UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
AUDIT AND ADVISORY SERVICES

Interpreting Services-Vendor Management
Project #19-083

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SUBJECT: Interpreter Services Vendor Management
             Project #19-083

As a requested internal audit for Fiscal Year 2019, Audit and Advisory Services (A&AS) conducted a vendor management review for UCSF Health Interpreter & Language Services. The purpose of this review was to evaluate the controls in place for effective and efficient invoice management and reconciliation.

Our services were performed in accordance with the applicable International Standards for the Professional Practice of Internal Auditing as prescribed by the Institute of Internal Auditors.

Our review was completed and the preliminary draft report was provided to the department management in March 2019. Management provided us with their final comment and responses to our observations in April 2019. The observations and corrective actions have been discussed and agreed upon with department management and it is management's responsibility to implement the corrective actions stated in the report. In accordance with the University of California audit policy, A&AS will periodically follow up to confirm that the agreed upon management corrective actions are completed within the dates specified in the final report.

This report is intended solely for the information and internal use of UCSF management and the Ethics, Compliance and Audit Board, and is not intended to be and should not be used by any other person or entity.

Sincerely,

Irene McGlynn
Chief Audit Officer

EXECUTIVE SUMMARY

I. BACKGROUND

As a requested internal audit in fiscal year 2019, Audit & Advisory Services (A&AS) completed a review of the Interpreter & Language Services Department's vendor management process. The Interpreter & Language Services Department is responsible for providing language access services to the Medical Center's patients; it either provides the service with the UCSF interpreters or arranges to have third-party vendors deliver the interpreting service via phone, video, or in-person. In October 2018, 53% of the interpreting was done over the phone, 23% was done with video, 21% was done with in-person by third-party vendors, and 3% was done in-person with the UCSF staff. In fiscal year 2018, the Interpreter & Language Services Department spent approximately $12.9 million.

Interpreting services provided include a variety of languages that represent the UCSF Health's patient demographics. Below are the demographics for October 2018.

Language	Spanish	Cantonese	Mandarin	Russian	Vietnamese	Korean	Other
Percent of total interpretation services provided	47%	20%	8%	7%	5%	3%	10%

While there are ten different ways an in-person interpreter can be requested by the clinic, the two most common ways are via APeX, and Carelinks.[1] Once the clinic makes its request for an in-person interpreter, the Scheduler in Interpreter & Language Services Department will begin assigning the tasks. The assignments are given to the UCSF interpreters or a contracted per diem vendor employee first prior to requesting elsewhere. The UCSF uses seven vendors for interpreting services: Bay Area Communications Associates (BACA) for American Sign Language, CyraCom for phone interpretation, International Effectiveness Center (IEC) for in-person interpretation, Lan Do & Associates (LDA) for in-person interpretation, Language Line Services (LLS) for phone and video interpretation, Language World Services (LWS) for in-person interpretation, and Natividad Medical for in-person interpretation.

II. AUDIT PURPOSE AND SCOPE

The objective of the review was to assess the accuracy of vendor invoices. The scope of the review covered transactions and activities from October 1, 2018 to November 30, 2018.

To conduct the review, the following procedures were performed:
(1) interviewed personnel to get an understanding of the billing of interpreting services;
(2) performed walkthroughs to get an understanding of the scheduling of in-person interpreters; and
(3) recalculated the invoices for all seven vendors for the month of October and November 2018 and reconciled against requests, schedules, and APeX to validate the appropriateness and accuracy of the charges.

Work performed was limited to the specific activities and procedures described above. As such, this report is not intended to, nor can it be relied upon to provide an assessment of compliance beyond those areas specifically reviewed. Fieldwork was completed in February 2019.

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[1] The APeX system is used to access, organize, store and share electronic medical records. Carelinks is a UCSF website that allows clinics to submit an interpreter request.

III.   **SUMMARY**

Based on procedures performed, the Interpreter & Language Services Department is focused on improving processes throughout its operations, and has recently undergone a Kaizen initiative. This review serves to evaluate the adequacy of controls surrounding the vendor management process and payments and identify additional enhancement opportunities for the Interpreter & Language Services Department to control costs, drive service excellence, and to mitigate risks to gain increased value from its vendors throughout the contract term. In this review, A&AS noted issues around missing or unenforced contract terms and potential overpayments of approximately $110,226 for 2 months of vendor invoices (over $660,000 of potential annualized overpayment) due to the lack of an effective vendor invoice reconciliation process.

The specific observations from this review are listed below and in Section IV. Observations and Management Corrective Actions.

   A. Contract Terms
       1. All seven interpreting services vendor contracts have varying levels of details, contract terms and conditions, and they do not always contain key elements needed to effectively manage services needed at UCSF.
   B. Vendor Invoice Reconciliation
       2. Invoices have not been reconciled regularly, resulting in potential overpayments to vendors of $110,226 during the two month period tested (over $660,000 of potential annualized overpayment).
       3. Records kept by the Interpreter & Language Services Department do not allow for efficient invoice reconciliation.

There are also opportunities for improvement around categorizing interpreters who work a minimum of thirty hours per week as shift employees to take advantage of the discounted rate, reducing the rounding of appointment times allowed, and documenting interpreter use.

IV.   OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS ("MCA")

A. Contract Terms

No.	Observation	Risk/Effect	Recommendation	MCA
1.	***All seven interpreting services vendor contracts have varying levels of details, contract terms and conditions, and they do not always contain key elements needed to effectively manage services needed at UCSF.*** Review of contracts provided for seven vendors used by the Interpreter & Language Services Department identified that contract terms are not standard across the vendors used for contracted interpreting services, and key elements were missing from the contracts as described below. • A Business Associate Agreement is not present. (Natividad; Cyracom) • The clause to audit vendor records is not included.(Natividad; Cyracom) • An SOW was referenced in the Master Professional Services Agreement, but not found. (IEC) • No defined rate schedule is included to clearly demonstrate the billing rates for services rendered. (Natividad) • Not all languages provided are included in the rate schedule (IEC) • No definition of "after hours" is present in the rate schedule (IEC) • The rate schedule references holidays, but no list of holidays included was provided. (BACA; LDA; IEC) • No minimum hours charged or late cancellation requirements were included. (IEC) Additionally, none of the contracts include a restoration clause that would allow the Interpreter & Language Services Department to recover costs associated with using another vendor as a result of the initial vendor's last minute cancellation.	Missing contract terms can result in non-compliance with regulations, inappropriate charges going unidentified, and unnecessary costs.	The Interpreter & Language Services Department should work with Procurement to renegotiate existing contracts and amendments to include all appropriate terms and details. Additionally, issuing a Request for Proposal may help identify other vendors that can supply contracted interpreting services to reduce the risk of overreliance on current vendors and their potential inability to fulfill all interpretation requests.	The Interpreter & Language Services Department has met with Procurement to go over report from auditing with relevant highlights. Issuing a RFP has been discussed for future consideration. **Implementation Date:** Completed in April

B. Vendor Invoice Reconciliation

No.	Observation	Risk/Effect	Recommendation	MCA
2.	***Invoices have not been reconciled regularly, resulting in potential overpayments to vendors of $110,226 during the two month period tested (over $660,000 of potential annualized overpayment).***	When invoices are unreconciled or when the	Interpreter & Language Services Department should institute a process for	Short-term: Utilize audit tool/APeX report beginning 4/1/2019

No.	Observation	Risk/Effect	Recommendation	MCA
	A review of October and November invoices for the six of the seven vendors used by the Interpreter & Language Services Department identified various discrepancies in charges against services requested/provided and contracted rates.[2] The total charges in question and potential overpayment for October and November 2018 based on the reconciliation performed by Audit & Advisory Services as part of this review are shown below.	vendor has not done an analysis to make sure that what they are billing is correct, the Interpreter & Language Services Department risks being overcharged. Verbal agreements that are not documented creates the risk that the terms will be left up to debate and thus not enforceable.	verifying and reconciling invoices regularly. Interpreter & Language Services Department should follow up with LLS for one minute calls/video for reimbursement. Additionally, the over two hour calls and duplicate charges should be followed up with the vendor for further analysis for their reasonableness. Interpreter & Language Services Department should have on-going discussions with the vendors over their invoice billings.	Long-term: Utilize ServiceHub to automate reconciliation of invoices, with a likely rollout of pilot areas in October 2019. **Responsible Party:** Director, Interpreter & Language Services **Target Implementation Date:** October 31, 2019 Remuneration and ongoing billing process are being discussed with LLS. Interpreter & Language Services Department is meeting with all other vendors to discuss as well. **Responsible Party:** Director, Interpreter & Language Services along with Project Manager, Volunteer & Guest Services

2018	BACA	IEC	LDA	LLS	LWS	Natividad	Total
Oct	$1,932	$5,324	$27,609	$674	$18,529	$1,856	$55,924
Nov	$1,283	$9,293	$31,496	$598	$9,695	$1,937	$54,302
Total	$3,215	$14,617	$59,105	$1,272	$28,224	$3,793	$110,226

The largest factors causing the discrepancies were the practice of billing two hours per appointment rather than the actual hours of services performed for individual interpreters and charging certain interpreters for eight hour shifts rather than scheduled appointments without a documented request for shift coverage.

Other common factors causing discrepancies in charges for in-person services are:
- Different start and end time of appointments from those stated in the invoices
- Encounters that could not be found in APeX or Carelinks to support the invoiced interpretation session
- Calculation errors (e.g. 25.5 hours recorded for one interpreter in a single day)
- Rates charged that disagreed with those in the contracts
- Inappropriate travel expenses charged
- Rounding up of appointment durations[3]
- Overlap of appointment times with the same interpreter
- Duplication of appointment charges

Video and phone services are primarily provided by Language Line Services (LLS). Invoices for January – November 2018 were analyzed, and 4,674 one-

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[2] Insufficient information was available for Cyracom to allow A&AS to validate the charges.
[3] LDA and IEC round up appointment durations, but it is not stated as allowed in the contracts.

No.	Observation	Risk/Effect	Recommendation	MCA
	minute calls and 3,198 one-minute video sessions were identified totaling $7,497 that the vendor agreed would be credited back to the UCSF since they are not legitimate sessions. There were additionally 80 calls and 79 video sessions lasting over two hours totaling $26,160 that the vendor has agreed to investigate to ensure these are not due to errors in their system.			**Implementation Date:** Vendors have been contacted and discussions are progressing.
3.	***Records kept by the Interpreter & Language Services Department do not allow for efficient invoice reconciliation.*** The majority of the Interpreter & Language Services Department's records are kept in paper form, which makes invoice reconciliation difficult and time consuming. Additionally, appointment schedules created in APeX are not always manually linked properly, which may result in interpretation services being scheduled for appointments that have already been cancelled. As part of a Kaizen initiative, the Interpreter & Language Services Department has taken steps towards process improvement. However, there are opportunities to use tools such as the Department Daily Activity Report, external resource assignment programs, and leverage electronic formats such as Excel to capture interpreting services appointments.	Keeping records in paper form increases space constraints due to storage needs, and increases risks of loss due to fire or flood and privacy risks if records are lost or misplaced.	The Interpreter & Language Services Department should use Excel or some other electronic format to capture detail information like appointments from APeX scheduling or Carelinks. Also, Interpreter & Language Services Department can look into using tools such as a resource assignment program to capture and more efficiently schedule interpreting service appointments. The Interpreter & Language Services Department should work with the Clinical Systems teams to better link appointments in APeX to avoid scheduling interpreters for	Short-term: Dispatch and schedulers are implementing use of excel instead of printing APeX reports. **Implementation Date:** Current and ongoing. Long-term: Implement ServiceHub for automatic documentation and link APeX to scheduling/ dispatching of interpreters. APeX integration already underway with Service Hub. Rollout of pilot by October 2019 **Responsible Party:** Director, Interpreter & Language Services **Target Implementation**

No.	Observation	Risk/Effect	Recommendation	MCA
			cancelled appointments.	**Date:** October 31, 2019

V. Improvement Opportunities

No.	Observation	Risk/Effect	Recommendation
1.	***There are interpreters who work a minimum of 30 hours per week who are currently not under the staffing model/rate.*** There is a staffing model rate available from LWS that stipulates that if an interpreter works at a minimum 30 hours per week then they should be considered as shift employees and thus bill out at a discounted rate versus the normal rate; however this is not the rate contained in UCSF's contract with LWS.	By not using the staffing model, the Interpreter & Language Services Department is not taking advantage of cost savings.	The Interpreter & Language Services Department should consider taking interpreters who work a minimum of 30 hours per week and converting them into the staffing model.
2.	***The LWS contract allows for a two hour minimum regardless of actual appointment duration and billing in thirty minute increments for appointments over two hours, which is not industry standard.*** LWS is the only contract reviewed that allows for rounding after a minimum has been reached. Per discussions with the Interpreter & Language Services Department, industry standard for rounding is per quarter hour instead of half hour.	Rounding to the nearest half hour versus to the nearest quarter hour results in a higher cost to the Interpreter & Language Services Department.	The Interpreter & Language Services Department should consider amending its contract to allow rounding to the nearest quarter hour instead.
3.	***Interpreter scheduling requests and presence is often documented in the appointment or encounter notes, which are not easily usable for reporting and monitoring.*** APeX contains a documentation template, or flowsheet, for when interpreters are used. While the Interpreter & Language Services Department provided 27,987 encounters with in-person, phone, or video interpretation services in October 2018, the flowsheet for documenting interpreter use was only filled out 844 times, of which 497 were for in-person interpreters or video/phone services rather than the patient, patient's family/friend, or clinical service provider. When documenting interpretation requests or use, it was more often documented either in the appointment or encounter notes, which are more challenging to use for in creating reports.	Documentation in notes limits the reporting ability and makes operational oversight, demonstrating compliance, or reconciling charges more burdensome.	Training and communication promoting the use of the flowsheet for documenting interpreter services should be conducted.