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OSIG NEWS

Virginia Office of the State Inspector General • P.O. 1151 • Richmond, VA 23218

News Release Contact:

Kate Hourin – 804-625-3276

Email: kate.hourin@osig.virginia.gov

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OSIG Audit Finds Ineffective Oversight of Medicaid Program Monitoring

The Virginia Office of the State Inspector General (OSIG) has published its Health and Human Resources (HHR) Secretariat performance audit report that outlines recommendations for better oversight of the subrecipient monitoring program. A subrecipient is a non-federal entity that disburses federal funds received from a pass-through entity, such as a state agency, to carry out a federal program.

“OSIG conducted the audit to identify potential improvements to the monitoring process for certain programs administered by the Virginia Department of Social Services (VDSS), the Virginia Department of Health (VDH) and the Virginia Department for Aging and Rehabilitative Services (DARS),” said State Inspector General Michael C. Westfall. “Those programs included Medicaid Eligibility Determination, Supplemental Nutrition Assistance Program (SNAP) outreach, the Virginia Resource Mothers Program and Comprehensive Health Investment Project of Virginia (CHIP of VA).”

What OSIG found

OSIG found ineffective oversight of Medicaid subrecipient monitoring. Required state reviews of local departments of social services (LDSS), which administer the program, often were not scheduled, not occurring when key monitoring positions were vacant and/or not conducted according to monitoring plans.

OSIG also found that VDSS was not requiring corrective action plans be established or implemented to address reoccurring errors identified during reviews, and that VDSS and the Department of Medical Assistance Services (DMAS) did not have clearly defined performance metrics for Medicaid eligibility determinations and renewals. OSIG also observed that the transfer of information between the Virginia Case Management System (VaCMS) and the Medicaid Management Information System (MMIS) did not always take place.

What OSIG recommended

OSIG recommended that VDSS plan subrecipient monitoring according to Medicaid program guidelines and that VDSS develop effective procedures to ensure that LDSS plan corrective action to address compliance errors. OSIG also recommended that DMAS and VDSS develop and clearly define performance metrics that align with industry standards and federal regulations.

“OSIG would like to thank VDSS Commissioner Duke Storen and DMAS Director Dr. Jennifer S. Lee, and their staff, for developing corrective action plans to address the findings from this audit,” added Westfall. “Implementation of corrective actions, scheduled through December 2019, will

improve monitoring subrecipients, measuring performance of local departments of social services, training those who monitor subrecipients and coordinating responsibilities between VDSS and DARS.”

Find further audit results, recommendations and management’s corrective action plans in [Health and Human Resources Subrecipient Monitoring Performance Audit, April 2019](#).

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Established in 2012, the Virginia Office of the State Inspector General (OSIG) manages the State Fraud, Waste and Abuse Hotline; conducts investigations and performance audits of state agencies; provides training and standards for the commonwealth’s internal audit divisions; and conducts inspections and reviews of Department of Behavioral Health and Developmental Services-run facilities and programs.