

Department of Health and Human Services - Biennial Budget FY'14-15

Audit Related Budget Initiatives

1. **Request:** Please provide the list of the 13 Single State audits that make up the \$3.7 million request.

Response:

MAINECARE AUDIT FINDINGS SFY2007 - SFY2011 C-A-7018, Line 333 (in green document), HHS-132.		
SSA YEAR	FINDING TITLE	Assessment
2007	Federal matching requirements not met	\$ 149,000
2007	Payments exceed authorized amounts/Insufficient claims payment controls	\$ 241,000
2008	Waiver costs funded by incorrect program	\$ 295,909
2008	Cost of care not properly deducted from nursing facility claims	\$ 500,000
2008	Incorrect client eligibility determinations	\$ 545,255
2009	Reimbursement rate not adequately supported/incorrect reimbursement rate paid to providers	\$ 767,000
2009	Non-compliance with prompt payment requirements	\$ 600,000
2010	Procedures to ensure proper crediting of Federal share of cost of care recoupments need improvement	\$ 86,636
2010	Reimbursement rates not adequately supported/incorrect reimbursement rates paid to providers	\$ 30,000
2010	Procedures relating to uncashed checks need improvement	\$ 111,024
2010	Controls to ensure payments are made from the correct Federal program need improvement	\$ 233,171
2011	Procedures relating to uncashed checks need improvement	\$ 26,024
2011	Procedures to ensure payments are made from the correct Federal program need improvement	\$ 145,500
		\$ 3,730,519

2. **Request:** Please provide additional information on the Payment Management System Audit Findings (line 263)

Response: Each year the Medicaid program is given a federal allotment. There are times when the state does not draw down the entire allotment therefore leaving a balance in the federal account. Prior to 2010 the State was not required to balance the federal account resulting in decade's worth of balances rolling over and accumulating. Effective in 2010 the Federal government implemented a new accounting procedure that required states to do a year end balancing. The audit finding is related to dollars that over the course of decades had rolled over-allocated balances that were never required to be reconciled against expenditures. Now that the federal government is requiring us to reconcile prior years there was an over allocation that we are required to pay to the federal government.

3. **Request:** How much is the contract for HMS that does the auditing on hospitals?

Response: It is a contingency contract. They are paid 10.85% of the overpayments identified.