



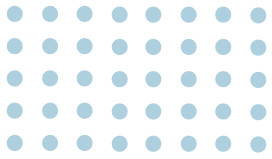
GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Audit Updates

Sonja Allen-Smith
Inspector General
Office of Inspector General

September 12, 2024

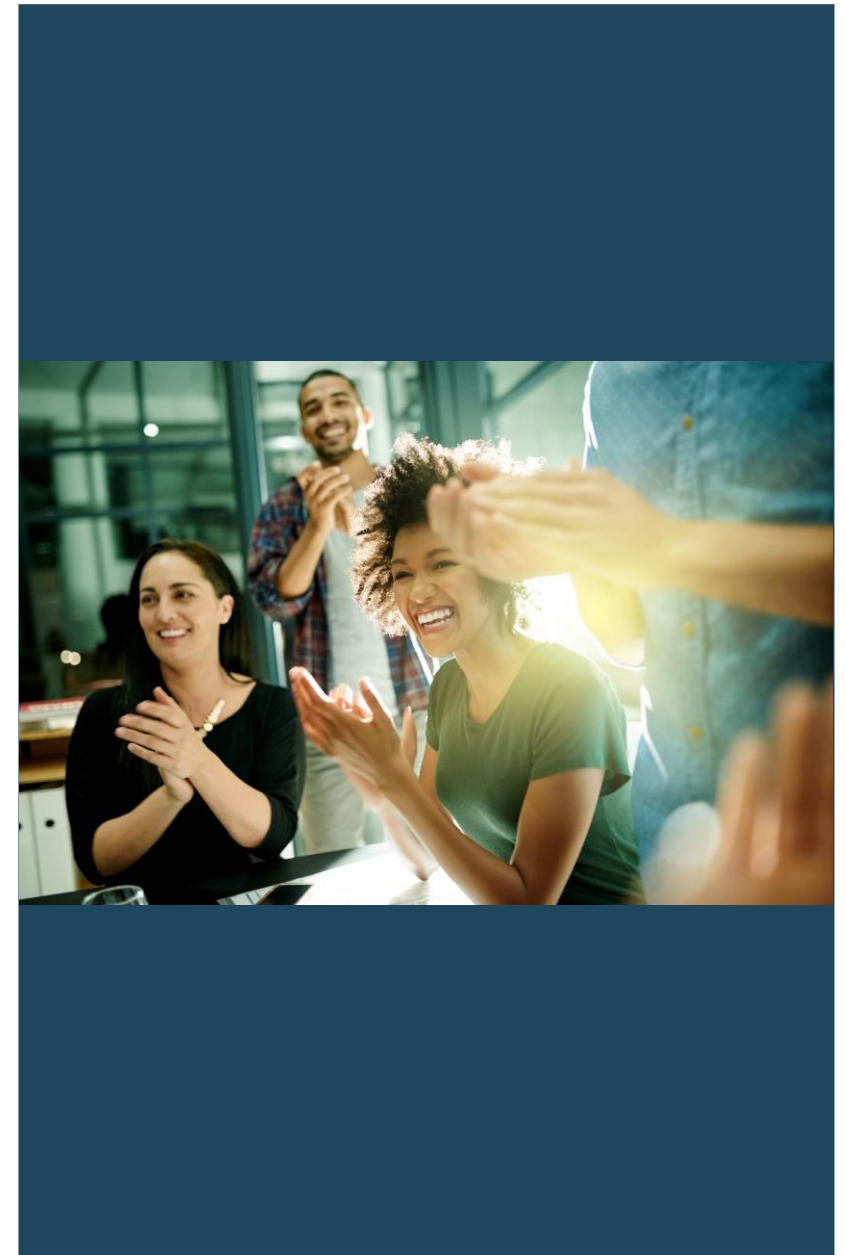




GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Our Purpose

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



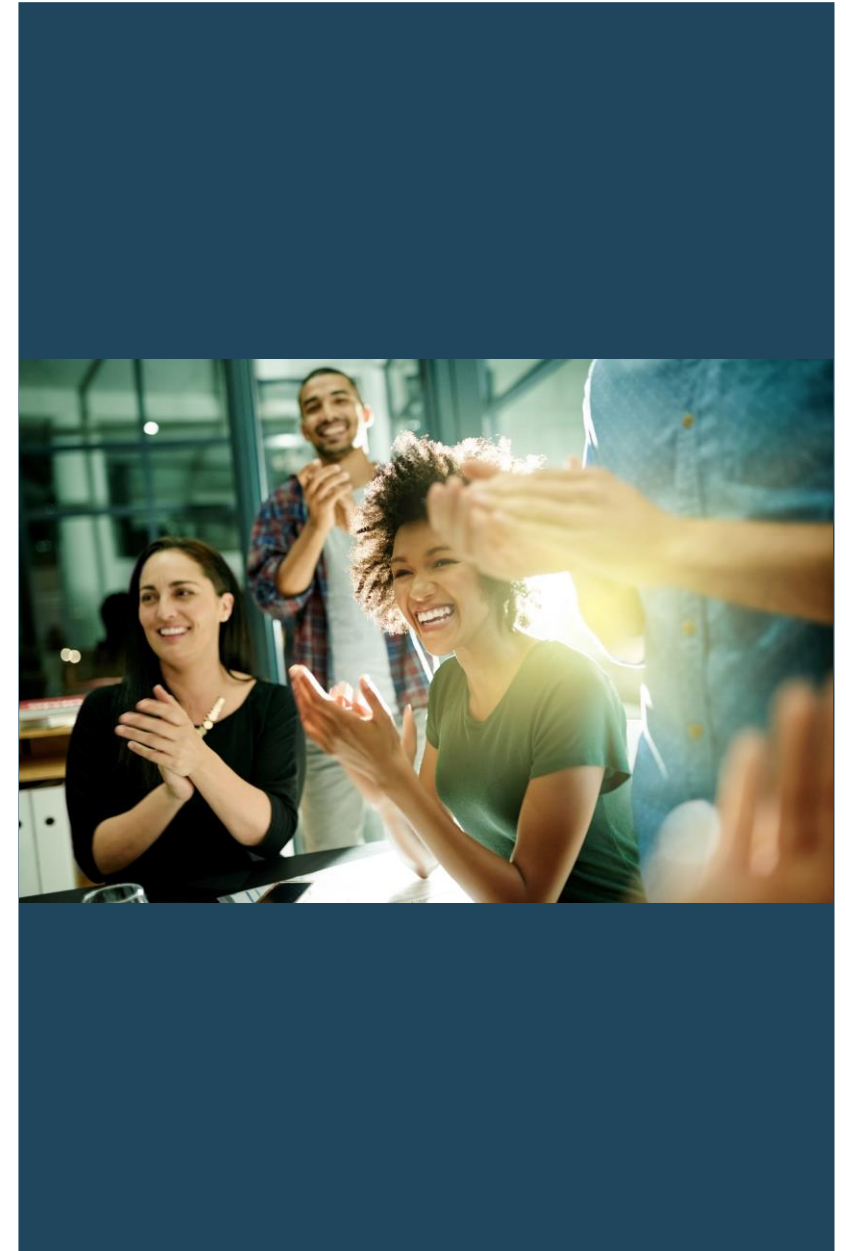


OIG Mission

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.

OIG also reviews the State Health Benefit Plan (SHBP), Healthcare Facility Regulation and other offices at DCH.



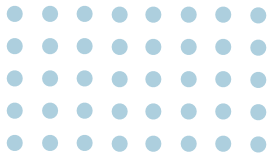


- **Current CMS Audits**
 - CMS GA COVID-19 Public Health Emergency Unwinding Medicaid Beneficiary Eligibility Review
 - CMS Home and Community Based Services Assessment in April 2024
 - CMS Medicaid Managed Care Mental Health and Substance Use Disorder Parity Requirements in August 2024



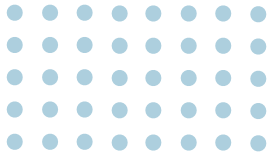
- **Current DOAA Audits**
 - DOAA FY2024 Georgia Annual Comprehensive Financial Report and Single Audit including Prior Year Findings
 - DOAA Medicaid Dental Program (follow-up) Performance Audit
 - DOAA Healthcare Facility Regulation Performance Audit

- DOAA Fiscal Year 2023 Audit Results



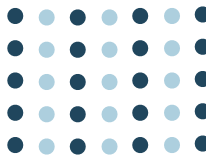
Overview of DOAA Fiscal Year 2023 Audit Results

- State of Georgia Annual Comprehensive Financial Report
- State of Georgia Single Audit Report





Audit Opinions



Audit Opinions	2023
DCH General Fund	Included in ACFR ¹ opinion on general fund
SHBP – Enterprise Fund	Separate opinion included in ACFR
OPEB Trust Funds	Included as part of ACFR opinion on remaining funds
Medicaid Program	Included as part of State of GA Single Audit Report

¹ACFR = Annual Comprehensive Financial Report



- Fiscal Year 2023 Audit (July 2022 – June 2023) concluded May 2024.
- Financial statement opinion was rendered at the ACFR level. No opinion given at the entity level. An **unmodified opinion** (“clean opinion”) was issued for the General Fund and State Health Benefit Plans Fund.
- An opinion on each major federal program compliance was rendered at the Statewide Single Audit level. An **unmodified opinion** was issued for the Medicaid program.



Audit Findings Summary



Finding Number	FY23 Status of the Finding	FY24 Status of the Finding
FS-419-22-01. Strengthen Accounting Controls Overall	Partially resolved	Partially resolved
FS-419-22-02 & FA-419-22-01 . Continue to Strengthen Application Risk Management Program	Partially resolved	Partially resolved
FA-419-22-02. Improve Controls over Managed Care Organization Financial Audits	Partially resolved	Partially resolved
FA-419-22-03. Improve Controls over Medicaid Payments after Date of Death	Resolved	N/A
FA-419-22-04. Improve Controls over Payments for Home and Community-Based Services	Resolved	N/A
FA-419-22-05. Improve Controls over Medicaid Capitation Payments for Medicare Members.	Partially resolved	Resolved



Audit Findings Summary



Finding Number	FY23 Status of the Finding	FY24 Status of the Finding
FA-419-22-06. Improve Controls over Medicaid Capitation Payments for Managed Care Recipients	Resolved	N/A
FA-419-22-07. Improve Controls over Medicaid Capitation Payment Rates	Partially resolved	Partially resolved
FA-419-22-08. Strengthen Controls over NCCI Program Requirements	Partially resolved	Resolved
FA-419-22-09. Improve Controls over the NCCI Medically Unlikely Edits Process	Resolved	N/A
FA-419-20-09. Improve Controls over Medicaid Provider Eligibility	Resolved	N/A

There were no new findings in FY2024



Financial Statement Findings:

- FS-419-2023-01 Strengthen Accounting Controls Overall
- FS-419-2023-02 Continue to Strengthen Application Risk Management Program



Federal Award Findings:

- FA-419-2023-01 Continue to Strengthen Application Risk Management Program
- FA-419-2023-02 Strengthen Controls over NCCI Program Requirements
- FA-419-2023-03 Improve Controls over Managed Care Organization Financial Audits
- FA-419-2023-04 Improve Controls over Medicaid Capitation Payment Rates
- FA-419-2023-05 Improve Controls over Medicaid Capitation Payments for Medicare Members

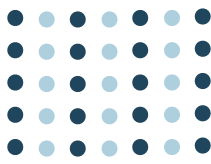


Strengthen Accounting Controls Overall

During our fiscal year 2023 audit, we identified deficiencies in internal controls relating to various accounting and reporting processes. These issues related to controls over general ledger maintenance, controls over the bank reconciliation process and unreconciled health benefit claims.

FY24 Status of Prior Year Finding:

Partially Resolved



Continue to Strengthen Application Risk Management Program

During our review of the DCH's management program related to automated processing systems several deficiencies were noted in the areas of Risk Analysis, System Security Reviews, System Security Plans and policies and procedures.

FY24 Status of Prior Year Finding:

Partially Resolved



Continue to Strengthen Application Risk Management Program

Same as previous finding FS-419-2023-02



Strengthen Controls over NCCI Program Requirements

We reviewed the confidentiality agreement between the DCH and Gainwell Technologies, and we noted that the agreement in place did not contain any of the seven required elements reflected in the NCCI Technical Guidance Manual for Medicaid Services.

FY24 Status of Prior Year Finding:

Resolved

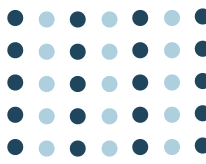


Improve Controls over Managed Care Organization Financial Audits

During our review, it was noted that the contracts between the DCH and MCOs did not contain the necessary clause requiring each MCO to submit their audited GAAP-basis financial report to the DCH.

FY24 Status of Prior Year Finding:

Partially Resolved

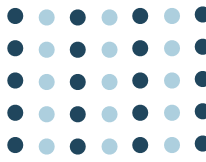


Improve Controls over Medicaid Capitation Payment Rates

We noted deficiencies in our testing of capitation payments paid to MCOs for Managed Care members. For a population of 55 million capitation payments paid to MCOs, we identified 1.7 million underpayments totaling \$6,351,416.

FY24 Status of Prior Year Finding:

Partially Resolved

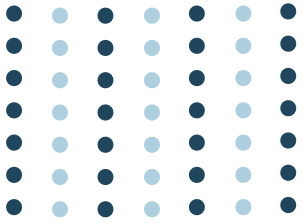


Improve Controls over Medicaid Capitation Payments for Medicare Members

We noted deficiencies in our testing of capitation payments paid to MCOs for Managed Care members with Medicare insurance coverage. We tested 60 members who had Medicare coverage during the same month for which a monthly managed care capitation payment was made on their behalf. We found that the DCH made improper payments to MCOs for 59 of the 60 members tested and these funds were not recouped. DCH did discontinue paying the MCO after receiving notification of the member's eligibility, but they did not recoup the payments made to the MCOs for the retroactive period of Medicare coverage.

FY24 Status of Prior Year Finding:

Resolved



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THANK YOU!
QUESTIONS /
COMMENTS?

