



# Audit Updates

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Inspector General  
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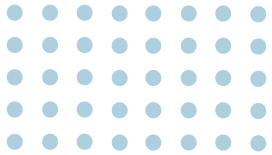
March 12, 2026





# Our Purpose

Shaping the future of *A Healthy Georgia* by improving access and ensuring quality to strengthen the communities we serve.





# OIG Mission

OIG safeguards the integrity of the DCH from risk internally and externally. Detecting fraud, waste and abuse is the office's clear charge.

OIG rigorously reviews, investigates and audits Medicaid providers and recipients to uncover criminal conduct, administrative wrongdoing, poor management practices, and other waste, fraud, and abuse.





## Office of Audits Updates

- 1. Status of Current & Completed Audits**
  - Centers for Medicare and Medicaid Services (CMS)
  - Governmental Accountability Office (GAO)
  - U.S. Department of Health and Human Services (HHS)
  - Department of Audits & Accounts (DOAA)
  
- 2. DOAA Audit Update**
  - Hospital Provider Fee Performance Review
  - New Option Waiver (NOW) & Comprehensive Support Waiver (COMP) Programs Performance Audit
  - Single Audit Prior Year Findings
  - Interim Budgetary Compliance Reporting (BCR) Letter



## Current Audits

### **CMS/GAO/HHS**

- CMS: Home and Community Based Services (HBCS) Assessment
- CMS: Medicaid Managed Care Plan Program Integrity Audit
- GAO: Enhanced Data Matching Could Help Prevent Duplicate Benefits & Yield Substantial Savings
- HHS: Personal care services (PCS) and Electronic Visit Verification (EVV)

### **DOAA**

- FY2025 Annual Financial Report & Single Audit
- Rural Health Tax Credit Performance Audit



## Completed Audits

### DOAA

- Hospital Provider Fee Performance Review
- New Option Waiver (NOW) & Comprehensive Support Waiver (COMP) Programs Performance Audit



## Hospital Provider Fee Performance Audit Overview

The House Appropriations Committee requested the special examination: **(1)** how much hospitals pay, **(2)** how much hospitals receive in add-on payments, **(3)** impacts to the state due to reductions in federal support, **(4)** the benefits the state provides to hospitals

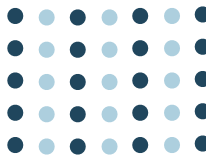
### Results:

- Recommendations: 3
- No Recommendations: 2





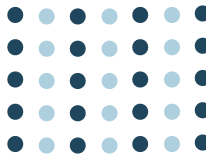
# Audit Finding 1



| DCH processes could be strengthened to ensure hospitals pay the full amount owed on time.  | Action Taken           | Management Response |
|--|------------------------|---------------------|
| <b>Finding 1.1:</b> DCH should assign responsibility for fee payment enforcement to a specific role and implement a process for regularly communicating outstanding balances across divisions. | <b>Not Implemented</b> | <b>Agree</b>        |
| <b>Finding 1.2:</b> DCH should consider implementing a mechanism that regularly informs hospitals of fees owed, such as invoicing, routine email reminders, or an online dashboard.            | <b>Not Implemented</b> | <b>Agree</b>        |



# Audit Finding 1



**DCH processes could be strengthened to ensure hospitals pay the full amount owed on time.**

**Action  
Taken**

**Management  
Response**

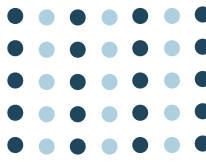
**Finding 1.3:** DCH should impose required penalties on hospitals that fail to pay on time or fail to pay the entire amount. DCH could also consider implementing other corrective actions to ensure fees are collected or could consider reevaluating the late penalty percentage.

**Not  
Implemented**

**Partially  
Agree**



## Audit Finding 2



**In all years reviewed, hospitals paid more in fees than they received in add-on payments.**

**Action  
Taken**

**Management  
Response**

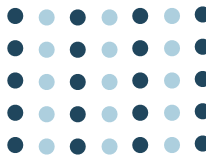
**Finding 2.1:** DCH should review the add-on payment percentage to determine whether it is appropriate to ensure aggregate add-on payments are substantially equivalent to aggregate fees paid.

**Not  
Implemented**

**Partially  
Agree**



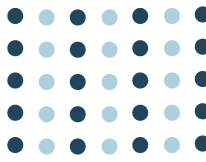
# Audit Finding 3



| <b>DCH oversight over managed care add-on payments could be improved.</b>   | <b>Action Taken</b>    | <b>Management Response</b> |
|---|------------------------|----------------------------|
| <b>Finding 3.1:</b> DCH should establish a routine procedure to verify that CMOs appropriately apply the add-on payment to the providers' contracted rates. This may require changes to how CMOs report add-on payments in encounter data.                      | <b>Not Implemented</b> | <b>Partially Agree</b>     |
| <b>Finding 3.2:</b> DCH should utilize the existing report it receives to verify that only hospitals participating in the provider fee have received add-on payments. If needed, DCH should require CMOs to submit their own reports of add-on payment amounts. | <b>Not Implemented</b> | <b>Partially Agree</b>     |



# Audit Finding 4



| <b>Hospitals participating in the provider fee receive several financial benefits from the state.</b> | <b>Action Taken</b> | <b>Management Response</b> |
|---|---------------------|----------------------------|
| No Recommendations  | N/A                 | Agree                      |



# Audit Finding 5



| <b>Recent federal changes to Medicaid do not currently impact the hospital provider fee.</b> | <b>Action Taken</b> | <b>Management Response</b> |
|--|---------------------|----------------------------|
| No Recommendations   | N/A                 | Agree                      |



## NOW and COMP Waivers Performance Audit Overview

The Senate Appropriations Committee requested the special examination of the New Options Waiver (NOW) and Comprehensive Supports Waiver (COMP): **(1)** who has been served and their services over time, **(2)** how expenditures have changed, **(3)** how long applicants wait to receive services, **(4)** impact of separating NOW and COMP appropriations, and **(5)** extent to which providers are overseen by state agencies.





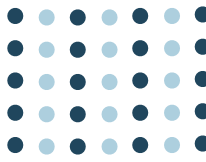
| Findings/No Recommendations  | Management Response |
|--|---------------------|
| <b>Finding 1:</b> The share of COMP waiver participants has increased since 2021, resulting in higher total program costs.   | <b>Agree</b>        |
| <b>Finding 2:</b> Many individuals have been on DBHDD’s planning list for at least six years.  | <b>Agree</b>        |
| <b>Finding 3:</b> Various factors contribute to inconsistencies between funded slots and actual participants served by NOW and COMP waivers.                             | <b>Agree</b>        |
| <b>Finding 4:</b> Separating NOW and COMP funding may require additional appropriations to ensure the neediest participants are served and the planning list is managed. | <b>Agree</b>        |
| <b>Finding 5:</b> DBHDD and DCH share oversight responsibilities of NOW and COMP providers.  | <b>Agree</b>        |



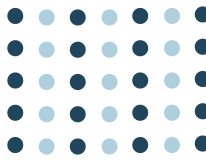
## DOAA Audit Findings Update

- Prior Year Findings
- Single Audit
  - Federal Award Findings (FA)
- Annual Comprehensive Financial Report
  - Financial Statement Findings (FS)





| Summary   | FY25 Status               |
|---|---------------------------|
| <b>FA-419-2024-023</b> Continue to Strengthen Application Risk Management Program.                  | <b>Partially Resolved</b> |
| <b>FA-419-2024-024</b> Improve Controls over Medicaid Capitation Payment Rates.                     | <b>Resolved</b>           |
| <b>FA-419-2024-027</b> Improve Controls over Eligibility Determinations (CHIP).                     | <b>Resolved</b>           |
| <b>FA-419-2024-028</b> Improve Controls over Medicaid Eligibility Determination Rates for Ex Parte. | <b>Partially Resolved</b> |



| Summary  | FY25 Status               |
|--|---------------------------|
| <b>FS-419-2024-001</b> Continue to Strengthen Application Risk Management Program. | <b>Partially Resolved</b> |
| <b>FS-419-2024-002</b> Improve Controls over Cash Accounts.                        | <b>Partially Resolved</b> |
| <b>FS-419-2024-003</b> Strengthen Accounting Controls Overall.                     | <b>Partially Resolved</b> |
| <b>FS-419-2024-004</b> Improve Internal Controls over Accounts Receivable.         | <b>Partially Resolved</b> |



## Interim Report on Budgetary Compliance Reporting (BCR)

DOAA issued a letter to those charged with governance of the State of Georgia stating as a result of the lack of documentation to support the cleanup adjustments, they are unable to audit DCH's adherence to the **2025 Amended Appropriation Bill** as part of their review of compliance with laws and regulations, at the legal level of budgetary control.

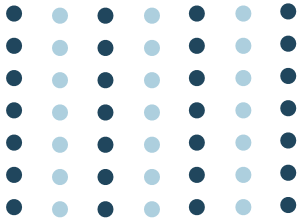




- During the year under review (FY25), DCH completed a multi-prior year **(20 years)** general ledger clean-up project to correct various balance sheet accounts.
- As part of this cleanup effort, DCH recorded 57 correcting journal entries which DOAA is considering as without sufficient documentation to determine the appropriate program and funding source allocation required for budgetary compliance reporting.
- As a result of lack of documentation to support the prior 20 years cleanup adjustments, DOAA could not audit DCH's adherence to the 2025 Amended Appropriation Bill as part of their review of compliance with laws and regulations, at the legal level of budgetary controls.



- Based on DOAA's findings, they recommend decision-makers of the State of Georgia, as it pertains to DCH, not place reliance on the information contained within BCR for planning purpose.
- In addition, DOAA recommends that the Georgia General Assembly consider the impact of this issue when making future appropriations.
- DOAA was unable to confirm year-end agency surplus of State Funds at DCH, and the surplus will likely be understated by a significant, but unknown amount.
- The adjustments made by DCH had no overall impact on the State's Annual Comprehensive Financial Report (ACFR).



GEORGIA DEPARTMENT  
OF COMMUNITY HEALTH

**THANK YOU!**  
**QUESTIONS /**  
**COMMENTS?**

