

February 22, 2023

Senate Committee on Government Operations  
Vermont State House  
115 State Street  
Montpelier, VT 05633-5301

**Re: S.9, Authority of the State Auditor to examine the books and records of any contractor providing services to the State**

Dear Chair Hardy and Committee,

We are writing to you as a coalition of health care associations about S. 9, regarding the authority of the State Auditor to examine the books and records of any contractor providing services to the State. We appreciate the State Auditor's goal of fiscal responsibility. However, the changes in this bill will impact almost every organization in the State. The potential risks posed to the protection of confidential, private patient health information, when a mechanism already exists for audits of state contracts, are of particular concern to the coalition.

Currently, the State Auditor can audit the performance of contracts by auditing the governmental entity overseeing the contract. With this bill, the auditor can bypass the agency overseeing the contract and perform a "governmental" audit under the [GAO's 247-page Government Auditing Standards](#). This bill will subject any private entity that contracts with the State of Vermont to a direct audit by the State Auditor.

We take the legally mandated protection of patient health records very seriously. The bill allows the State Auditor to obtain all documents relevant to the contract with the State, opening these documents to public records requests. State agencies have public information officers that understand the subject matter of the documents that they are dealing with. Here, the auditor will get documents from non-governmental organizations directly and any public records request will be mediated by the auditor as the custodian of that record, not the organization. We are concerned that this will inadvertently result in the release of HIPAA-protected and other sensitive information. Additionally, our workforce is already sensitive to their personal information being made public due to concerns of personal safety.

Thank you for your attention to this issue. Please feel free to contact any one of our coalition for further information.

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