



North Carolina
Department of Health and Human Services
Division of Medical Assistance
Recipient Services MEU

801 Ruggles Drive – 2501 Mail Service Center - Raleigh, N.C. 27699-2501
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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

L. Allen Dobson, Jr., M.D., Assistant Secretary
for Health Policy and Medical Assistance

May 12, 2006

Re: 2005 County Audit Findings

Dear County Director of Social Services:

The Division of Medical Assistance has received notification of the single audit findings of county departments of social services for the Fiscal Year ending June 30, 2005. We wish to bring to your attention the following issues that were cited as deficiencies.

- Lack of proper documentation in case records. This finding included no documentation of the reason for case termination and changes in benefits. Lack of proper documentation shows up in the audit process each year.
- Case files containing incomplete budget information
- Cases in which individuals had received Medicaid transportation assistance even though eligibility for Medicaid had terminated.
- NC Health Choice cases in which the children were eligible even though they were covered by private health insurance.
- Inability on the part of the agency to locate the case file for audit.

Medicaid Program Representatives (MPR's) for the counties involved in the audits will review the findings and request corrective action as needed. In addition, the need for proper documentation of case action and budget is stressed in statewide training sessions conducted by the MPR's.

We request that you review these findings with your supervisory staff and have them do likewise with line staff that are processing applications and redeterminations of eligibility for Medicaid. Second party review of case materials is invaluable in determining if appropriate documentation and budgets are contained in the file. To the extent possible, any indication that an applicant for NC Health Choice has private insurance should be investigated prior to approval of the application for assistance. In addition, the person(s) in the agency responsible for approval of Medicaid transportation should be aware of the need to verify that the individual is a current Medicaid recipient prior to approving the request for assistance.

Your attention to these matters is most appreciated. Please contact your Medicaid Program Representative should you have further questions or concerns.

Sincerely,

L. Allen Dobson, Jr., M.D.