



Thomas A. Schweich
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Social Services (DSS), MO HealthNet Division, Payment and Cost Recovery

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| Contractor Oversight | <p>The MO HealthNet Division (MHD) does not sufficiently monitor the collection activities of the Third Party Liability unit contractor used to identify claims paid by the MHD for which a third party may be partially or completely liable. The contractor provides MHD with a monthly report of activities; however, the report does not include sufficient information to allow the MHD to properly monitor the contractor's performance. Additionally, these reports were not accurate, and neither the contractor nor the MHD identified the errors. As a result of errors identified by our audit, the MHD asked the contractor to revise the reports prepared from April 2013 to April 2014 and the contractor identified additional errors. The MHD could use the contractor's case management system to monitor recoupments the contractor bills and collects; however, MHD staff indicated this system has not been utilized. MHD instead relies on monthly meetings with the contractor to identify and resolve any issues.</p> |
| Timely Update of Medicare Eligibility | <p>The MHD has not fully implemented measures to ensure it identifies and updates Medicare eligibility in the Medicaid Management Information System (MMIS) timely. The MHD has an informal agreement with a contractor to periodically generate a report of all MO HealthNet participants whose Medicare eligibility is not reflected in the MMIS. However, the MHD received this report only once during each of the years ended June 30, 2014, and June 30, 2013.</p> |
| Deposit Procedures | <p>The MHD did not deposit all funds timely. Our review of monies on hand July 8, 2014, noted the department had held 104 checks from 9 to 350 days since receipt. Additionally, the MHD has not posted some funds received to the associated account receivable timely. In instances where a single check pays multiple invoices or multiple monthly premiums, the checks are deposited into a holding account while division staff and the contractor determine to which accounts receivable the payment should be posted. As of October 3, 2014, the holding account held 6,080 outstanding items, with approximately 2,400 items older than January 1, 2014.</p> |

Provider Disclosure of
Overpayment

The MHD and the Department of Social Services, Missouri Medicaid Audit and Compliance unit need to continue taking actions to ensure certain overpayments made to providers are identified and reported by the providers and recovered timely. The United States Department of Health and Human Services, Office of Inspector General, performed an audit in 2012 of the MHD's oversight of credit balances and identified \$33,419 of overpayments for the quarter ended September 30, 2011. Additionally, state regulations do not require providers to reconcile their accounts, which means many payment errors may never be identified.

Because of the limited objectives of this review, no overall rating is provided.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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