client-centered, results-oriented process that will measure qualitative outcomes. We will accomplish this through comprehensive data collection and reporting, continuous quality management with [OSH] providing technical assistance, and solicited client feedback to determine which program elements are producing the desired results. . . .

[An outcome/milestones] report is due from all providers one week after the close of the month. It includes critical periodic measures of . . . progression towards meeting target goals. Weekly/monthly report forms will be provided and report submissions monitored by the [OSH] Quality Assurance Unit.

This language did not become part of the food-service contract and, when we contacted the OSH Quality Assurance Unit to find out the nature of the performance monitoring they were doing, no one in the unit was able to provide any information about it.

Loss of Food-Service Manager
Diminished Monitoring Capability

According to Riverview management, more contract monitoring was done when Riverview employed a food-service manager. Once the manger retired in the face of imminent layoff, compliance monitoring diminished.

⁴ Riverview is a division of the Office of Supportive Housing.

Lack of Compliance Checklist Impedes Monitoring

The food-service contract for Riverview is 166 pages long. It is unrealistic to expect that management personnel for whom contract administration is but one of a litany of duties will have time to digest a document of that length and complexity and reduce it to a working control device.

The city does not provide compliance checklists to its contract administrators. Without such checklists, it is unclear how the administrators are supposed to know what to monitor.

Recommendations

To improve compliance monitoring, the city administration must ensure that the contract-drafting process includes the drafting of a compliance checklist to be used by the contract administrator. [21706.09]

To improve contract compliance, OSH management should take the following actions:

- Demand compliance with all terms and conditions. [21706.10]
- Document all instances of noncompliance via formal, written notification of the provider. [21706.11]
- Assess liquidated damages without exception. [21706.12]
- Document all remedial actions, for example, assessments of liquidated damages. [21706.13]
- Serve notices of default informing providers the city will pursue all available remedies if defects are not cured. [21706.14]
- Increase oversight by the OSH Quality Assurance Unit. [21706.15]
- Retain enough city personnel to monitor provider contracts when city services are outsourced. [21706.16]
- Provide contract administrators with compliance checklists, i.e., documents that reduce the contract to a workable list of provisions to be enforced. [21706.17]

PROVISIONS FROM THE FOOD-SERVICE RFP AND/OR PROPOSAL WERE NOT CARRIED FORWARD TO THE FOOD-SERVICE CONTRACT

Provisions set forth in the city's food-service request for proposal (RFP) and/or the provider's response did not find their way into the food-service contract. Deleting terms

and conditions requested by the city and agreed to by the bidder, or simply proposed by the bidder as a means of enhancing its service offering, could serve to decrease competition, undermine public confidence in the bid process, reduce service levels, and increase cost.

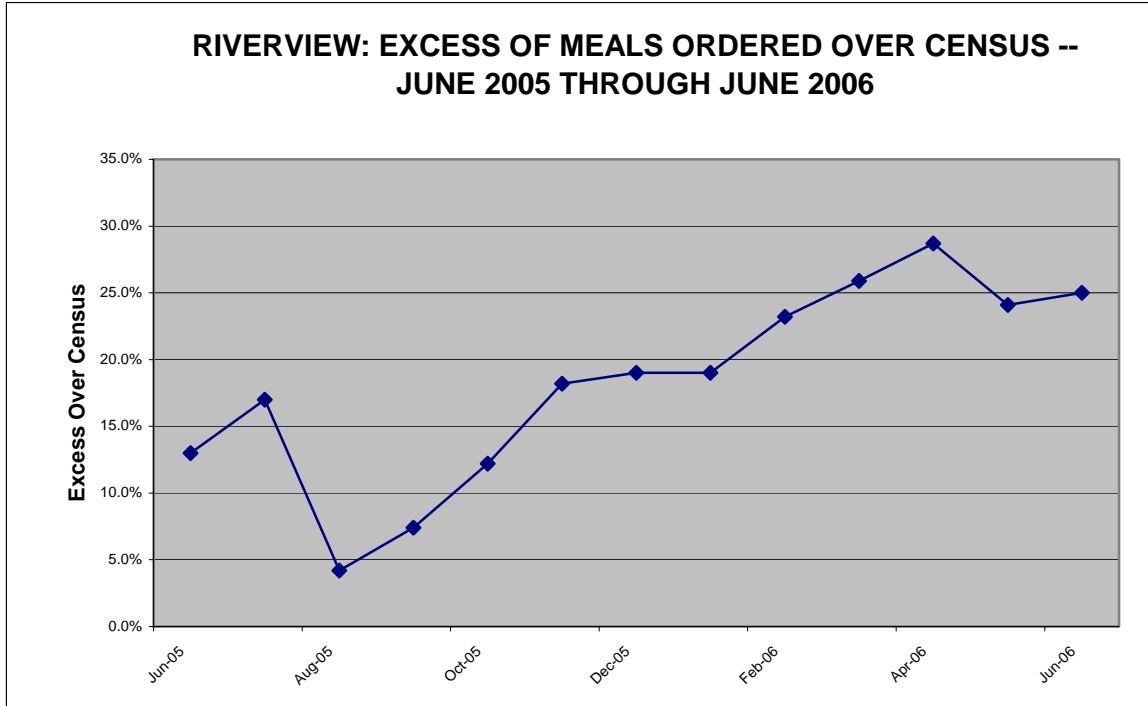
Job-training program. Both the city's RFP and the provider's proposal devote considerable discussion to a job-training program. The contract makes no mention of the program, and there is no such program. Management informed the Controller's office that the program was tried and discontinued because Riverview residents didn't work out and because paid employment jeopardizes their SSI benefits. However, neither the RFP nor the proposal stipulate that Riverview residents are to be used. Any target "underserved" population would satisfy the RFP requirement.

Six percent donation. In its proposal, the provider offered to donate 6 percent of net sales from the Riverview snack bar for resident programs. This offer, however, never became part of the contract. Management informed us that the donation was traded for lower prices and more menu variety. However, this tradeoff arrangement was never documented.

Count history. The provider proposed to maintain a count history of meals served to better forecast future requirements and control cost. However, this proposal never became part of the contract, and the provider has not been reporting meals served to Riverview management.

Auditors found that the meals ordered and paid for exceeded the Riverview census by anywhere from 4 percent to 29 percent (see graph, below). While some excess is expected due to state regulations requiring that additional servings be made available, without feedback on the actual number of meals served, there is no way to know whether even the low end of this variance range is reasonable. However, the fact that Riverview was able to meet resident demand during August 2005 with a meal order only 4 percent in excess of the census, strongly suggests that a 29 percent cushion (April 2006) was probably far in excess of what was needed.

Using 4 percent excess as a baseline, we estimate that Riverview overpaid its food-service provider approximately \$50,000 for the period June 2005 through June 2006.



Recommendations

To ensure a high level of competition for city business, a high level of public confidence in the contracting process, and the highest level of service at the lowest possible cost, city management must ensure that the terms and conditions set forth in RFPs and proposals are carried forward to provider contracts and, if proposal terms are modified, management must ensure that the rationale for the modification is thoroughly documented. [21706.18]

DRUG CONTRACT IS NOT ADEQUATELY MONITORED

Personnel of the Department of Public Health, the agency responsible for administering the Riverview drug contract, are not adequately familiar with the terms and provisions of the contract. In addition, they are paying vendor invoices without verifying the accuracy of quantities or prices.

Contract Administrator Is Unfamiliar with Contract

When we interviewed the city’s contract administrator about the Riverview drug contract, we found that she was unfamiliar with a number of terms and provisions contained in the contract. For example, she told us she was not familiar with the following:

- *Approved Prescription Drug Products with Therapeutic Equivalence Evaluations* (U.S. Department of HHS).
- Monthly utilization reports (who receives them).

- Third-party rejection reports.
- Emergency disaster plan.
- *Medi Span Generic Buying and Reimbursement Guide*.
- Maximum allowable cost.
- Statistically significant analysis.

It should be emphasized that in citing this condition we are not finding fault with the contract administrator. The administrator informed us that she had received limited training in her job responsibilities, and that she had no compliance checklist, that is, a document that reduces the contract to a workable list of enforceable provisions.

Unless administrators are familiar with the terms and provisions of the contracts they administer, and unless they are supplied with compliance checklists, there is an unacceptable risk of noncompliance by service providers.

No One Checks Prices and Quantities

When we asked the contract administrator who was responsible for validating prices and quantities on vendor invoices, she told us that she was not; however, she indicated that perhaps the validation was done by the pharmacy administrator at 500 South Broad. When we questioned the pharmacy administrator, she told us that the only thing she did with the vendor invoice was pay it.

Reviewing a pharmacy invoice is no small task (one invoice we examined ran 127 pages and contained 826 billing lines). However, the unwieldy nature of the invoice is the reason why the pharmacy contract provides for a “statistically significant analysis,” a validation approach that allows the city to extrapolate error based on a one-in-twenty random sample. When we asked the contract administrator about the statistically significant analysis, she told us she had no idea what it was.

Whether the city does a one-in-twenty sample or some other kind of spot check, some kind of validation needs to be done to ensure the vendor is not overbilling.

Vendor Is Not Disposing of Unused Drugs

City personnel are disposing of unused drugs by flushing them down the toilet. Whether or not this is a proper method of drug disposal is not the city’s problem since the vendor, not the city, is responsible for drug disposal. On this issue, the drug contract says the following:

[The] vendor will provide for disposal and record keeping of medications, in accordance with all Municipal, State, and Federal regulations.

In June 2006, the United States Environmental Protection Agency cosponsored a workshop in Philadelphia entitled “Managing Pharmaceutical Waste: a 10-Step Blueprint for Healthcare Facilities.” The workshop recounted instances where healthcare facilities

had been fined by the EPA for the improper disposal of pharmaceutical waste, which can include certain drugs, such as epinephrine, nitroglycerin, and coumadin.

By contract, it is up to the vendor to see that drugs are disposed of legally.

Recommendations

To ensure that the city receives the goods and services it pays for at the lowest available price and that operations are conducted in accordance with all applicable laws, we recommend that management take the following actions:

- Indoctrinate contract administrators in the terms and provision of the contracts they are responsible for administering. [21706.19]
- Provide contract administrators with a compliance checklist, that is, a document that reduces the contract to a workable list of enforceable provisions. [21706.20]
- Formulate a plan for spot-checking the prices and quantities on drug-vendor invoices and require that validation activities be documented. [21706.21]
- Require the drug vendor to dispose of all unused drugs. [21706.22]

RESPONSE TO AUDITOR'S REPORT



CITY OF PHILADELPHIA

Office of Supportive Housing
1401 JFK Boulevard - 10th flr.
Philadelphia, PA 19102
(215) 686-7106
FAX: (215) 686-7126
Email: dainette.mintz@phila.gov

DAINETTE M. MINTZ - DIRECTOR
Deputy Managing Director
Special Needs Housing

October 5, 2007

Alan Butkovitz
City Controller
1230 Municipal Services Building
1401 JFK Boulevard
Philadelphia, PA. 19102-1679

Re: Riverview Performance Review – June 2007

Dear Mr. Butkovitz:

We have received a draft copy of the above-mentioned report. I would like to take this opportunity to express my gratitude to you and your staff for your thoughtful comments and findings. This letter is in response to your findings and recommendations.

As you will note in our response, the Office of Supportive Housing (OSH) has begun to address several of the findings related to Riverview Home. For example, the exit doors of the recommended cottage have been hard wired with door alarm signals at the staff station. Further, an electronic video surveillance system has been installed so that staff can monitor all activity at the five cottage exit doors. We trust that you will be satisfied with this and other actions described in our responses below.

FINDING: Security risk to residents should be reduced.

RESPONSE:

- A high quality electronic surveillance system has been installed in the Fernwood East cottage that includes a hardwire door alarm on each of the five exit doors, an external camera focused on each door, and a video monitor at the cottage staff station (with split screen capability). The system has expansion capability in the event that additional cameras are warranted (such as external walkways).

- Security protocols have been revised to include recommended actions in conducting a “search” of all persons entering Fernwood East cottage.
- Sheppard Detective Systems (the contracted security company) has posted signs announcing that the facility is protected by their company.
- The City has requested documentation from Sheppard Detective Systems to show that each guard stationed at Riverview has received the revised security protocols.
- The vendor has been notified to replace missing barbed wire on the external perimeter fencing.
- OSH Management will evaluate the success of the above increased security enhancements before proceeding with any additional security measures.

FINDING: Food service operations are not adequately monitored and the provider is not complying with contract terms.

RESPONSE:

- Riverview supervisory and management staff have been monitoring the Aramark contract as it relates to the services at Riverview. Monitoring activities include the daily completion of a two page dining room monitoring checklist which ensures compliance with the menu (whether food is available according to the menu and whether menu changes are posted), the quality of the food, the service (timeliness of serving the meal, whether personnel are in full uniform, all menu and salad bar items are available, etc.), and feedback or comments from individual residents.
- Riverview management agrees that the on-going monitoring activities should be tied more directly to the contract and will take the necessary steps to ensure that this occurs; including on-going meetings (at least monthly) with the vendor (Aramark management) to review contract performance. Documentation of these meetings will be maintained on-site.
- Riverview management will improve its formal documentation of contract noncompliance (related to the Riverview operation).
- Liquidated damages related to food services at Riverview will be assessed as appropriate and included in the formal documentation of noncompliance to the provider.

FINDING: Provisions from the food service RFP and/or proposal were not carried forward to the food-service contract.

RESPONSE:

- Agreed. The contract will be amended (or a new contract executed) when appropriate.

FINDING: Drug contract is not adequately monitored.

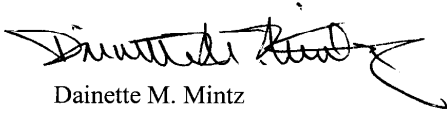
RESPONSE:

- The Health Department has established that the contract will be administered by the Pharmacy Director of Ambulatory Health Services. On a day-to-day basis, the Health Services Administrator who monitors the contract for overall medical services at Riverview will oversee the pharmacy contract. The Pharmacy Director will meet on a

regular basis with the HSA to discuss contract issues, review the status of invoice payments, and otherwise maintain access to professional expertise related to pharmacy issues. Consideration will be given to the development of a checklist to improve monitoring. The Health Department's Pharmacy Director will also take responsibility for checking prices and quantities. The Health Department will adopt the "one in twenty" sample review as suggested by the Controller. Any concerns that arise from this review will be shared with the HSA. Responsibility for disposing of unused pharmaceuticals at Riverview lies with the vendor, Shelley's Medication Services, under contract with the Health Department. The HSA will interact with the vendor to ensure that this contracted service is performed as required.

Thank you for the opportunity to respond to these findings.

Sincerely,



Dainette M. Mintz
Deputy Managing Director for Special Needs Housing

Cc: Michael Egan, Audit Administrator
Cynthia Douglas, Assistant Budget Director, Finance Department
Ellen Steiker, Deputy Managing Director, MDO
Leti Egea-Hinton, Deputy Director, OSH
Sally Fisher, Superintendent, Riverview Home