

NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
DAVE RICHARD • Deputy Secretary, NC Medicaid

May 2, 2019

Dear County Director of Social Services:

Re: Single Audit Compliance

The SFY 2018 Single Audit has concluded and the Medicaid eligibility testing results for all 100 county departments of social services have been received from the counties' certified public accounting (CPA) firms. Unfortunately, while all county CPA firms performed the testing and presented results in exit conferences with county managers, some CPA firms did not report the Medicaid eligibility findings in their County Single Audit Financial Report. Because of the omission, the DHHS compliance monitoring team was not aware of the findings and could not include them in the County Management Decision letters. However, the findings must be addressed and recouped where necessary.

The reperformance of the Medicaid eligibility determination at the county level is an essential part of the annual Single Audit effort. The SFY 2018 Medicaid eligibility determination findings from the county CPA firms were provided to the Office of the State Auditor (OSA) and to the NC Medicaid Office of Compliance and Program Integrity (OCPI). OCPI quality assurance staff conducted a review of both the eligibility and internal control errors reported and reached out to county departments of social services to obtain additional information to refute any questionable costs and findings. As a result of OCPI's follow up review, nineteen (19) eligibility errors and one hundred thirty-one (131) internal control errors were successfully overturned. We continue to encourage the counties to carefully review and refute all errors cited to eliminate any improper overpayment charges. While all 100 counties were reviewed, only thirty-seven (37) counties had ineligible determinations and of the 37, only three (3) counties individually exceeded the established accuracy rate for ineligible determinations. The Department continues to provide various 2nd party monitoring tools and Medicaid training modules for county staff use to reduce eligibility determination errors.

For those counties identified as having eligibility errors, a recoupment letter from the Office of Controller (OOC) along with an invoice will be e-mailed to county managers and finance officers by May 7, 2019. Notification from OOC will include the PDC #, error description and the amount of the payment due. All recoupments are due to the OOC within 60 days of receipt of the recoupment letter.

The Local Government Commission (LGC) will remind county auditors of their responsibility to test Medicaid eligibility and provide results in their Single Audit report to county managers. County auditors will also be reminded to follow up on prior year Single Audit findings.

NC MEDICAID

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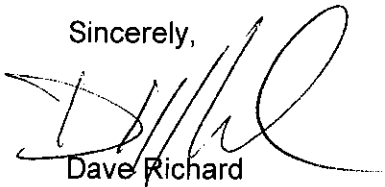
As a reminder, during the reperformance of eligibility determinations by your county auditor, there may be instances where a beneficiary that currently resides in your county was determined eligible in a different county. In such cases, the DSS supervisor or designee must obtain supporting documentation from the originating county and present it to the auditor to allow for the reperformance of the eligibility determination. Please cooperate with the auditors' request and provide the needed information.

The SFY 2019 Single Audit will include the MAGI program along with the non-MAGI program. The Eligibility Review Document Tool has been updated to include MAGI elements to be tested. This tool should also be used by county staff to assist with 2nd party reviews.

As we prepare for the SFY 2019 Single Audit, please follow the procedures addressed in the Dear County Director of Social Services letter #01-15 dated September 15, 2015, issued by the Economic Benefits Policy Governance Board. The letter provides important guidance on how counties should address and maintain documentation of audit findings.

If you have questions, please contact Betty Dumas-Beasley, OCPI Quality Assurance Administrator, at betty.j.beasley@dhhs.nc.gov or (919) 527-7739.

Sincerely,



Dave Richard