



ARRA REPORT BY THE
INSPECTOR GENERAL AND STATE BOARD OF ACCOUNTS

2009-12-0265

December 18, 2009

ARRA FSSA MEDICAID MEDICAL ASSISTANCE PROGRAM

Indiana Inspector General Staff Attorney Kristi Shute and State Examiner Bruce A. Hartman of the Indiana State Board of Accounts report as follows:

This report addresses an evaluation of the Medical Assistance Program (Medicaid)¹ activities within the Indiana Family and Social Services Administration (FSSA).²

The Medical Assistance Program provides federal funding to states to furnish medical assistance on behalf of families with dependent children and of aged, blind, or disabled individuals, whose income and resources are insufficient to meet the costs of necessary medical services. The program also provides federal funding to furnish rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care.³

¹ 42 USC §1396 *et seq.*

² The Indiana Family and Social Services Administration (FSSA) is established in IC 12-8-1-1.

³ See footnote 1, *supra*.

On February 17, 2009, the United States Government enacted the American Recovery and Reinvestment Act (ARRA).⁴ The ARRA intends to provide a stimulus to the United States economy by providing \$787 billion in program funding and tax credits.⁵

The purpose of this report is to document a preliminary ARRA compliance review of the Medical Assistance Program by the State Board of Accounts (SBOA) and the Office of the Inspector General (OIG).

I

To date, FSSA has received temporary increases to its regular Medicaid Federal medical assistance percentage (FMAP) rate each quarter for the period October 1, 2008 through December 31, 2009, reducing the State's expenditures by \$785,683,403. The temporary increase to FSSA's FMAP rate will presumably continue each quarter through December 31, 2010, and the savings in State expenditures will be based on future data. The funds must be liquidated by the business day following the close of each quarter.

II

The OIG's enabling statute provides that the OIG "is responsible for addressing fraud, waste, abuse and wrongdoing in agencies." IC 4-2-7-2(b).

The SBOA has similar duties, including the authority to develop and

⁴ American Recovery and Reinvestment Act of 2009, P.L. No. 111-5, 123 Stat. 115 (2009).

⁵ See: <http://www.recovery.gov>.

publish “accounting and uniform compliance guidelines manuals” (“Manuals”) to provide guidance to public entities, IC 5-11-1-24(a), to perform audits, IC 5-11-1-9, and to make written findings regarding violations of its Manuals or “any law.” IC 5-11-5-1(a).

Within these authorities, a preliminary review of the Medical Assistance Program was made. This review included, but was not limited to, reviewing the program objectives, meeting with the program staff, reviewing agency-completed spending plans, reviewing monthly update reports submitted to the Indiana Office of Management and Budget (OMB) and an assessment of the program’s risks.

From this preliminary review, we make the following findings and recommendations.

III

A

Findings

1

We find from our initial review, except for the issue addressed below, that the controls over the Medical Assistance Program ARRA funding are adequate to meet the respective federal ARRA and State OMB guidelines and requirements.

2

We did find that the Medical Assistance Program has 43 unresolved federal A-133 findings.

These issues will be addressed during the SBOA's 2009 A-133 audit of Medicaid.

B

Recommendation

Accordingly, our single recommendation is that any future ARRA expenditures as addressed above be made through procedures approved by the SBOA.

Dated this 18th day of December, 2009.

APPROVED BY:



David O. Thomas, Inspector General