



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General
Offices of Audit Services

Region VII
601 East 12th Street
Room 284A
Kansas City, Missouri 64106

February 25, 2004

Report Number: A-07-02-02099

Mr. Kevin W. Concannon
Director
Iowa Department of Human Services
Hoover State Office Bldg. 5th Floor
Des Moines, Iowa 50319

Dear Mr. Concannon:

Enclosed are two copies of the Department of Health and Human Services (HHS), Office of Inspector General (OIG), final report entitled "Audit of the Iowa Department of Human Services' Claim for School-Based Administrative Costs." A copy of this report will be forwarded to the action official noted below for review and any action deemed necessary.

Final determination as to actions taken on all matters reported will be made by the HHS action official. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, OIG reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise (see 45 CFR part 5).

To facilitate identification, please refer to report number A-07-02-02099 in all correspondence.

Sincerely yours,

A handwritten signature in black ink, appearing to read "James P. Aasmundstad".

James P. Aasmundstad
Regional Inspector General
for Audit Services

Enclosures – as stated

Page 2 – Mr. Kevin W. Concannon

Direct Reply to HHS Action Official:

Mr. Joe Tilghman
Regional Administrator, Region VII
Centers for Medicare & Medicaid Services
601 East 12th Street, Room 235
Kansas City, Missouri 64106

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**AUDIT OF THE IOWA DEPARTMENT
OF HUMAN SERVICES' CLAIM FOR
MEDICAID SCHOOL-BASED
ADMINISTRATIVE COSTS**



**FEBRUARY 2004
A-07-02-02099**

Office of Inspector General

<http://oig.hhs.gov/>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

Office of Evaluation and Inspections

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in the inspections reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs.

Office of Investigations

The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil monetary penalties. The OI also oversees State Medicaid fraud control units, which investigate and prosecute fraud and patient abuse in the Medicaid program.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. The OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within the Department. The OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops model compliance plans, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.

Notices

**THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov/>**

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, Office of Inspector General, Office of Audit Services, reports are made available to members of the public to the extent information contained therein is not subject to exemptions in the Act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in this report represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the awarding agency will make final determination on these matters.



EXECUTIVE SUMMARY

OBJECTIVE

The objective of our review was to determine whether the school-based administrative costs claimed by Iowa in the State fiscal years 1998 through 2001 were reasonable, allowable, and in accordance with applicable regulations, cost principles, and the approved Medicaid State plan.

SUMMARY OF RESULTS

Iowa did not properly monitor the school-based health services administrative cost program (Program). We determined Iowa:

- claimed \$631,047 in Federal financial participation (FFP) without the required matching expenditures at seven non-public agencies,
- inappropriately claimed \$22,535¹ due to spreadsheet rounding errors,
- did not adequately monitor lead agency and sub-agency claims as they related to revenue offsets, allocation bases, use of enhanced FFP rates, and reasonableness of time studies for determining costs attributable to the Program.

Iowa should examine the status of the matching expenditures for another 41 non-public agencies making similar claims and any similar claims without the required match should be disallowed as well. Because of the lack of adequate ongoing monitoring by Iowa, there was not adequate assurance that the balance of the FFP claimed, in the amount of \$14.6 million, was reasonable, allowable, and allocable. Appendix A provides further details regarding the audit results.

These problems existed because lead agencies and sub-agencies attached a low priority to ensuring claims were accurate and reasonable, and the lead agencies did not fulfill their obligation to review the claims. Iowa, in turn, had little incentive to monitor the expenditures claimed because no State monies were involved in the Program.

RECOMMENDATIONS

We recommend Iowa:

- ensure program expenditures are reasonable, allowable, and adequately supported,
- refund the FFP of \$639,682 for the payment of unallowable costs,

¹ Includes \$13,900 questioned as part of the \$631,047.

- review the claims of other lead and sub-agencies (participants) during the period of our review for allowability of matching funds and reimburse the Federal Government for unallowable costs resulting from that review,
- ensure future Program costs allocated to Medicaid are based on the actual Medicaid population in the school district or catchment area,
- review future participant's claims for the inclusion of applicable revenue offsets; and
- regularly evaluate participant's inclusion of enhanced FFP claims.

IOWA COMMENTS

In written response to our draft report, Iowa disagreed with our findings and recommendations regarding the allowability of matching expenditures, allocation methodologies, and spreadsheet rounding errors. Iowa provided certifications of matching funds from three non-profit agencies and requested the amount questioned be reduced by \$100,266. Iowa's comments are presented in their entirety as Appendix B.

OFFICE OF INSPECTOR GENERAL RESPONSE

We reviewed the certifications provided by Iowa and found the certifications were not valid because the funds certified had been used to match another Federal program, or were contractual payments on a purchase of service contract. We continue to believe Iowa should review all similar claims and reimburse the Federal Government for unallowable costs resulting from that review.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
BACKGROUND	1
Medicaid Program.....	1
School-Based Health Services Program	1
Program Implementation	1
CMS Guidance and Review.....	2
OBJECTIVE, SCOPE, AND METHODOLOGY	
Objective.....	3
Scope.....	3
Methodology.....	3
FINDINGS AND RECOMMENDATIONS	3
Matching Expenditures at Non-Public Entities	4
Preparation of Claims by Sub-Agencies.....	5
Revenue Offsets	7
Allocation Methodologies.....	7
Enhanced FFP Claims by Non-Public Entities	8
Time Studies	8
SUMMARY	9
RECOMMENDATIONS	8
AUDITEE'S COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE	9
OTHER MATTERS	12
APPENDICES	
SUMMARY OF RESULTS OF AUDIT FOR MEDICAID SCHOOL-BASED ADMINISTRATIVE COST CLAIMS PAID BY THE STATE OF IOWA DES MOINES, IOWA	A
IOWA COMMENTS	B

INTRODUCTION

BACKGROUND

Medicaid Program

Title XIX of the Social Security Act authorizes Federal grants to States for Medicaid programs to provide medical assistance to persons with limited income and resources. Each State Medicaid program is administered in accordance with a State plan approved by the Centers for Medicare & Medicaid Services (CMS). Although a State has considerable flexibility in designing its State plan and operating its Medicaid program, it must comply with broad Federal requirements.

While Medicaid programs are administered by the States, they are jointly financed by the Federal and State governments. States incur expenditures for medical assistance payments to providers that furnish medical services to Medicaid-eligible individuals. The Federal Government pays its share of these medical assistance expenditures to each State according to a prescribed formula. In addition, the Federal Government participates in the costs for administration of the Program. The FFP for administration is a fixed rate of 50 percent for all States.

School-Based Health Services Program

The Medicaid program, recognizing the important role school health services can play, has supported school-centered health care as an effective method of providing access to essential medical care to eligible children. The school-based health services program was designed to promote access to health care for eligible students in the public school systems, thereby, preventing costly or long-term health care problems. The services include routine preventive health care, primary treatment, and services for children with special needs. Further, these services may be provided by a school-based clinic, a linked clinic, or a private clinic in collaboration with school personnel.

The Social Security Act permits payment of FFP for Medicaid administrative claims for the proper and efficient administration of the State plan. Administrative expenditures incurred for school-based health services are considered appropriate to properly and efficiently administer the State plan. A school district may be eligible to receive payment for activities performed in support of the Program regardless of whether the district has school-based health clinics or performs any direct services. The Program covers such items as Medicaid outreach, eligibility intake, information and referral, health service coordination and monitoring, and interagency coordination.

Program Implementation

Iowa's Program consists of activities related to Early and Periodic Screening, Diagnosis and Treatment services provided for children under the age of 21 and pregnant women. Iowa entered into annual intergovernmental agreements (agreements) with lead agencies located in Iowa.

Entities participating as lead agencies were varied in nature, and included school districts, county health departments, the University of Iowa hospital, and a county hospital. The lead agencies were delegated specific items of responsibility for administering the Program, such as accounting for the activities of staff providing administrative claiming, maintaining back-up documentation for expenditures, ensuring that the appropriate audit trail exists, certifying non-Federal match funds, and reinvesting revenue generated from the Program into health related services for children. The lead agencies contracted with sub-agencies, compiled the costs of their respective regions, and submitted the expenditures to Iowa for reimbursement. Entities participating as sub-agencies were equally varied and included school districts, county hospitals, county health departments, visiting nurses associations, hospices, and several other non-public agencies.

For the 48 months ended June 30, 2001, Iowa reported \$26.8 million in total expenditures and claimed \$15.2 million FFP, but did not expend any State monies. Rather, Iowa acted as a pass-through entity between the Federal Government and the participants, sending the Federal share of reported expenditures on to the lead agencies. The lead agencies, in turn, settled the sub-agency claims. To meet the Program's matching requirements, Iowa relied on the participants' reported expenditures to meet what would normally be the State's matching share.

CMS Guidance and Review

CMS issued two technical guides that summarized the requirements States must meet in order to obtain reimbursement for Program expenditures. The guides are the: "Medicaid and School Health: A Technical Assistance Guide," dated August 1997 and the February 2000 draft, "Medicaid School-Based Administrative Claiming Guide." The February 2000 draft was revised during November 2002 and finalized during May 2003.

Regional CMS staff performed reviews of the Program in September 1999 and March 2000. The CMS review ". . . identified a number of instances where the Iowa's claims and/or documentation are not in conformance" with guidelines. As a result, CMS raised the following significant issues: (1) non-public entities did not receive sufficient unrestricted State funds (matching expenditures to earn FFP), (2) certain agencies did not offset revenue from insurance and other fees collected from nongovernmental sources, (3) cost allocation issues included the proportional Medicaid share, inconsistent methodologies, and ". . . the number of Medicaid eligibles must be obtained from or verified with the State Medicaid agency," (4) non-public entities claimed at an enhanced 75 percent FFP claiming level, and (5) duplicate payments that were caused by ". . . certain activities under administrative claiming were included and paid as part of a rate for services."

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of our review was to determine whether the school-based administrative expenditures claimed by Iowa in State fiscal years 1998 through 2001 were reasonable, allowable, and in accordance with applicable Federal regulations, cost principles, and the approved Medicaid State plan.

Scope

For the audit period, Iowa reported total costs of \$26.8 million and claimed \$15.2 million in FFP.

Methodology

To accomplish our objective, we interviewed Iowa Program officials to discuss their roles and procedures in administering the Program, and reconciled and reviewed records supporting Iowa's claims for FFP.

We performed onsite reviews of four lead agencies and eight sub-agencies. We met with participant personnel and discussed procedures for preparation of claims. We reviewed supporting documentation for selected claims and the determination of the percentage of Medicaid recipients, for indirect costs, for revenue offsets, and for the use of reimbursed funds. We obtained an understanding of the sampling methodologies used to determine the costs allocated to Medicaid and interviewed lead and sub-agency employees to assess the adequacy of training they received to complete the time studies.

We met with Regional CMS officials to gain an understanding of their involvement with Iowa in the development, modification, and review of the Program.

Internal controls were reviewed to the extent considered necessary to achieve our objectives. The internal control review was limited to obtaining an understanding of Iowa's administrative claim processing system for school-based health services.

Our review was conducted in accordance with generally accepted government auditing standards.

FINDINGS AND RECOMMENDATIONS

Iowa did not properly monitor the Program. Iowa claimed \$631,047 in FFP without the required State matching expenditures at seven non-public agencies. Iowa also inappropriately claimed \$22,535² due to spreadsheet rounding errors. In addition, Iowa did not adequately monitor claims submitted by lead and sub-agencies as they related to revenue offsets, allocation bases,

² Includes \$13,900 questioned as part of the \$631,047.

use of enhanced FFP rates, and reasonableness of time studies for determining costs attributable to the Program. Appendix A provides further details regarding the audit results.

Iowa did not have adequate procedures to ensure lead and sub-agencies:

- properly offset Program costs with other Federal, State, and local funds received (referred to as revenue offsets),
- allocated costs based upon the Medicaid-eligible population of the lead or sub-agency,
- excluded non-public agencies from participating in claiming administrative costs at the enhanced FFP rate of 75 percent, and
- conducted valid time studies for allocation of Program costs.

Because of the lack of adequate ongoing monitoring by Iowa, there was not adequate assurance that the balance of the FFP claimed, in the amount of \$14.6 million, was reasonable, allowable, and allocable.

Matching Expenditures at Non-Public Entities

Matching expenditures are required by 42 CFR § 432.50, entitled “FFP: Staffing and training costs,” which states that “(b)(6) For all other staff [meaning staff other than skilled professional medical personnel] of the Medicaid agency or other public agencies providing services to the Medicaid agency . . . the rate is 50 percent” Restrictions pertaining to the non-Federal share of expenditures are contained at 42 CFR § 433.51, entitled “Public funds as the State share of financial participation,” that required:

- (a) Public funds may be considered as the State’s share in claiming FFP if they meet the conditions specified in paragraphs (b) and (c) of this section.
- (b) The public funds are appropriated directly to the State or local Medicaid agency, or transferred from other public agencies (including Indian tribes) to the State or local agency and under its administrative control, or certified by the contributing public agency as representing expenditures eligible for FFP under this section.
- (c) The public funds are not Federal funds, or are Federal funds authorized by Federal law to be used to match other Federal funds.

The Federal share of administrative expenditures paid to non-public sub-agencies was not matched with other public expenditures as required by Federal regulation. Under Iowa’s system for reimbursement, those expenditures were not matched at the State level and were not matched

at the lead agency level. The non-public sub-agencies were not eligible to match the expenditures because their expenditures would not be considered public funds.

The sub-agencies filed a claim with the lead agency for the entire amount of their administrative expenses. Some of the sub-agencies were public agencies and some were private agencies. The lead agencies passed those expenditures on to Iowa and added their own claim in its entirety. However, Iowa paid only the Federal share of the expenditures claimed by the lead agency. The lead agency, in turn, paid only the Federal share of expenditures to the sub-agencies.

This arrangement came about as a result of the agreement between Iowa and the lead agencies, and the subsequent agreement between the lead agency and the sub-agencies. The agreement between Iowa and the lead agencies contained the provision that the lead agency would "...Certify the non-federal match for Title XIX funds claimed for Medicaid activities." Likewise, the lead agencies delegated the same responsibility to the sub-agencies. The latter delegation did not satisfy the matching requirement because the non-public sub-agencies did not have certified public funds that were used for eligible program expenditures.

We determined that \$631,047 was questionable at the seven sub-agencies we visited. Iowa had an additional 41 non-public agencies during State fiscal year 2000 and 2001 that were not reviewed in our sample. Iowa should determine how much was claimed as matching by these non-public agencies that could not certify funds and refund these additional amounts to the Federal Government.

Preparation of Claims by Sub-Agencies

Claims prepared by all of the sub-agencies in our review showed numerous errors and omissions. Out of the 25 claims reviewed, totaling \$2.2 million, we identified \$22,535 in errors involving spreadsheet rounding errors (this figure includes \$13,900 previously questioned as matching expenditures at non-public entities). Many other errors were not quantifiable during our review, but nonetheless, would have had a cumulative effect on the FFP claim. At one participating agency:

- there was no revenue offset,
- there were no unobligated matching funds,
- 21 of 40 skilled professional medical personnel (SPMP) forms were missing,
- the agency was a private, nonprofit receiving enhanced FFP,
- "other costs" included the entire cost of the facility (a hospital),
- salaries were duplicated in more than one cost pool on the worksheet,

- travel expense was duplicated in salary and travel line items,
- some employees were told to fill out time studies 6 weeks after the Program started, and
- the Medicaid percentage was based on free and reduced lunches. (We found that two other local agencies claimed to be using the same allocation base, but they all had different allocation percentages).

At another sub-agency we found:

- costs based on budget estimates,
- unsupported costs,
- no matching fund,
- use of enhanced FFP at a facility ineligible for enhanced FFP,
- revenue sources that were not appropriately offset,
- an overstated fringe benefit rate,
- salaries claimed for 15 employees who had not completed a time study,
- employees claimed as SPMP when they were not eligible to be claimed as such,
- an electronic worksheet was not cleared when the claim was prepared, such that prior quarter expenses were carried over into cost center totals, duplicating the expenditures in the previous quarter's claim, and
- a credit transaction appearing in the accounting records was entered as an expense.

It is apparent the sub-agencies attached a low priority to ensure claims were accurate and reasonably represented costs attributable to the Medicaid Program, and lead agencies were not fulfilling their obligations to ensure the reasonableness of the claims.

In turn, Iowa had little incentive to adequately monitor the Program because there were no State monies expended. As a result, there was inadequate assurance that a substantial portion of the sub-agency claims were reasonable.

Iowa has been receptive to suggestions to improve the Program, including changing the spreadsheet to include precision to prevent future errors and locking spreadsheet cell calculations to prevent accidental changes in the cell formulas during data input.

Revenue Offsets

Iowa did not have adequate procedures to ensure subcontractors properly offset Program costs with other Federal, State agency, and local funds received to support claimed effort. Claims must be net of costs already supported by other Federal grants or State programs for services. Revenue offsets are required by Office of Management and Budget (OMB) Circular A-87, Attachment A, Part C, item 4a, which states, “Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs.”

Iowa required participants of one of its own social service programs to participate in Program claiming. One of those participants was a non-public agency that was fully funded by Iowa to administer this social service program. Had that entity reported the Iowa contract revenue as an offset, there would have been no costs left to claim. This agency claimed \$25,712 of costs that were previously questioned under the matching expenditures at nonprofit entities.

Claims made without regard to required offsets result in duplicate payments because, by definition, these are expenses that have already been funded by government sources or other sources specifically identified on the instructions to the Iowa claim. Although revenue offset is part of the voucher, there was no effort made to ensure that amounts were properly recorded and applied. Subcontractors were not required to identify and report offset funding sources, so we were unable to determine whether or not any of the offsets that were reported were accurate. We were not able to determine from the supporting documentation the extent to which these issues affected Iowa’s claim for FFP.

Allocation Methodologies

Claims for reimbursement were not allocated based upon the Medicaid-eligible population of the lead or sub-agency. Rather than providing the lead and sub-agencies with Medicaid-eligible population statistics, Iowa allowed a variety of methods to develop a “Medicaid recipient percentage” for allocation purposes. Typical methodologies included the percentage of “free and reduced lunches” provided in the schools. These percentages are not directly related to the Medicaid eligible population in any given school district or other catchment area and would not be acceptable methods according to OMB Circular A-87, Attachment A, Part C, item 3a that states: “A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.”

Subcontractors must employ a reasonable methodology for determining the Medicaid allocation percentage for the purpose of determining what portion of services provided are related to Medicaid. The school districts did not maintain information to develop Medicaid-eligible school population statistics. Furthermore, Iowa compiled Medicaid statistics by county rather than by school district. Based on the lack of available Medicaid information for each school district,

unallowable charges could not be determined. However, a substantial part of the Iowa claim is dependent on the allocations.

Enhanced FFP Claims by Non-Public Entities

Federal regulations at 42 CFR § 432.50(b)(1) state the enhanced rate is “For skilled professional medical personnel and directly supporting staff of the Medicaid agency or of other public agencies (as defined in § 432.2), the rate is 75 percent.” This requirement is reiterated at subsection (d)(2) of the same rule, which states:

Staff of other public agencies. The rate of 75 percent FFP is available for staff of other public agencies if the requirements specified in paragraph (d)(1) of this section are met and the public agency has a written agreement with the Medicaid agency to verify that these requirements are met.

Section (d)(1) provides, in part, that an *employer-employee relationship* must exist between the Medicaid agency and the staff claimed for administrative cost purposes. This relationship does not exist when the skilled medical professional is the employee of the non-public entity. As before, we were not able to fully determine the extent of the enhanced FFP claims.

According to documentation provided by Iowa in support of their administrative claim, non-public entities participated in claiming administrative costs at the enhanced FFP rate of 75 percent. This occurred until the fourth quarter of Iowa’s FY 2000 (April 1, 2000 through June 30, 2000), when Iowa issued guidance based on March 17, 2000, directive from CMS that private nonprofit agencies could no longer claim reimbursement at the 75 percent FFP level.

The preceding issue regarding matching expenditures for non-public entities overlapped the issue of enhanced FFP, in terms of the dollars involved.

Time Studies

Activities unrelated to Medicaid covered services or health issues were inappropriately classified as Medicaid reimbursable activities. Employees did not always understand the prescribed activity codes or the amount of time required to record an allowable activity. The officials of several participants stated that employees received training in completion of time study log sheets. However, many employees we interviewed did not have an adequate understanding of the structure of the time study to accurately reflect their Medicaid administrative efforts. For example, one employee was given no instruction or training on the log sheets, but rather was told the form was self-explanatory and to go back 6 weeks and fill out the forms.

The time studies were used to support the amount of time employees spent performing Medicaid activities and to determine the share of costs allocated to the Program. Without complete and accurate records documenting allowable activities, there is no assurance that Medicaid was charged for only its fair share of costs.

SUMMARY

Iowa provided little oversight of the Program claiming process until September 1999, when it performed its first technical review. Since then, Iowa has made improvements to its monitoring activities of the Program, but additional oversight is still needed. Proper and timely reviews of claims and supporting documentation by Iowa would help ensure the reasonableness and accuracy of the claims.

RECOMMENDATIONS

We recommend Iowa continue to develop and implement a comprehensive monitoring process that will ensure that all facets of the Program claims are in accordance with Federal regulations and applicable CMS guidelines. This process should include a systematic examination and evaluation of the operations of the lead agencies by regularly assigned Iowa staff.

We recommend Iowa:

- ensure Program expenditures are reasonable, allowable, and adequately supported,
- refund the FFP of \$639,682 for the payment of unallowable costs,
- review the claims of other participants during the period of our review for allowability of matching funds and reimburse the Federal Government for unallowable costs resulting from that review,
- ensure future Program costs allocated to Medicaid are based on the actual Medicaid population in the school district or catchment area,
- review future participant's claims for the inclusion of applicable revenue offsets, and
- regularly evaluate participant's inclusion of enhanced FFP claims.

AUDITEE'S COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written response to our draft report, Iowa disagreed with our findings regarding the allowability of matching expenditures and our recommendation to refund \$639,682. Iowa agreed to develop an allocation methodology that was not based on statistics from the free and reduced lunch program, and to continue to monitor for revenue offsets. Iowa also indicated they had discontinued paying enhanced FFP to non-public agencies. Their comments are summarized below and included in their entirety at Appendix B.

Ensure Program expenditures are reasonable, allowable and adequately supported, and refund FFP of \$639,682:

Auditee Comments

Since receiving the draft report, two of the seven sub-agencies reviewed during the audit have provided DHS with certification of the availability of county tax revenues as the non-federal match for MAC expenditures for the audit period specified in this report. These funds were not considered in determining the disallowance of \$631,047 in FFP specified in the report. Women's Health Services based in Clinton County, which was disallowed a total of \$125,848 under the draft audit report, received \$19,000 in county tax revenues available as matching funds during the audit period. The Visiting Nursing Association based in Pottawattamie County, which was disallowed a total of \$81,266 under the draft report, received \$135,460 in county tax revenues available as matching funds during the audit period. As a result, DHS is requesting the disallowed amount related to the lack of public, unrestricted funds available to private, non-profit agencies be reduced by \$100,266 (\$19,000 + \$81,266) to \$530,781.

OIG Response

We identified and accounted for the \$19,000 when we conducted our review in Clinton County. The funds were on the books of the facility as matching expenditures for another Federal program (Maternal and Child Health). They are, therefore, not available for match to the Medicaid program. Further, the \$135,460 in county tax revenues in Pottawattamie County was not unrestricted funds. Rather, the amount represents contractual payments by the county on a fixed price contract for specified services provided by the Visiting Nurses Association.

As a result, we have not amended the amount recommended for refund and continue to recommend that all of the similar claims be reviewed by the State.

Auditee Comments

Under Iowa's system of lead and sub-agencies, each agency is its own claiming entity. Each claiming agency ensures and certifies the availability of its own public, unrestricted matching funds independent of the designation as a lead or sub-agency. The lead agencies are not responsible for providing public unrestricted funds to the sub-agencies nor are the lead agencies responsible for the certification of the public, unrestricted funds available to sub-agencies. The state passes through federal funds to the lead agencies who, in turn, pass through the federal funds to the sub-agencies.

OIG Response

The State agency asserts that “each agency is its own claiming entity,” and “each claiming agency ensures...its own...matching funds.” As the single State agency responsible for the administration of the Iowa Medicaid program, the Department of Human Services has the responsibility to implement internal controls adequate to meet the requirements of the program and the approved State plan. We also note that the funds were drawn based on quarterly expenditure reports submitted by the State agency. As such, the responsibility for satisfying any overpayment rests with the State agency rather than with the individual lead or sub-agencies.

Review the claims of other participants during the period of our review for allowablility of matching funds and reimburse the Federal Government for unallowable costs arising from that review.

Auditee Comments

CMS had been aware of the participation of private, non-profit agencies in Iowa’s MAC program since 1993. It was not until March 2000; however, that CMS notified DHS that beginning with the quarter commencing July 1, 2000, private, non-profit agencies would be required to provide annual letters certifying the availability of public, unrestricted funds. In a letter from CMS dated December 20, 2000, CMS noted that ‘inappropriate claiming should have ceased effective July 1, 2000’ and that CMS ‘will address prior (before July 1, 2000) FFP over-claiming in a future correspondence.’ Iowa will review those non-public agency claims with services beginning July 1, 2000, and thereafter, to determine the availability of public, unrestricted matching funds. Funds returned to CMS based on the findings of the review are the liability of the lead and sub-agencies as identified in the interagency agreement. Iowa has not yet received subsequent instruction from CMS addressing the FFP over-claiming prior to July 1, 2000.

Subsequent to notification from CMS in March 2000, DHS incorporated language in both the lead and sub-agency agreements requiring the certification of the availability of public, unrestricted matching funds. DHS also eliminated the ability for private, not-profit agencies to contract as lead agencies. DHS requires private, non-profit agencies to supply an annual letter provided by the funding entity certifying the amount of public, unrestricted funds made available to the private, non-profit agency, the time period the funds are available, and the origination of those funds. Claims are tracked against the total public, unrestricted funds available to ensure that the cumulative amount claimed does not exceed the amount of public, unrestricted funds available to the private, non-profit agency.

OIG Response

Iowa has outlined the steps they have taken to resolve the problem on a prospective basis. As for the issue of the recovery of FFP prior to July 1, 2000 (for which Iowa has not received instruction

from CMS), we recommend that Iowa review the claims of the other 41 non-public entities commencing with the starting date of our audit, identify the amount of FFP that was not properly matched, and report the amount to CMS to facilitate audit resolution.

Iowa also states, in their response that “Funds returned to CMS based on the findings of the review are the liability of the lead and sub-agencies as identified in the interagency agreement.” As noted in the response to recommendation one, the responsibility for restitution between the State and the Federal Government rests with the State. The State is the single State agency that is responsible for the administration of the Iowa Medicaid program and is the party that drew down the Federal funds for payment to the lead and sub agencies. The State cannot contract away its responsibility for the proper administration of the program.

OTHER MATTERS

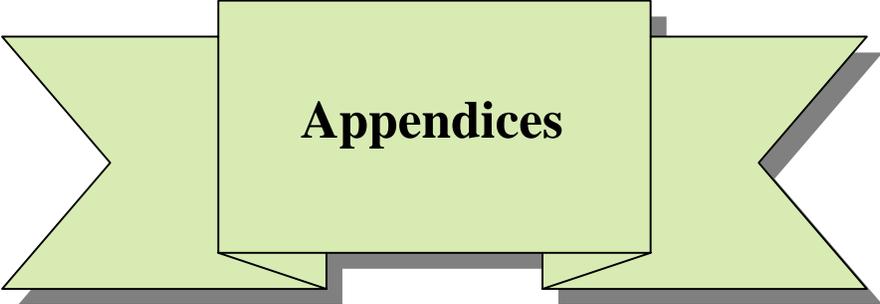
Lead and Sub-Agencies Use of Consultants

Many lead and sub-agencies used a consultant, a private billing agency, to manage the Program. The decision to enter into a contract with a consultant was voluntary and was made by each claiming entity. The consultant was responsible for providing a package of services that included training, continuing education, time study forms, and quarterly management reports. In addition, the consultant input the data as received from the client and prepared the quarterly invoice. The consultant also assigned an account manager to provide technical assistance. During the period of our review, Iowa officials indicated that the consultant was paid 10 percent of the total amount billed. This contingent fee arrangement may increase the risk of claims being submitted that were not properly scrutinized for unallowable costs.

Two of the four lead agencies and six of the sub-agencies we visited contracted with the same consultant. We found the training provided by this consultant focused on time coding. These agencies were generally not aware of how to determine and report accurate administrative costs. Specifically, the agencies had a lack of knowledge of construction of cost pools and revenue offsets. We concluded that the training provided to the clients was insufficient.

Lead and Sub-Agencies Use of Funds

Program funds were not always reinvested into health services for children, as required by the interagency agreements. For example, one lead agency withheld 15 percent of all the sub-agencies reimbursement for the purpose of distributing these funds to grants of their choice. This project was referred to as the Special Partner In Community Enhancement (SPICE). An example of SPICE included a grant of \$10,000 for Fire PALS Injury Prevention targeting older residents for smoke detectors and carbon monoxide detectors and \$10,000 for English language classes.



Appendices

Appendix A

**SUMMARY RESULTS OF AUDIT FOR MEDICAID SCHOOL-BASED
ADMINISTRATIVE COST CLAIMS PAID BY THE STATE OF IOWA
DES MOINES, IOWA**

FOR THE PERIOD JULY 1, 1997 THROUGH JUNE 30, 2001

<u>Fiscal Year</u>	<u>Total Administrative Costs</u>	<u>Federal Financial Participation</u>	<u>Questioned Costs</u>	<u>Inadequate Assurance of Allowability</u>
1998	\$ 3,524,461	\$ 2,088,460	\$ 0	\$ 2,088,460
1999	4,609,442	2,671,756	40,625	2,631,131
2000	10,078,028	5,677,595	364,078	5,313,517
2001	<u>8,646,413</u>	<u>4,839,445</u>	<u>234,979</u>	<u>4,604,466</u>
Totals	<u>\$26,858,344</u>	<u>\$15,277,256</u>	<u>\$639,682</u>	<u>\$14,637,574</u>



STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR
SALLY J. PEDERSON, LT. GOVERNOR

MAY 12 2003

DEPARTMENT OF HUMAN SERVICES
KEVIN W. CONCANNON, DIRECTOR

James P. Aasmundstad, Regional Inspector General for Audit Services
HHS/OIG/OAS, Region VII
Room 284A
601 East 12th Street
Kansas City, MO 64106

RE: AUDIT OF THE IOWA DEPARTMENT OF HUMAN SERVICES' CLAIM FOR MEDICAID
SCHOOL-BASED ADMINISTRATIVE COSTS
AUDIT REPORT A-07-02-02099

Dear Mr. Aasmundstad:

This is in response to a draft report dated April 7, 2003, concerning the Office of Inspector General's (OIG) audit of Iowa's Medicaid Administrative Claiming Program. The Iowa Department of Human Services (DHS) is the state Medicaid agency. As described in the report and the attached comments, DHS acts as a passthrough agent of federal Medicaid funds to local agencies participating in this program.

The OIG found eight general areas where Iowa did not properly implement and monitor the school-based health services administrative cost program. The attached response provides background information to help put these concerns and DHS' responses, into context. Each finding is then addressed individually. DHS appreciates the effort of OIG in conducting this audit and the opportunity to provide comments that will be incorporated into the final report.

Questions about the attached response can be addressed to

Bob Krebs
Iowa Department of Human Services, Division of Fiscal Management
Hoover State Office Building, 1st Floor
Des Moines, IA 50319
Phone: (515) 281-6028 Fax: (515) 281-6237
e-mail: rkrebs@dhs.state.ia.us

Sincerely,


Kevin W. Concannon
Director

**AUDIT OF THE IOWA DEPARTMENT OF HUMAN SERVICES'
CLAIM FOR MEDICAID SCHOOL-BASED ADMINISTRATIVE COSTS
AUDIT REPORT A-07-02-02099**

Comments from Iowa Department of Human Services (May 12, 2003)

BACKGROUND

Iowa has received reimbursements under the Medicaid Administrative Claiming (MAC) program since 1993. As the state Medicaid agency, DHS has primary responsibility for the program. As described in the report, DHS acts as a pass-through agent of federal Medicaid funds to local agencies participating in this program. DHS provides extensive oversight and technical assistance to both lead agencies and their sub-recipients.

Iowa's MAC program is a joint effort by the Iowa Department of Human Services (DHS), Public Health (DPH) and Education (DOE). DHS contracts with DPH for the provision of technical assistance as well as timecoding and fiscal component training to all agencies participating in MAC. As the agency responsible for general oversight of school districts, the DOE partners with DHS and DPH to facilitate technical assistance and consistent presentation of policy and procedures.

Iowa's MAC program was designed and has operated in close working partnership with staff from the Region VII Centers for Medicare and Medicaid Services (CMS). As federal guidelines and instructions for the MAC program have evolved, DHS has routinely sought and received clarification concerning the program from Regional CMS staff. The OIG audit report provides a snapshot of Iowa's program in the years 1998-2001. However, the report does not acknowledge the many improvements in administration and claiming implemented since 2000. In late 2000, DHS dedicated staff to implement policies and procedures for oversight, desk reviews, and on-sight reviews. Over time, all three state agencies involved in the MAC program have continued to increase monitoring and management of the MAC program. Iowa has also actively trained claiming agencies on time-coding and fiscal practices since the beginning of Iowa's participation in MAC.

FINDINGS AND RECOMMENDATIONS

Finding: Matching Expenditures at Non-Public Entities

The Federal share of administrative expenditures paid to non-public sub-agencies was not matched with other public expenditures as required by Federal regulation. Under Iowa's system for reimbursement, those expenditures were not matched at the state level and were not matched at the lead agency level.

The lead agency's delegation of the contractual responsibility to sub-agencies regarding the certification of non-federal match for Title XIX funds claimed for Medicaid activities "does not satisfy the matching requirement because the non-public sub-agencies do not have certified public funds which were used for eligible program expenditures."

OIG determined \$631,047 as questionable at the seven sub-agencies visited. Iowa had an additional 41 non-public agencies during state fiscal years (SFY) 2000 and 2001 [the audit period] that were not reviewed in the sample.

Recommendations.

Refund the FFP of \$631,047 for the payment of unallowable costs related to the lack of certified public funds for non-public agencies.

Review the claims of all other participants during the period of our review for availability of matching funds and reimburse the Federal government for unallowable costs resulting from that review.

Response.

Under Iowa's system of lead and sub-agencies, each agency is its own claiming entity. Each claiming agency ensures and certifies the availability of its own public, unrestricted matching funds independent of the designation as a lead or sub-agency. The lead agencies are not responsible for providing public, unrestricted funds to the sub-agencies nor are the lead agencies responsible for the certification of the public, unrestricted funds available to sub-agencies. The state passes through federal funds to the lead agencies who, in turn, pass through the federal funds to the sub-agencies. The interagency agreement between lead and sub-agencies states that the lead agency agrees to "distribute the Title XIX federal share of actual and reasonable costs for administrative claiming based upon a time-accounting system which is in accordance with the provisions of OMB Circular A87 for public agencies or OMB Circular A122 for private non-profit agencies and 45 CFR Part 74 and 95." In turn, the sub-agency agrees to "certify the non-federal match for Title XIX funds claimed for Medicaid administration in compliance with 42 CFR 433.51. Matching funds must be derived from public unrestricted monies."

The report reflects an inaccurate generalization that private, non-profit agencies participating in Iowa's MAC program do not receive or otherwise have access to public, unrestricted funds that can be used as the non-federal match. Since receiving the draft report, two of the seven sub-agencies reviewed during the audit have provided DHS with certification of the availability of county tax revenues as the non-federal match for MAC expenditures for the audit period specified in this report. These funds were not considered in determining the disallowance of \$631,047 in federal financial participation specified in the report. Women's Health Services based in Clinton County, which was disallowed a total of \$125,848 under the draft audit report, received \$19,000 in county tax revenues available as matching funds during the audit period. The Visiting Nursing Association based in Pottawattamie County, which was disallowed a total of \$81,266 under the draft report, received \$135,460 in county tax revenues available as matching funds during the audit period. As a result, DHS is requesting the disallowed amount related to the lack of public, unrestricted funds available to private, non-profit agencies be reduced by \$100,266 (\$19,000 + \$81,266) to \$530,781. The documentation provided by the sub-agencies is attached as Appendix A.

CMS had been aware of the participation of private, non-profit agencies in Iowa's MAC program since 1993. It was not until March 2000; however, that CMS notified DHS that beginning with the quarter commencing July 1, 2000, private, non-profit agencies would be required to provide annual letters certifying the availability of public, unrestricted funds. In a letter from CMS dated December 20, 2000, CMS noted that "inappropriate claiming should have ceased effective July 1, 2000" and that CMS "will address prior (before July 1, 2000) FFP over-claiming in a future correspondence." Iowa will review those non-public agency claims with services beginning July 1, 2000, and thereafter, to determine the availability of public, unrestricted matching funds. Funds returned to CMS based on the findings of the

review are the liability of lead and sub-agencies as identified in the interagency agreement. Iowa has not yet received subsequent instruction from CMS addressing the FFP over-claiming prior to July 1, 2000.

Subsequent to notification from CMS in March 2000, DHS incorporated language in both the lead and sub-agency agreements requiring the certification of the availability of public, unrestricted matching funds. DHS also eliminated the ability for private, non-profit agencies to contract as lead agencies. DHS requires private, non-profit agencies to supply an annual letter provided by the funding entity certifying the amount of public, unrestricted funds made available to the private, non-profit agency, the time period the funds are available, and the origination of those funds. Claims are tracked against the total public, unrestricted funds available to ensure that the cumulative amount claimed does not exceed the amount of public, unrestricted funds available to the private, non-profit agency.

Finding: Revenue Offsets

Iowa has inadequate procedures to ensure subcontractors properly offset program costs with other Federal, state agency, and local funds received to support claimed effort.

Recommendation

Review future participant's claims for the inclusion of applicable revenue offsets.

Response:

Agencies participating in Iowa's MAC program are informed of their obligation to report revenue offsets in accordance with OMB Circular A-87 through contractual requirements, training, and oversight reviews. Interagency agreements signed each year by lead and sub-agencies require participants to "account for the activities of staff providing Medicaid administration in accordance with the provisions of OMB Circular A87 and 45 CFR Part 74 and 95." DHS makes training available on the fiscal components of preparing the claim document. This training is available to all participating agencies on an as needed basis and encompasses the aspects of cost pool construction and the offsetting of costs with revenues.

Additionally, DHS conducts on-sight reviews of lead and sub-agencies on a biennial basis. The reviews consist of interviews where agency staff report on the policies and procedures implemented that provide the foundation for claim preparation. If an agency is found to be non-compliant, the state requires those claims submitted, but not yet paid, to be reworked. The state also prepares a written report summarizing strengths and weaknesses identified during the review and overall recommendations. The state requires a corrective action plan from the participating agencies reviewed addressing the implementation of recommendations. All claims are withheld from processing until the state receives an acceptable corrective action plan. The on-sight review procedures were developed in conjunction with Region VII CMS staff, and CMS has never indicated that current procedures are inadequate.

Iowa has been reviewing revenue offsets since the fall of 2000 and continues to review the claims for revenue offsets through oversight reviews and prior to reimbursement.

It should be noted that the example provided in OIG's draft report had originally been discovered during the course of a MAC oversight review. Once discovered, participants were closely monitored to ensure the reporting of revenues received under the HOPES program. This process resulted in little, if any, Medicaid reimbursement to participating agencies also receiving funding under the HOPES program. Ultimately, the HOPES program participants declined further participation in MAC.

Finding: Allocation Methodologies

Claims for reimbursement were not allocated based upon the Medicaid eligible population of the lead or sub-agency. Rather than providing the lead and sub-agencies with the Medicaid eligible population statistics, Iowa allowed a variety of methods to develop a 'Medicaid Percentage' for allocation purposes.

Recommendation.

Ensure future Program costs allocated to Medicaid are based on the actual Medicaid population in the school district or catchment area.

Response:

The methodology for determining a statistical basis for allocating costs must be appropriate to the claiming agency. Iowa has school districts, public health agencies, and private, non-profit agencies participating in Iowa's Medicaid Administrative Claiming program. DHS informs claimants through training and technical assistance on claim compilation of the appropriate methodologies for calculating the percentage of Medicaid eligibles, and ensures during the course of the oversight interview process that claimants are using CMS approved methodologies.

Public health and private, non-profit agencies allocate costs for reimbursement based on the actual percentage of their cases that are Medicaid eligible. School districts participating in the MAC program do not currently record and maintain Medicaid eligibility data for individual students. The Medicaid statistical information maintained by DHS is not appropriate for allocating the costs of participating school districts as 1) Iowa school districts do not wholly reside within county boundaries and 2) Iowa students have the option of open enrollment, where students may opt to attend another local school district of their choosing. Moreover, the school districts in Iowa do not currently share a common statewide database.

Currently, there is no automated mechanism that allows the Department of Human Services and the Department of Education to identify the Medicaid eligible student population within individual school districts. Since eligibility for the 'Free and Reduced' lunch program is based on self-reported income levels, and those income levels are somewhat comparable to the Medicaid eligibility guidelines, the state began using (with CMS approval) the percentage of 'Free and Reduced' lunch program participants as an indication of the Medicaid eligible population for school districts participating in the MAC program. CMS has acknowledged that recipients of free lunches would be Medicaid eligible but that recipients of reduced lunches may or may not be Medicaid eligible.

The Department of Education is currently reviewing all existing and proposed data collection systems to develop a procedure that will allow local schools to use their actual Medicaid eligible percentage of total enrollment in their calculations. It is anticipated that the system will be operational by the end of calendar year 2003.

Finding: Enhanced FFP claims by Non-Public Entities

According to documentation provided by Iowa in support of their administrative claim, non-public entities participated in claiming administrative costs at the enhanced FFP rate of 75 percent.

Recommendation: Regularly evaluate participant's inclusion of enhanced FFP claims

Response:

This occurred during the first nine months of the audit period. DHS ceased reimbursing non-public agencies enhanced FFP starting in April 2000. CMS notified Iowa in March of 2000 that enhanced FFP at the rate of 75% was available only to public agencies. DHS subsequently informed claimants in May of 2000 of the directive from CMS and restricted private, non-profit agency reimbursements at the 50% FFP level beginning April 2000. Further, DHS incorporated language in the lead and sub-agency agreements stating that DHS agrees to "Provide the rate of reimbursement for allowable administrative activities performed by personnel other than Skilled Professional Medical Personnel at 50% of such costs. For private, non-profit agencies, the rate of reimbursement for activities qualifying under federal regulations applying to Skilled Professional Medical Personnel (SPMPs) and their direct supporting clerical staff shall be 50% of such costs for activities identified as "enhanced" or 50% for activities identified as "non-enhanced" when criteria of 42 CFR 432.50 are met."

DHS staff review Iowa Medicaid Administrative Claiming submissions and evaluate all non-public agency claims to ensure compliance prior to reimbursement.

Finding: Time studies

Activities unrelated to Medicaid covered services or health issues were inappropriately classified as Medicaid reimbursable activities. Employees did not always understand the prescribed activity codes or the amount of time required to record an allowable activity.

Recommendation. Ensure Program expenditures are reasonable, allowable, and adequately supported

Response.

Given the evolution of guidance provided by both CMS Regional and Central Office staff over the years, Iowa acknowledges that time-coding staff may not fully understand the prescribed activity codes.

Iowa will implement policy mandating annual training for all lead agencies and representatives from sub-agencies on time-coding and fiscal aspects. Iowa also proposes to incorporate language into the inter-agency agreements indicating that annual training is mandatory.

Finding: Preparation of Claims by Sub-agencies

Claims prepared by all of the sub-agencies in our review showed numerous errors and omissions. Out of the 25 claims reviewed, totaling \$2.2 million, we identified \$22,535 in errors involving spreadsheet rounding errors (this figure includes \$13,900 previously questioned as matching expenditure at non-public entities).

It is apparent the sub-agencies attach a low priority to ensuring claims are accurate and reasonably represent costs attributable to the Medicaid Program, and that lead agencies are not fulfilling their obligations to ensure the reasonableness of the claims.

Recommendation.

Refund the FFP of \$8,635 for the payment of unallowable costs related to spreadsheet rounding errors.

Response.

Iowa was not aware that a precision function was required in the calculation of claims for federal matching programs. However, as noted in the finding, once this requirement was brought to our attention during the course of OIG's review, we corrected the spreadsheet to include precision calculations. Iowa will refund to CMS the \$8,635 (\$22,535 less \$13,900 previously questioned as matching expenditure at non-public entities) for rounding discrepancies.

However, we respectfully disagree with OIG's comment regarding the low priority that sub-agencies "apparently" attach for ensuring that claims are accurate and reasonably representing costs attributable to the Medicaid Program. DHS has found during the course of oversight reviews and contacts with participants, that lead and sub-agencies are eager to incorporate recommended changes and ensure that their claiming practices and procedures result in a reasonable and accurate claim.

Further, it is not the lead agencies' obligation to ensure the reasonableness of sub-agency claims; it is the contractual obligation of each claiming entity, independent of the designation as a lead or sub-agency. When claims are prepared in accordance with OMB Circular A-87 for public agencies or OMB Circular A-122 for private, non-profit agencies as well as 45 CFR Parts 74 and 95, the claims will be reasonable and accurate.

Finding. Participants Use of Consultants

OIG indicated that participants in Iowa's MAC program who contract with consultants received insufficient training from the consultants for time-coding and cost pool construction.

OIG also commented that the consultant's contingency fee arrangement increases the risk of claims being submitted that were not properly scrutinized for unallowable costs.

Recommendation. OIG did not offer any recommendations concerning this issue.

Response.

To supplement training provided by consultants with whom lead agencies elect to contract, Iowa will implement a mandatory annual requirement for participants to attend regional state-sponsored training for the time-coding and fiscal components of Iowa's MAC program.

Through the process of conducting oversight reviews, Iowa has been able to identify participants' misconceptions and inform those participants of correct procedures for time-coding and compiling fiscal information. Following the oversight reviews, unpaid claims that have been incorrectly prepared are rejected until the agency correctly prepares the claim.

Finding: Participants Use of Funds

Program funds were not always reinvested into health services for children, as required by the inter-agency agreements.

Recommendation: OIG did not offer any recommendations concerning this issue.

Response:

Iowa places the responsibility on the lead agency to compile and submit an annual expenditure report that identifies how Medicaid Administrative Claiming reimbursements are spent. The report includes the spending of Medicaid Administrative Claiming reimbursements for sub-agencies as well. The example listed in the Draft Audit Report was actually denied by the State prior to OIG's review and those funds were reinvested into health services for children. Iowa continues to monitor the annual reports for non-compliance. In the event an agency is out of compliance, the agency is given a choice between replacing the MAC funds inappropriately spent with general fund monies or discontinuing participation in Iowa's MAC program.

**AUDIT OF THE IOWA DEPARTMENT OF HUMAN SERVICES'
CLAIM FOR MEDICAID SCHOOL-BASED ADMINISTRATIVE COSTS
AUDIT REPORT A-07-02-02099
Comments from Iowa Department of Human Services (May 12, 2003)**

APPENDIX A

JEANINNE L. CLARK, Budget Director
KATHRYN A. STRODTMAN, Deputy
BETSY SMITH
Elections Administrative Assistant

PHONE 563/244-0568
FAX 563/243-5869

www.clintoncountyiowa.com/auditor

OFFICE OF

AUDITOR OF CLINTON COUNTY

COMMISSIONER OF ELECTIONS
CHARLES A. SHERIDAN, COUNTY AUDITOR

APRIL 29, 2003

ANIETA O'HAIR
IOWA DEPT OF HUMAN SERVICES
DIVISION OF FISCAL MGMT
HOOVER STATE OFFICE BLDG
DES MOINES IA 50319

DEAR MS. O'HAIR:

THE CLINTON COUNTY BOARD OF SUPERVISOR'S ALLOCATED \$9,500.00 TO THE WOMEN'S HEALTH SERVICES IN FISCAL YEAR 1999/2000. THE FUNDS WERE AVAILABLE JULY 1, 1999 THRU JUNE 30, 2000. THE FUNDS WERE FROM THE GENERAL BASIC FUND TAX DOLLARS.

ENCLOSED ARE COPIES OF THE RESOLUTIONS ALLOCATING THESE FUNDS.

SINCERELY,


CHARLES A. SHERIDAN
CLINTON COUNTY AUDITOR

CC: WOMEN'S HEALTH SERVICES



October 11, 1999

RESOLUTION # 99-189

BE IT RESOLVED by the Clinton County Board of Supervisors that the County Auditor be and is hereby authorized to issue warrants on the General Basic Fund to the following listed entities for the amounts detailed, representing the first half allocation FYE 2000

Carroll Assistance Center	\$1,000.00
Clinton Area Development Company	\$20,000.00
Clinton Art Association	\$1,250.00
Clinton County Agricultural Society	\$16,250.00 ^{\$12,500.00}
Clinton County Historic Preservation Commission	\$4,250.00
Clinton County Historical Society	\$2,500.00
Clinton County Soil & Water Conservation District	\$1,750.00
Clinton Humane Society	\$2,500.00
Concerned DeWitt Citizens, Ltd.	\$3,000.00
DeWitt Economic Development Co.	\$5,000.00
Great River Bend Area Agency on Aging	\$1,906.00
Great River Bend Services, Inc.	\$2,250.00
Iowa East Central T.R.A.I.N.	\$2,100.00
Retired Senior Volunteer Program	\$3,000.00
Soaring Eagle Nature Center	\$1,250.00
Women's Health Services	<u>\$4,750.00</u>
YWCA Domestic Violence/Sexual Assault Resource Center	<u>\$6,500.00</u>

Roll Call

Todtz: Yes
Spooner: Yes
Davisson: Yes

Bill M. Davisson
Chairperson

ATTEST:

County Auditor

County of Clinton
State of Iowa

Todtz
amend Agricultural Society
to \$12,500.00

if
if
if not carried

April 3, 2000

RESOLUTION # 2000-56

BE IT RESOLVED by the Clinton County Board of Supervisors that the County Auditor be and is hereby authorized to issue warrants on the General Basic Fund to the following listed entities for the amounts detailed, representing the second half allocation FYE 2000:

Carroll Assistance Center	\$1,000.00
Clinton Area Development Company	\$20,000.00
Clinton Art Association	\$1,250.00
Clinton County Agricultural Society	\$12,500.00
Clinton County Historical Society	\$2,500.00
Clinton County Soil & Water Conservation District	\$1,750.00
Clinton Humane Society	\$2,500.00
Concerned DeWitt Citizens, Ltd.	\$3,000.00
DeWitt Economic Development Co.	\$5,000.00
Great River Bend Area Agency on Aging	\$1,906.00
Great River Bend Services, Inc.	\$2,250.00
Iowa East Central T.R.A.I.N.	\$2,100.00
Retired Senior Volunteer Program	\$3,000.00
Soaring Eagle Nature Center	\$1,250.00
<u>Women's Health Services</u>	<u>\$4,750.00</u>
YWCA Domestic Violence/Sexual Assault Resource Center	\$6,500.00

Roll Call:

Davisson: Yes

Spooner: Yes

Todtz: Yes

Lewis R. Todtz
Chairperson

ATTEST:

Charles R. Sheridan
County Auditor

County of Clinton
State of Iowa

m

JEANINNE L. CLARK, Budget Director
KATHRYN A. STRODTMAN, Deputy
BETSY SMITH
Elections Administrative Assistant

PHONE 563/244-0568
FAX 563/243-5869

www.clintoncountyiowa.com/auditor

OFFICE OF

AUDITOR OF CLINTON COUNTY

COMMISSIONER OF ELECTIONS
CHARLES A. SHERIDAN, COUNTY AUDITOR

APRIL 29, 2003

ANIETA O'HAIR
IOWA DEPT OF HUMAN SERVICES
DIVISION OF FISCAL MGMT
HOOVER STATE OFFICE BLDG
DES MOINES IA 50319

DEAR MS. O'HAIR:

THE CLINTON COUNTY BOARD OF SUPERVISOR'S ALLOCATED \$9,500.00 TO THE WOMEN'S HEALTH SERVICES IN FISCAL YEAR 2000/2001. THE FUNDS WERE AVAILABLE JULY 1, 2000 THRU JUNE 30, 2001. THE FUNDS WERE FROM THE GENERAL BASIC FUND TAX DOLLARS.

SINCERELY,



CHARLES A SHERIDAN
CLINTON COUNTY AUDITOR

CC: WOMEN'S HEALTH SERVICES



MARILYN JO DRAKE
POTTAWATTAMIE COUNTY AUDITOR
AND ELECTION COMMISSIONER
P. O. BOX 649
COUNCIL BLUFFS, IOWA 51502-0649



Gary Herman, First Deputy - Elections
Cheryll Ross, First Deputy - Taxes
Paula Glade, Second Deputy - Real Estate
Phone (712) 328-5700
FAX (712) 328-4740

MS ANITA O'HAIR
DEPARTMENT OF HUMAN SVS
HOOVER STATE OFFICE BLDG
DES MOINES IA 50319

DEAR MS. O'HAIR

AS PER YOUR TELEPHONE REQUEST, I AM SUPPLYING
THE TOTAL AMOUNT OF COUNTY TAX DOLLARS PAID TO
VISITING NURSE ASSOCIATION FROM JANUARY 1999
THRU JUNE 2000.

THE CHECKS ISSUED FROM POTTAWATTAMIE COUNTY TOTAL
\$135,460.20.

PLEASE ADVISE IF THERE MAY BE SOME FURTHER QUESTION

SINCERELY YOURS

Marilyn Jo Drake
MARILYN JO DRAKE
COUNTY AUDITOR *by F. Kahl*

MJD:fgk