

**Review: 4343**  
**Statewide Single Audit**  
**Year Ended June 30, 2009**  
**Department of Public Health**

**FINDINGS/RECOMMENDATIONS - 5**  
**Repeated - 5**

**Accepted - 1**  
**Implemented - 4**

**09-43. The auditors recommend IDPH implement procedures to (1) verify income and insurance information with third party sources (i.e. employers, third party insurers, etc.) and other State agencies and (2) perform recertifications of eligibility every six months. (Repeated-2004)**

**Findings:** IDPH does not have an adequate process for performing client eligibility determinations for its HIV Grant program.

The HIV program administered by IDPH includes an AIDS Drug Assistance Program (ADAP) under which beneficiaries who meet certain eligibility requirements are provided drugs to treat HIV/AIDS. IDPH's current process for determining eligibility involves an individual completing an application and submitting it to IDPH through the mail or in person to a member of the HIV Consortium (subrecipients of the HIV program). The application requires the applicant to submit proof of income, insurance, residency, and documentation of a medical diagnosis of HIV/AIDS. Additionally, IDPH confirms with the Illinois Department of Healthcare and Family Services that the beneficiary is not receiving benefits under Medicaid.

During testwork of benefits provided to HIV beneficiaries, auditors selected 60 eligibility files to review for compliance with eligibility requirements and for the allowability of the related benefits and noted the following:

- In seventeen cases, the beneficiary's application indicated the beneficiary had no income. As a result, no income verification procedures were performed to determine whether the income reported (or lack thereof) was accurate.
- In one case, no verification of income was documented in the beneficiary file.

Additionally, IDPH only recertifies (redetermines) eligibility of beneficiaries on an annual basis, instead of every six months as required by program requirements.

In discussing these conditions with IDPH officials, they stated that sound public health policy dictates presumptive eligibility for ADAP.

**Response:** The department concurs in the finding and recommendation. ADAP staff conduct regular monthly Medicaid enrollment verification with the Illinois Department of Healthcare and Family Services to ensure that ADAP clients were not dually enrolled. IDPH believes that Medicaid enrollment, not Medicaid eligibility, should be the appropriate criterion for determining a beneficiary's eligibility for ADAP. This ensures that needed medicines are provided to clients at the earliest opportunity. Additionally, the Department verifies with the dispensing pharmacy (CVS) upon each fill the insurance and Medicaid enrollment status. When it is determined that an ADAP client has been actively enrolled in Medicaid, the Department's dispensing pharmacy is able to back bill for services to Medicaid. Thus, recapturing expended costs and ensuring that the client has been served.

**Updated Response:** Implemented. All clients who are new or reapplying to ADAP after April 1, 2010 are required to reapply for ADAP every 6 months. Applicants renewing their ADAP application will also be subject to this new requirement at their annual anniversary. At that point, they too will be subject to the 6 month recertification process.

**09-44. The auditors recommend IDPH establish procedures to ensure all subrecipients receiving federal awards have audits performed in accordance with OMB Circular A-133. Additionally, desk reviews of A-133 audit reports should be formally documented using the A-133 desk review checklist which include procedures to determine whether the audit reports meet the audit requirements of OMB Circular A-133, federal funds reported in the schedule of expenditures of federal awards reconcile to IDPH records, and Type A programs are audited at least once every three years. (Repeated-2005)**

**Findings:** IDPH does not have an adequate process for ensuring subrecipients of the CDC Investigations and Technical Assistance program have complied with OMB Circular A-133 audit requirements.

IDPH requires subrecipients expending more than \$500,000 in federal awards during their fiscal year to submit OMB Circular A-133 audit reports. During testwork over 30 subrecipients of the CDC Investigations and Technical Assistance program, auditors noted the following:

- There was one subrecipient of the program for which no OMB Circular A-133 audit reports were received. The subrecipient files did not contain any evidence that follow up procedures were performed by IDPH to obtain the missing reports.
- There were two subrecipients of the program whose A-133 reports were not obtained within the required nine months after the subrecipients year end, and there was no evidence of follow-up procedures performed by IDPH. Specifically, these reports were received between 49 and 70 days after the nine month requirement.

Additionally, a standard checklist was not used to document the review of subrecipient A-133 reports received from subrecipients of the programs to determine whether: (1) the

audit reports met the audit requirements of OMB Circular A-133; (2) federal funds reported in the schedule of expenditures of federal awards reconciled to IDPH records to ensure subrecipients properly included amounts in the SEFA; and (3) Type A programs were audited at least every three years.

In discussing these conditions with IDPH officials, they stated that staffing shortages have limited their ability to meet these requirements.

**Updated Response:** Accepted. The Department closely reviews audit reports for the audit opinion issued and the schedule of federal assistance. The Department forwards any applicable findings and management responses to appropriate program offices for follow-up. The Department will continue to monitor receipt of audit reports from its subrecipients and be more diligent in its follow up to obtain any missing reports. Recently, a report dealing with audit redundancies (mandated by PA96-1141) was submitted to the General Assembly which in part recommended the consolidation of A-133 audit reports to one central location.

**09-45. The auditors recommend IDPH revise the on-site monitoring procedures for the CDC Investigations and Technical Assistance program to include procedures to review the subrecipient's fiscal and administrative capabilities. IDPH should also evaluate the current staffing of its monitoring department to ensure resources are adequate to complete reviews within prescribed timeframes. (Repeated-2004)**

**Findings:** IDPH is not adequately performing on-site monitoring of subrecipients receiving federal awards under the CDC Investigations and Technical Assistance and HIV Grant Programs.

IDPH monitors subrecipients of the CDC Investigations and Technical Assistance program; however, IDPH does not perform on-site monitoring procedures to review the fiscal and administrative capabilities and internal controls of any of the subrecipients. During testwork of 30 subrecipients of the CDC Investigations and Technical Assistance program and six subrecipients of the HIV Grant, seven CDC Investigations and Technical Assistance subrecipients and one HIV Formula Grant subrecipient were not subject to a regular on-site programmatic review.

In discussing these conditions with IDPH officials, they stated staffing shortages continue to hamper some routine monitoring efforts.

**Response:** The Department concurs in the finding and recommendation. Multiple staffing shortages within the HIV Section have now been filled. These vacancies had previously contributed to this finding. An internal guidance document has been drafted to address onsite evaluations of agencies receiving grant funds to appropriately monitor subrecipients and fulfill our required federal grant oversight function.

**Updated Response:** Implemented. In spring 2010, all subrecipients of CDC HIV funds received at least one site visit. These site visits were conducted by IDPH staff and included both programmatic and fiscal reviews. Quarterly data monitoring has also occurred in Spring 2010. These quarterly reports assess progress toward program objective completion compared with funds expended.

**09-46. The auditors recommend IDPH review its current process for identifying and reporting interagency expenditures and implement monitoring procedures to ensure that expenditures of other State agencies meet the applicable program regulations and are not claimed or used to meet matching or maintenance of effort requirements under more than one federal program. (Repeated-2005)**

**Findings:** IDPH does not have an adequate process for monitoring interagency expenditures used to satisfy the maintenance of effort (MOE) requirement for the HIV program.

HIV program MOE expenditures are incurred by the Illinois Department of Children and Family Services (DCFS). IDPH has executed an interagency agreement with DCFS which requires periodic reporting of summary level expenditure information for preparation of the required financial reports. During testwork over MOE expenditures, auditors noted IDPH does not perform monitoring procedures to ascertain that the expenditures used to meet the MOE requirement meet the specific criteria applicable to the HIV program.

In discussing these conditions with IDPH officials, they stated staffing shortages have prevented proper monitoring.

**Updated Response:** Implemented. IDPH staff met with other state agencies to ensure that reported MOE expenditures corresponded to the appropriate grant reporting periods, thus establishing more effective internal controls of MOE requirements for the HIV Care Formula grants. The greater oversight of other state agency expenditures ensured that non-IDPH appropriated state expenditures were not otherwise claimed as MOE expenditures for the federal Social Services Block Grant.

**09-47. The auditors recommend IDPH review its current process for investigating complaints received against Medicaid providers and consider changes necessary to ensure all complaints are investigated within the timeframes required by State law. (Repeated-2007)**

**Findings:** IDPH did not investigate complaints received relative to providers of the Medicaid within required timeframes of 30 days unless the complaint alleges abuse or neglect. Complaints of abuse or neglect are required to be investigated within seven days of receipt. State timeframes, which are more strict, are required to be followed.

During testwork over 60 complaints filed against Medicaid providers during the year ended June 30, 2009, auditors identified sixteen complaints that were not investigated within the timeframes required by the State's law. The delays in investigating these complaints ranged from three to 35 days in excess of required timeframes.

In discussing these conditions with IDPH officials, they stated shortage of staff for this time period, especially in one regional office, contributed to several complaints not being initiated in the required timeframes.

**Updated Response:** Implemented. SB326 was passed and signed by the Governor. The Department received authorization to hire additional staff in FY2011 and continues to do so. In FY2012, resulting from the passage of SB3088 (provider tax bill) which was signed by the Governor on February 16, 2011 (PA96-1530), the Department will be receiving a continuous funding source to support the costs of increased survey staff.