REPORT NO. 2013-133
MARCH 2013

PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION PROCESSES

AT SELECTED STATE AGENCIES

Operational Audit

STATE OF FLORIDA
AUDITOR GENERAL
DAVID W. MARTIN, CPA

STATE ENTITY HEADS

The Florida Statutes establish the various State entities and provide the title and selection process for the head of each State entity. The State entities included within the scope of this operational audit and the respective entity heads who served during the period of our audit were as follows:

Entity	Established By Florida Statutes	State Entity Head	Dates of Service
Department of Children and Families	Section 20.19	David Wilkins, Secretary George Sheldon, Secretary	From January 2011 From October 2008 to March 2011
Department of Corrections	Section 20.315	Kenneth S. Tucker, Secretary Edwin G. Buss, Secretary Walter A. McNeil, Secretary	From August 2011 From February 2011 to October 2011 From February 2008 to February 2011
Office of Early Learning [a]	Section 20.15(3)(h)	Dr. Mel Jurado, Director Matthew Guse, Interim Deputy Director of Early Learning Brittany Birken, Deputy Director of Early Learning	From September 2011 to December 2012 From June 2011 to October 2011 From December 2007 to July 2011
Department of Economic Opportunity [a]	Section 20.50	Hunting Deutsch, Executive Director Cynthia Lorenzo, Interim Executive Director Doug Darling, Executive Director	From April 2012 to December 2012 From February 2012 to April 2012 From October 2011 to January 2012
Department of Education	Section 20.15	Gerard Robinson, Commissioner John Winn, Interim Commissioner Dr. Eric J. Smith, Commissioner	From July 2011 through August 2012 From June 2011 to July 2011 From November 2007 to September 2011
Department of Elder Affairs	Section 20.14	Charles Corley, Secretary	From June 2010
Department of Health	Section 20.43	Dr. John Armstrong, State Surgeon General Dr. Stephen Harris, Interim State Surgeon General Dr. Frank Farmer, Jr., State Surgeon General Kim Berfield, Interim State Surgeon General Dr. Shairi Turner, Interim State Surgeon General Dr. Ana M. Viamonte Ros, State Surgeon General	From May 2012 From March 2012 to May 2012 From April 2011 to March 2012 From December 2010 to April 2011 From December 2010 to April 2011 From January 2007 to January 2011
Agency for Health Care Administration	Section 20.42	Elizabeth Dudek, Secretary Tom Arnold, Secretary	From August 2010 From October 2009 to August 2010
Department of Juvenile Justice	Section 20.316	Wansley Walters, Secretary Frank Peterman, Jr., Secretary	From February 2011 From February 2008 to January 2011
Agency for Persons with Disabilities	Section 20.197	Michael Hansen, Director Bryan Vaughan, Interim Director Carl Littlefield, Director James DeBeaugrine, Director	From August 2011 From March 2011 to August 2011 February 2011 From August 2008 to February 2011
Public Service Commission	Section 350.01	Commissioner Ronald Brisé, Chairman Commissioner Art Graham, Chairman Commissioner Nancy Argenziano, Chairman	From January 2012 From October 2010 to January 2012 From January 2010 to October 2010
Agency for Workforce Innovation [a]	Section 20.50	Cynthia Lorenzo, Director	From June 2009 to September 2011

[a] Effective October 1, 2011, and pursuant to Chapter 2011-142, Laws of Florida, the Agency for Workforce Innovation transitioned to the newly created Department of Economic Opportunity, with the exception of the Office of Early Learning. The Office of Early Learning was transferred to the Department of Education (DOE) pursuant to Section 20.15(3)(h), Florida Statutes, as a separate budget entity not subject to control, supervision, or direction by DOE or the State Board of Education in any manner.

The audit was supervised by Samantha Perry, CPA. Please address inquiries regarding this report to Lisa Norman, CPA, Audit Manager, by e-mail at lisanorman@aud.state.fl.us or by telephone at (850) 487-9143.

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SELECTED STATE AGENCIES

PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION PROCESSES

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SELECTED STATE AGENCIES

Public Assistance Eligibility Determination Processes

SUMMARY

This operational audit focused on the eligibility determination processes utilized in 43 State-administered public assistance programs through which the administering State agencies provided approximately $45.8 billion in public assistance during the period July 1, 2010, through December 31, 2011. Our audit disclosed opportunities to improve the efficiency and effectiveness of the eligibility determination processes. Our audit also disclosed that records relied upon by agencies to detect ineligible recipients of public assistance were, in some cases, incomplete and unreliable, thereby reducing the effectiveness and efficiency of agency efforts to detect ineligible program participants. Additionally, our audit disclosed some instances in which payments had been made to ineligible parties and deficiencies in procedures that led to agency failures to detect the improper payments. A summary of each of our audit findings follows:

ELIGIBILITY DETERMINATION EFFICIENCY

Finding No. 1: The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

STATE RECORDS INTEGRITY

Finding No. 2: Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors which could result in improper payments.

Finding No. 3: For the records tested, the social security numbers recorded by State agencies for public assistance recipients were not always accurate.

Finding No. 4: The Department of Health, Office of Vital Statistics (OVS), did not have a process in place to verify the accuracy of the information included in the death records submitted by funeral directors. Our audit tests disclosed numerous errors in OVS death records. The absence of accurate data reduces the ability of State agencies to rely on OVS information as an efficient means for detecting benefit payments that have not been timely discontinued.

Finding No. 5: The Department of Corrections (DOC) did not have processes in place to ensure the accuracy of the social security numbers recorded in the DOC's Offender Based Information System. The failure of the DOC to collect and maintain accurate data including name, social security number, and date of birth, reduces State agencies' ability to efficiently identify and investigate instances in which public assistance may have been paid to an inmate account.

BENEFIT PAYMENTS

Finding No. 6: Data exchanges were not always processed timely, resulting in the failure to timely detect public assistance benefits that were authorized or paid on behalf of some recipients subsequent to the recipient's death.

Finding No. 7: Data exchange processes did not always effectively identify recipients who had been incarcerated. As a result, public assistance benefits were paid by State agencies to the accounts of some individuals subsequent to the date of their incarceration.

Finding No. 8: **State agencies did not compare public assistance records and juvenile detention records. Our comparisons identified instances in which improper payments were made by State agencies on behalf of youths who, at the time of payment, were committed to a Department of Juvenile Justice facility.**

Finding No. 9: **The Agency for Health Care Administration did not conduct matches between Medicaid records and workers' compensation records until March 2012. Our tests disclosed Medicaid claims that, according to State records, were paid to providers who were also paid through workers' compensation insurance.**

Finding No. 10: **The Department of Health did not perform timely, complete matches of records showing individuals receiving AIDS Drug Assistance to records showing individuals who were Medicaid-eligible. We noted instances where AIDS Drug Assistance Program benefits were improperly provided to Medicaid-eligible recipients.**

BACKGROUND

The State provides to eligible individuals or families various types of public assistance, including, for example, food, drugs, medical care, child care, and cash assistance. Each of the related public assistance programs has eligibility requirements established under Federal or State law that particular agencies of State government and, for some programs, nonprofit organizations and local governments, must consider when determining the eligibility of individuals who apply for assistance.

Eligibility determination processes varied based on each program's requirements, as established in the authorizing Federal and State laws. Depending on the requirements of the program, a State agency may apply a variety of eligibility determination processes. For example, programs that provide assistance to low-income households may include processes to obtain documentation or validation of the recipient's income (for example, the submission of payroll check stubs), whereas programs that provide assistance based on medical condition may include eligibility determination processes that require verification of the medical diagnosis. The requirements of other programs may not require the applicant's submission of documentation and instead allow reliance upon information self-reported by the applicant.

In some cases, the eligibility determination processes included data exchanges to validate applicant information. Data exchanges refer to processes that compare information on file at one government agency or program to the information reported to another agency or program by an applicant. For example, using the FLORIDA System, the Department of Children and Families (DCF) compared information reported by applicants to information supplied by entities such as the Social Security Administration (SSA), the Internal Revenue Service, the Department of Health Office of Vital Statistics (OVS), and the Department of Revenue. The results from these data exchange processes allowed the DCF to identify instances in which an applicant's reported identity or income may be inconsistently reported and potentially incorrect. Not all agencies utilized data exchanges, as many did not have access to data or the necessary technological resources.

Our audit included the 43 public assistance programs administered by ten State agencies.[1] Approximately $45.8 billion in public assistance was provided through these programs during the period July 1, 2010, through December 31, 2011. A listing of the programs included in our audit is included in this report as **EXHIBIT A**. **EXHIBIT B** of this report provides detailed information for each program outlining the documentation obtained by each agency to determine eligibility and identifies those instances in which data exchanges were to be used. In addition, Table 1 summarizes key eligibility determination documentation requirements for the programs included in our audit.

Table 1
Key Eligibility Determination Documentation Requirements

Eligibility Criterion	Not a Requirement	Documentation Method				Total Programs
		Self-Attest Only	Document	Matched Through Data Exchange	Obtained Through DCF	
U.S. Citizenship	35	3	5	-	-	43
Social Security Number	27	12	-	4	-	43
Income	9	6	16	1	11	43

Source: Agency records.

FINDINGS AND RECOMMENDATIONS

Our audit objectives included an evaluation of whether the State's processes for determining eligibility for public assistance programs were efficient and effective and an evaluation of whether sufficient processes were in place to allow the prevention and detection of eligibility determination errors and related improper payments, including those that may be caused by fraud. Our audit included various analytical procedures and tests of the eligibility determination records and selected policies and procedures at the State agencies administering public assistance programs. Programs administered by the agencies listed in Table 2 were included in our audit:

Table 2
State Agencies With Programs Selected for Audit

State Agency	Abbreviation
Department of Children and Families	DCF
Office of Early Learning	OEL
Department of Economic Opportunity	DEO
Department of Education	DOE
Department of Elder Affairs	DOEA
Department of Health	DOH
Agency for Health Care Administration	AHCA
Department of Juvenile Justice	DJJ
Agency for Persons with Disabilities	APD
Public Service Commission	PSC

As disclosed in the following findings, our audit tests disclosed opportunities to improve the efficiency and effectiveness of the eligibility determination processes. Our audit also disclosed that records relied upon by agencies

[1] For purposes of the tests and analyses included in this audit, we have included the records of the Unemployment Compensation Program (now referred to in Florida law as the Reemployment Assistance Program). This program has been included because, although it is more properly considered a form of insurance than a form of public assistance, the Program does utilize processes to determine applicant eligibility and distribute benefits that are similar to those used in public assistance programs and does, in some instances, provide benefits to participants of public assistance programs.

to detect ineligible recipients of public assistance were, in some cases, incomplete and unreliable, thereby reducing the effectiveness and efficiency of agency efforts to detect ineligible program participants. Additionally, our audit disclosed some instances in which payments had been made to ineligible parties and deficiencies in procedures that led to agency failures to detect the improper payments.

Eligibility Determination Efficiency

Finding No. 1: Process Improvement Opportunities

As noted throughout this report, we obtained for the 43 public assistance programs included within the scope of this audit, an understanding of the processes and records used by the applicable nine[2] State agencies involved in determining client eligibility. Also, as part of our audit, to measure the consistency of the information recorded and identify questionable program participation, we have for several programs attempted to electronically match administering State agency client records with the information that may be shown for the same clients in the public assistance program records at other agencies. Further, we have attempted to match inmate records, juvenile detention records, and OVS death records to public assistance rolls in an effort to identify other instances in which improper public assistance benefits may have been provided.

In addition to the record errors and, in some instances, indications of potential fraud disclosed by our tests and described in succeeding findings of our report, our audit identified opportunities to improve the quality of the data used to manage the State's public assistance programs and to enhance the efficiency with which the data is gathered, recorded, and verified. Specifically:

- As shown by Table 3, in reviewing the public assistance records of the various agencies, we found numerous instances in which social security number information was not recorded.

Table 3
Social Security Number Blank or Null Values

Agency	Program	Number of Blank or Null Values
DCF	TANF	13,092
DCF	SNAP	27,840
DCF	Medicaid	154,981
DOH	Early Steps	22,885
DOH	Immunizations	107,752
DOH	Dental	1
DOH	WIC	142,658
DOH	HIV- Housing	27
DOH	HIV - Insurance	279
DOH	Family Planning	1
DOH	HIV/AIDS	3,585

Further, as shown by **EXHIBIT B**, and summarized in Table 4, only 16 of the 43 programs included within the scope of our audit, required the applicant to provide his or her social security number. While for some of these programs the provision of the social security number may not be crucial to the pursuit of program objectives, such as those programs' for which the objectives may relate to public health matters, the collection and recording of the social security number in State public assistance databases would greatly facilitate intra-agency, intra-State, and interstate computerized verifications of applicant identity, eligibility, and

[2] Although included in Table 2, AHCA does not determine client eligibility.

participation. Such verifications can be used to prevent and detect improper payments, whether they be caused by error or fraud.

- We noted that, in administering some of the 43 programs, agencies required the submission of documentation in support of information supplied by the applicant and relevant to determining program eligibility. However, for several programs, no documentation was required in support of significant applicant-reported information. For example, as shown by **EXHIBIT B**, all 43 programs required the reporting of identity. However, 34 of these programs did not require the submission of proof of identity, such as a driver's license or birth certificate.

- As indicated in finding No. 2, in December 2011, at least 43 percent of the public assistance recipients were enrolled in at least two public assistance programs. For these recipients, we found the eligibility determination processes at the agencies to be, at least in part, redundant as the agencies frequently determined eligibility for the same criterion for the same recipient for the same time period. For example, a person determined by the DCF to be eligible to participate in the Medicaid Program, may have also been properly determined to be eligible to participate in the School Readiness Program administered by the Office of Early Learning. These determinations were to be preceded by the applicant's provision of much of the same background information (for example, identity, social security number, income, family size) in separate submissions for each program, one to the DCF and one for the OEL. Table 4, shows some of the criteria that were subject to evaluation for the same client at multiple agencies.

Table 4
Common Eligibility Criteria

Eligibility Criterion	Number of Programs [a]	Number of Agencies
U.S. Citizenship	8	4
Florida Resident	25	6
Identity of Applicant	43	8
Income Level	34	5
Asset Level	16	8
Social Security Number	16	4
Age	25	6
Level of Care/Health	33	4
Other	23	7

[a] From a total of 43 selected programs.

Source: Agency records.

We also noted that for recipients enrolled in multiple programs, each administering agency was to maintain in its agency-unique public assistance computerized records much of the same background information for the recipient. As shown by **EXHIBIT C**, multiple systems were used in connection with the eligibility determination processes relevant to the 43 programs included within the scope of our audit.

The establishment of a State portal through which public assistance information is received, recorded, and processed may increase efficiency by limiting the number of times background information for a recipient would need to be recorded, maintained, and verified.

Recommendation: We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the DCF, with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.

State Records Integrity

As shown in **EXHIBIT C**, State agencies maintained program recipient data in various information technology (IT) systems. The database of public assistance benefits that we requested and received from each State agency included fields related to the recipient's first and last name, social security number, date of birth, address, program service type, and program service amount, as applicable. Our audit included analytical procedures and other tests to evaluate the accuracy and completeness of records used by the State agencies to prevent and detect improper public assistance program benefit payments. As disclosed in finding Nos. 2 through 5, improvements in the reliability of these records would enhance the efficiency and effectiveness of the related improper payment prevention and detection efforts.

Finding No. 2: Record Inconsistencies

Recipients are often enrolled in multiple programs simultaneously. Our review of enrollment in 42 of the selected public assistance programs[3] during the month of December 2011 disclosed that 43 percent of recipients were enrolled in at least two programs. Table 5 displays the number of recipients for whom a State agency paid public assistance for one or more public assistance programs during the month of December 2011.

Table 5
Recipients Enrolled in One or More Public Assistance Programs During December 2011 [a]

Number of Programs in Which Enrolled	Total	Medicaid	SNAP	TANF	UC	WIC	Other
One Program	2,685,966	694,968	1,431,167	8,684	235,009	133,387	182,751
Two Programs	1,732,731	1,606,026	1,634,953	12,518	74,607	84,832	21,487
Three Programs	239,337	234,409	234,459	17,696	11,822	173,472	14,749
Four Programs	17,078	16,825	16,857	7,622	2,545	10,276	6,992
Five Programs	1,241	1,237	1,239	934	267	934	957
Six Programs	42	41	42	38	22	39	39

[a] Excludes the Lifeline Program[3] and recipient records that did not include social security numbers.

Source: Agency records.

For participants in multiple programs, information was to be provided by the applicant to the particular administering agency for use in determining program eligibility and, if qualified, benefit amounts. When compared among the agencies providing public assistance benefits, certain information provided such as identity, income, employment status, and family size should be the same. Differences in the information may in some instances represent fraud or record errors and may result in improper payments.

As part of our audit, we obtained records of the public assistance benefits paid during the period July 2010 through December 2011 on behalf of all recipients participating in the public assistance programs listed on **EXHIBIT A**. For a selection of recipients participating in more than one program during the month of December 2011, we compared the information shown in the records of the administering agencies.[4] As indicated by the following, our tests disclosed numerous instances in which differing information had been recorded relative to matters impacting program eligibility and benefit amounts:

[3] Lifeline Program recipients' social security numbers were not included within the Lifeline Program data. As a result, the data could not be summarized.

[4] Because DCF uses one application and eligibility determination process for SNAP, TANF, and Medicaid, they were considered as one program for purposes of this analysis.

- For 28 of the 357 applicable recipients, the recipient reported to one or more agencies that he or she was employed, but then did not disclose the employment to one or more of the other agencies from which assistance had been requested.
- For 93 of the 348 applicable recipients, the sources or amounts of household income reported at one agency differed from that reported at one or more other administering agencies.
- For 24 of the 300 applicable recipients, the number of household members reported to one agency differed from that reported to one or more other administering agencies. For example, a recipient indicated to one State agency that two children were included in the household, while at a second State agency the recipient reported only one child.
- For 86 of the 355 applicable recipients, the recipients did not disclose the public assistance they were receiving from one agency to one or more administering agencies from which they were requesting assistance. For example, one recipient received SNAP benefits; however, on an application at a second State agency, the recipient indicated that he did not receive SNAP benefits. In some instances, public assistance, such as TANF or UC, is considered income and, therefore, may impact eligibility or the calculation of the benefit amount.

We noted that agencies do not routinely compare public assistance recipient information. Such periodic comparisons would enhance the reliability of the information and facilitate the prevention and detection of improper payments. We provided to the applicable agencies specific details of the conflicting information described above.

Recommendation: We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.

Finding No. 3: Social Security Number Data

Applicants for public assistance were often required to provide social security numbers for themselves and for the individuals included in their household. Depending on the eligibility determination process, the social security number may have been provided through self-attestation or by the applicant's provision of a copy of his or her social security card. Further, the social security number provided may have been subject to verification by the State agency through a data exchange with another source, such as the SSA. Several programs utilized a recipient's social security number to perform matches with other programs or agencies; for example, matches were used to identify potential third-party payors or instances in which a recipient had died or was incarcerated.

To ensure the efficiency and effectiveness of these matching procedures, it is necessary that accurate information be reported and recorded in State records. However, as shown in Table 6, our review of the recipient data recorded in State agency records disclosed a significant number of instances in which the recipient's social security number was not correct.

Table 6
Social Security Number Errors

Agency	Program	Number of Cases Tested	Number of Incorrect Social Security Numbers	Error Rate
OEL	School Readiness	22	6	27%
DOH	Dental	33	6	18%
DOH	WIC	21	1	5%
DOH	HIV – ADAP	127	4	3%
DOH	HIV- Housing	8	3	38%
DOH	HIV - Insurance	15	1	7%
DOH	Family Planning	12	2	17%
DOH	Tuberculosis	46	21	46%

In addition, as shown in Table 3, our review of all data for the programs listed disclosed instances in which the social security number for a recipient was shown as a null value (000-00-0000). As shown in **EXHIBIT B,** many State agencies did not require the applicant to provide his or her social security number, thereby resulting in blank or null values being shown for the applicant's social security number.

In response to our audit inquiries, the applicable State agencies indicated that the errors may have occurred due to the applicant providing an incorrect social security number, or because of a data entry error. Also, because the applicant was not required to provide a social security number in order to be determined eligible for some programs, less effort may have been given to ensure the accuracy of the number given and recorded.

The high rate of incorrect social security numbers reduces the effectiveness of record matches and limits State agencies' ability to positively identify those who receive public assistance and verify the information reported by applicants.

Recommendation: We recommend that State agencies evaluate the need to obtain social security numbers from applicants and, when obtained, ensure that social security numbers are correct and accurately recorded in agency records.

Finding No. 4: DOH Office of Vital Statistics Records

The OVS was to record the death of individuals upon the receipt of a death certificate completed by a funeral director. From the death certificate, DOH was to manually enter into the central registration system information such as the individual's name, social security number, date of birth, date of death, and county. In addition to the death certificate, the funeral director was to complete a Form SSA-721 to be submitted directly to the SSA. Form SSA-721 served as the official death notification for the SSA.

Our review disclosed that four State agencies conducted a match between program recipient records and OVS death records to identify recipients who had died and to help ensure the timely discontinuation of benefits for 14 of the 43 programs. Our audit included performing matches by social security number, between deceased individuals in the official death records and public assistance recipients in programs included in **EXHIBIT A** and also with DOC inmate records. The comparisons identified 12,511 potential matches. Our review of 581 of these matches identified 214 instances in which the match was not valid due to errors in the OVS official death records. Of the remaining

367 valid matches, we identified 19 recipient accounts in which payments were issued after the date of death shown by the OVS official death records.

In 208 of the 214 instances in which we found errors in the OVS record, the recipient's name, social security number, and date of birth, as shown by the OVS central registration system, had been accurately input in that the information matched the death certificate provided by the funeral director; however, the recipient's name or date of birth did not match the information shown in the applicable public assistance program case file records. Based on review of case documentation, including case notes, and inquiries with State agency personnel, the information on the death certificate and the OVS official death record was determined to be incorrect. For the remaining 6 instances, due to data entry errors, the recipient's social security number was recorded incorrectly in the OVS death record. According to DOH OVS management, subsequent to our audit inquiry, the 6 data input errors were corrected.

Our audit disclosed that the OVS did not have a process in place to verify through the SSA that the information provided by the funeral director was correct. Additionally, the OVS did not establish or communicate to other State agencies procedures for notifying the OVS of suspected errors in death records. In January 2012, the OVS began implementation of the SSA's electronic death registration system (EDRS) whereby deaths will be recorded by a funeral director utilizing an Internet connection. The data are to be matched in real time with the SSA records to ensure that the name and social security number matches those shown by the SSA records. According to DOH management, full implementation of EDRS for all medical examiner districts was accomplished in November 2012.

The absence of accurate data reduces the ability of State agencies to rely on the OVS information as an efficient means for detecting benefit payments that have not been timely discontinued.

Recommendation: We recommend that the OVS implement procedures to be followed by State agencies to report errors in OVS death records. Additionally, the OVS should consider whether additional steps may be taken, such as the performance of a comprehensive match against SSA records, to identify and resolve errors in existing OVS death records.

Finding No. 5: DOC Inmate Records

According to DOC management, at the time of reception, all inmates are required to complete a Social Security Number Identification Verification Statement form. DOC staff were to enter the social security number and demographic information provided by the inmate into DOC's Offender Based Information System (OBIS).

As part of our audit, we matched, by social security number, DOC inmate records to public assistance recipient data for the month of December 2011. The match disclosed 11,193 possible instances in which inmates were receiving public assistance. Our further review of the OBIS data and public assistance case files for 108 of these matches disclosed 57 instances (53 percent) in which the inmate's name, date of birth, or social security number was recorded incorrectly in OBIS. We did identify 22 inmates who were issued benefit payments while they were incarcerated, as discussed in more detail in finding No. 7.

While State law[5] requires that, prior to opening a canteen account the inmate's social security number be verified through SSA, DOC management indicated that the SSA discontinued the social security verification process in March 2007 due to concerns regarding the transmission of personally identifiable information. As a result, DOC staff did not validate through the SSA, inmate names, social security numbers, and dates of birth. Additionally, the DOC

[5] Section 945.2151, Florida Statutes.

had not implemented alternative procedures, such as obtaining copies of social security cards, to more reasonably ensure the accuracy of reported social security numbers.

The failure of the DOC to collect and maintain accurate data including name, social security number, and date of birth, reduces State agencies' ability to efficiently identify and investigate instances in which public assistance may have been paid to an inmate account.

Recommendation: We recommend that the DOC develop procedures to verify an inmate's identity including the inmate's name, social security number, and date of birth. Additionally, the DOC should pursue statutory changes given the SSA's discontinuation of social security number verification.

Benefit Payments

Our audit included procedures to match public assistance program recipient data to other State records, including OVS death records, DOC inmate records, unemployment compensation records, DJJ detention and commitment records, workers' compensation medical claim records, and HIV Care Formula Grant records. The objective of these tests was to identify the extent to which public assistance benefits may have been improperly paid and areas in which State agency processes could be improved to reduce the risk of improper payments. As indicated in finding Nos. 6 through 10, our tests identified instances of potential improper payments and deficiencies in agency procedures that led to agency failures to prevent or timely detect improper payments.

Finding No. 6: Benefits Paid to the Accounts of Deceased Recipients

Our audit included comparing the OVS death record data with the recipient data for the programs listed in **EXHIBIT A**. We selected a sample of 581 of the 12,511 possible matches between recipient payment records and death records. Our review of the 581 matches identified 248 recipients for whom assistance payments appeared to have been made subsequent to the recipient's date of death. Specifically:

- As previously described, some State agencies processed data exchanges which included OVS death records as part of the quality control processes for certain programs. Specifically, the DCF, DEO, and APD processed death record data exchanges for the associated programs listed in **EXHIBIT A**. We noted that the agencies had properly identified 172 of the 248 recipients as deceased. However, the agencies did not always timely discontinue benefits. For 11 of these 172 recipients, the agencies provided $5,155 in SNAP benefits, $718 in UC benefits, $302 in TANF benefits, and $56 in child care benefits to recipient accounts or providers after the recipient's date of death. Agencies generally indicated that benefits were not timely discontinued when the data exchanges were not received timely.
- For 76 of the 248 recipients, the agencies had not identified the recipients as deceased.
    - For 46 of the 76 recipients, the errors occurred in the Medicaid, TANF, WIC, and HIV-related programs. For 5 recipients, the agencies provided $3,142 in TANF benefits and $230 in WIC benefits after the recipient's date of death. Agencies attributed the payments to failure to resolve questionable payments identified through data exchange procedures and fraud.
    - For 30 of the 76 recipients, the DCF provided benefits and did not timely close SNAP cases after the recipient's death. The cases related to SNAP recipients participating in the Combined Outreach and Application Process of Florida (SUNCAP). Supplemental Security Income (SSI) recipients were automatically eligible to receive SNAP benefits under the SUNCAP Program and, according to DCF records, these individuals received SSI benefits. While states are required to conduct data exchanges to identify instances in which a SNAP recipient has died, our review of the DCF's data exchange processes disclosed that the DCF did not conduct data exchanges for recipients who were enrolled in the SUNCAP program. For example, in 3 cases, benefits totaling $3,775 had been paid after the recipient's date of

death. In an additional 13 cases, benefits had continued to be credited to the recipients' accounts for as long as 6 years after the date of death and the cases remained open as of December 31, 2011. While the DCF had removed the benefits from these recipient accounts, the benefits were not always removed timely, and the cases were not timely closed to prevent the further issuance and potential improper use of benefits.

Without the timely performance of death record data exchanges and the resolution of any matches identified, the risk is increased that improper payments will not be timely detected.

Recommendation: We recommend that State agencies ensure that death record data exchanges are timely performed, any matching records be appropriately researched, and any payment errors timely resolved. Additionally, we recommend that the DCF conduct death record data exchanges for SUNCAP program recipients and ensure that cases are timely closed upon a recipient's death.

Finding No. 7: Benefits Paid to Inmate Accounts

For 4 of the 43 programs reviewed, the State agencies conducted matches between inmate data and recipient data. The DCF was to use daily data matches between SNAP, TANF, and Medicaid recipient data and SSA inmate data to identify any recipients who were incarcerated. Specifically, all inmate data was to be submitted by the DOC to the Department of Law Enforcement (DLE) and then by the DLE to the SSA. The SSA was to match the name, date of birth, and social security number shown by DLE records with SSA records in order to verify the record. If the SSA verified the record, the data was sent from the SSA to the DCF for comparison against public assistance records. In instances where the DCF identified a match, DCF staff were to review the match and terminate benefits as appropriate. If the SSA did not verify the match, no record was to be sent to the DCF.

The DCF's Public Benefits Integrity Office (PBI) also conducted monthly matches between inmate data received directly from the DOC and SNAP, TANF, and Medicaid recipient data. In addition, the DEO obtained files weekly from the DLE which included inmate data from the DOC and Florida counties. The DEO was to match the file with UC claims nightly to identify instances in which a UC recipient was incarcerated.

As part of our audit, we matched, by social security number, DOC inmates identified in OBIS, to the records of public assistance recipients receiving benefits during December 2011 for all 43 programs. As noted in finding No. 5, the match disclosed 11,193 possible instances in which public assistance was paid to inmate accounts. We selected 108 possible matches for further evaluation. We found that 65 were not actual matches, although matches had been identified because of errors in either DOC or State agency data. For the remaining 43 matches, we identified 22 instances in which the State agencies made public assistance payments totaling $19,559 to inmate accounts during a period of incarceration. We also identified an additional four inmates for whom, although no payments were made after the date of incarceration, the State agency had not timely terminated the individual's eligibility to participate in the public assistance programs. Specifically:

- In 20 of the 22 instances, the DCF issued to inmate accounts, while the inmates were incarcerated, SNAP benefits totaling $13,064 and TANF benefits totaling $371. In 14 of these 20 instances, the DCF had not identified the cases through the SSA data exchange process and, as a result, was unaware that the recipient was incarcerated. In the remaining 6 instances, a data exchange was received that identified the incarcerated individual; however; because the data exchange results were not received timely, the benefit payments had not been timely discontinued. In addition:
  - In 7 of these 20 instances, the DCF's PBI had detected and terminated benefits, but not in a timely manner. From July 2010 through December 2011, between 2 and 8 months of benefits were paid to the inmates' accounts while incarcerated.

- In 11 of these 20 instances with benefits totaling $5,917, the DCF had not initiated a benefit recovery request at the time of our audit inquiry.
- In 2 of these 20 instances, while the DCF had initiated a benefit recovery request prior to our audit inquiry, the request did not include all the benefits paid to the inmate's account.

Although the DCF processed the information received in daily and monthly inmate data exchanges, recipients continued to receive benefits subsequent to the inmate's incarceration until caseworkers terminated benefits or until the PBI office reviewed the monthly DOC matches and terminated benefits. In addition, DCF management indicated that delays in the reporting process from the DOC to the DCF limited the timeliness of the data exchanges.

- In 8 of the 22 instances (4 of which were also identified above as receiving SNAP benefits), inmates were shown by Medicaid records to be eligible for Medicaid while they were incarcerated. According to DCF management, in one instance, the error occurred when the caseworker did not properly update the living arrangement shown in the FLORIDA System. In the remaining 7 cases, the DCF had not timely identified the cases through the data exchange process and, as a result, was unaware that the recipient was incarcerated. As of December 31, 2011, no Medicaid claims had been paid for services subsequent to these 8 inmates' incarceration.
- In 1 instance, the DEO had paid to an inmate account, unemployment compensation benefits totaling $5,907. Although the DEO was to perform matches weekly, the match was programmed to exclude all matches in which the recipient's incarceration date was more than 2 years from the year in which the UC benefits began. Because the date that the recipient's UC benefits began was April 20, 2008, and the recipient's date of confinement was July 19, 2011, the case was not identified. Subsequent to our audit inquiry, DEO management referred the case to benefit payment control and disqualified the recipient. DEO management also indicated they were in the process of revising the match programming.
- In 1 instance, our tests disclosed that the DOH had paid WIC benefits totaling $217 to an inmate's account while the individual was incarcerated. Subsequent to our audit inquiry, DOH staff determined that someone impersonating the inmate had picked up the WIC checks and redeemed them.

The failure to timely detect all inmate accounts and timely process data exchanges increases the likelihood of improper payments.

Recommendation: We recommend that the DCF review its data exchange process in order to determine if alternative processes could be implemented to ensure more timely and accurate data matches. We also recommend that when the DCF identifies ineligible recipients, benefits be timely terminated and benefit recovery referrals be made when appropriate. In addition, we recommend that the DEO revise its match process to better ensure the detection of all inmate accounts.

Finding No. 8: Benefits for Youths in DJJ Detention or Commitment

Youths who enter DJJ custody are to be placed in a secure detention facility while their cases await court disposition. Within 24 hours after being taken into DJJ custody, a youth is to appear in court for a hearing to establish the youth's detention status. If the judge continues the youth's detention, the youth's length of stay may extend to 21 days or more. Upon adjudication, a youth may then be placed at a residential facility for a period of time dependent upon the type of program or risk level and the youth's performance in the program. Youths may be in the care of DJJ for 60 to 90 days for low-risk commitments, or 18 to 36 months for maximum-risk commitments.

Instances may occur in which the committed youth is a member of a household that receives public assistance. Applicants for SNAP, TANF, and Medicaid were required to sign a Rights and Responsibilities form, which notified applicants that they must report to the DCF, within 5 calendar days, if a youth included in the assistance group was

expected to be out of the household for 30 days or more. According to State law,[6] any person who knowingly fails to disclose a change in circumstances, in order to obtain or continue to receive amounts of public assistance to which the individual is not entitled, is guilty of a crime.

We noted that no State agency performed a match between public assistance recipient data and records showing the youth committed to DJJ facilities. As part of our audit, we performed a match between individuals included in a SNAP, TANF, Medicaid, OEL, CMS, or APD waiver household and youths who were in DJJ commitment during the period July 1, 2010, through December 31, 2011. The match identified 4,052 instances in which it appeared that the youth was included in the assistance group for a SNAP, TANF, or Medicaid case for more than 2 months after commitment to a DJJ facility. Our evaluation of the records for 100 of the 4,052 cases disclosed $143,341 in improper payments made to or on behalf of youths in DJJ residential programs.

SNAP and TANF

Our review of 20 TANF and 30 SNAP cases disclosed that:

- In 37 instances, DCF case records did not contain evidence that the parent had notified the DCF that the youth was in DJJ commitment. The DCF made improper payments to the parent or relative caregiver for TANF benefits totaling $28,009 and for SNAP benefits totaling $27,422 as a result of continuing to include the youth in the assistance group's benefit calculation.
- In 5 instances, the DCF was notified that the youth was in DJJ commitment; however, the caseworker did not timely adjust the benefits to exclude the youth from the household. As a result, $2,384 in TANF benefits and $3,766 in SNAP benefits were paid in excess of the amounts allowable.
- In 6 instances at one facility, youths had been committed to a DJJ residential drug rehabilitation program and, as a result, were not eligible to receive SNAP benefits. Our review of the cases disclosed that a representative of the facility had applied for SNAP benefits on behalf of the youths and the DCF had issued SNAP benefits totaling $10,042. Further review of all cases from the facility disclosed an additional 226 youths who had received SNAP benefits while committed to the facility. We referred these cases to the DCF and the DJJ Offices of Inspector General for further evaluation.

Medicaid

Upon a youth's commitment to a Medicaid-allowable residential commitment program, DJJ's Medicaid liaison was to determine the youth's Medicaid eligibility status. The DJJ Medicaid liaison was required to complete a DCF Child-in-Care Medicaid Application for all youths upon program entry, and submit it to a DCF Child-in-Care liaison. Additionally, if a youth was enrolled in managed care Medicaid coverage at the time of commitment, the DCF Child-in-Care liaison was to then notify the DJJ Medicaid liaison and the DJJ Medicaid liaison was to complete a Managed Care Enrollment Request form to exempt or disenroll the youth from the youth's existing managed care Medicaid coverage. This form was then to be sent to AHCA and an AHCA staff member was to exempt or disenroll the youth from managed care Medicaid coverage. Under circumstances in which the youth was receiving SSI Medicaid coverage due to receipt of SSI benefits prior to DJJ commitment, until the SSI benefits were discontinued, the Child-in-Care Medicaid benefits were to be denied because the youth could not participate in two types of Medicaid program assistance. Our tests of the administration of the Medicaid program processes applied for 50 youths disclosed the following:

- In 33 instances, the DCF had not been made aware that the youth was in DJJ commitment. In 27 of the 33 instances, while the youth was in DJJ commitment, the parents recertified Medicaid eligibility and included the youth in the household. In the remaining 6 instances, although the parents did not recertify Medicaid

[6] Section 414.39(1), Florida Statutes.

eligibility, the parents did not provide the required notification to the DCF that a member of the assistance group was expected to be out of the household for 30 days or more. More specifically:

- In 14 instances, the youth was enrolled in a type of residential commitment program not eligible for Medicaid Program coverage; however, according to DCF records, the youth had not been disenrolled from the Medicaid Program. In these instances, DCF records indicated that the DCF was not notified by the parent that the youth was committed to a DJJ facility. Medicaid payments totaling $43,229 were made on behalf of these youths between July 2010 and December 2011.

- In 10 instances, although the parent did not notify the DCF of the youth's commitment, DJJ had submitted a Child-in-Care Medicaid Application to the DCF requesting a change in Medicaid eligibility status upon the youth's commitment. However, the DCF did not change the youth's family-related Medicaid eligibility to a Child-in-Care eligibility status, and any payments made were subject to recording in an incorrect Medicaid category.

- In 9 instances, the DJJ should have completed a Child-in-Care application for the youth; however, the DJJ could not provide completed applications documenting notification to the DCF of the youth's commitment to a DJJ facility. In addition, DCF records indicated that the parent had not notified the DCF of the youth's commitment. Consequently, the youth's family-related Medicaid eligibility was not properly changed to a Child-in-Care eligibility status, and any payments made were subject to recording in an incorrect Medicaid category.

➢ In 15 instances, the DCF had been made aware that the youth had been committed to a DJJ facility; however, the DCF did not update the youth's Medicaid eligibility status until 6 to 504 days after the youth had been committed to the DJJ program. Specifically:

- In 2 instances, the DCF did not become aware of the youth's commitment until after the youth was released from the DJJ program.

- In 3 instances, although the youth was correctly enrolled in a Medicaid Child-in-Care coverage group, the DJJ Medicaid liaison failed to notify AHCA that the youth should be moved from a capitated to a fee-for-service Medicaid Program. In one instance, although the DJJ notified AHCA, the youth was not moved, for behavioral health services, from a capitated to a fee-for-service Medicaid Program. As a result, Medicaid managed care providers continued to receive monthly capitation payments for the youths while the youths were committed to DJJ facilities and received care from Medicaid fee-for-service providers. Medicaid capitation payments totaling $13,652 were paid on behalf of the youths between July 2010 and December 2011.

- In 7 instances, the DCF did not timely change the youth's family-related Medicaid eligibility to a Child-in-Care eligibility status.

- In 1 instance, the youth was not enrolled in a Medicaid-allowable Program; however, the DCF had not removed the youth's eligibility for Medicaid benefits. Medicaid payments totaling $6,940 were paid on behalf of the youth between July 2010 and December 2011.

- In 1 instance, the youth continued to receive SSI Medicaid because the youth's Medicaid status could not be changed until the parent notified the SSA to terminate the youth's SSI benefits. Medicaid payments totaling $771 were paid on behalf of the youth between July 2010 and December 2011.

As previously noted, no State agency completed matches between youths enrolled in public assistance programs and youths in DJJ commitment. As a result, some improper payments made on behalf of youths in DJJ commitment were not timely detected. In addition, in some instances, Medicaid benefits were paid from the incorrect Medicaid program category or on behalf of youths who were not enrolled in Medicaid-allowable Programs.

Recommendation: We recommend that the DCF match public assistance records with DJJ records monthly to timely identify any modifications needed in the program status of applicable youths and the youths' families. In addition, the DJJ should ensure that appropriate forms are completed and sent to the DCF and AHCA for youths in DJJ commitment.

Finding No. 9: Comparison of Medicaid Payments to Workers' Compensation

Workers' compensation benefits are payable to employees due to an accident or injury that occurs on the job. Benefits include medical coverage and lost wages, and other monetary compensation depending on the existence and type of resulting disability. When employees are injured, they are required to notify their employer and to use a doctor authorized by their employer or the applicable insurance company. The employee is also required to notify the doctor that the injury was work-related so that the doctor can obtain authorization from an insurer prior to providing medically necessary treatment, except when emergency treatment is required.

Workers' compensation claims are not eligible for payment under the Medicaid Program. Federal law[7] requires that state Medicaid agencies obtain workers' compensation information and use the information for the purposes of identifying Medicaid recipients and determining the legal liability of third-parties. Florida's Medicaid State Plan provides that AHCA will conduct data matches at least annually to identify Medicaid recipients who are injured in work-related accidents. AHCA entered into an agreement on April 1, 2010, with the Department of Financial Services (DFS), Division of Workers' Compensation, for the purpose of obtaining workers' compensation data. The data was to be provided to AHCA's third-party liability contractor and the contractor was to conduct matches between Medicaid data and workers' compensation benefit data to identify any Medicaid claims that were payable under workers' compensation coverage.

Our audit disclosed that no matches had been conducted until March 2012. As a result, AHCA did not detect all instances in which a Medicaid provider was also paid by the workers' compensation insurer for the same claim. Our audit included procedures to match Medicaid claims paid to workers' compensation medical benefits claims paid during the period July 1, 2010, through December 31, 2011, and identify instances in which a Medicaid claim and a workers' compensation medical claim had been paid to a provider on behalf of an individual on the same day for the same procedure. Our audit identified 420 individuals, with 2,025 associated Medicaid claim payments totaling $94,285, for whom claims were paid to providers by both Medicaid and by the applicable workers' compensation insurer. These results were provided to AHCA for its review. AHCA personnel indicated that 52 of the individuals identified by our tests had also been identified by AHCA due to notification requirements not associated with the matching process. AHCA indicated that the cases identified by our tests had been referred to AHCA's third-party administrator for follow-up and collection.

Recommendation: We recommend that AHCA ensure the conduct of the workers' compensation data matches and the collection of amounts due from third parties.

Finding No. 10: ADAP and Medicaid Matches

The HIV Care Formula Grant provided states with funds that were to be used to improve the quality, availability, and organization of health care and support services for individuals with HIV/AIDS and their families. Included in this funding was the AIDS Drug Assistance Program (ADAP), which provided medications and disease management

[7] Title 42, Section 433.138, Code of Federal Regulations.

training to eligible recipients. According to DOH records, from July 1, 2010, through December 31, 2011, 16,631 recipients had received ADAP services. As of August 1, 2012, approximately 31 individuals were on the DOH ADAP Program waiting list.

The DOH utilized the CAREWare database to record data for all recipients who received services under the HIV Care Formula Grant and the ADAP database to record data for recipients who received ADAP services. ADAP was available to recipients who met certain eligibility requirements including, for example, possessing a valid prescription for an approved medication and not having prescription coverage from Medicaid or private insurance. Federal law[8] required the State to ensure that HIV Care Formula Grants were not utilized to make payments for any item or service to the extent that payment had been made, or could reasonably be expected to be made under any Federal or State health benefits program, such as Medicaid.

To monitor continuing eligibility for ADAP assistance, the DOH was to redetermine recipient eligibility every six months and conduct monthly data matching between recipients shown in the CAREWare database and recipients eligible for Medicaid. In addition, the DOH was to perform periodic matches between the data recorded in the ADAP database and recipients eligible for Medicaid as shown by FMMIS. According to DOH management, the ADAP matches had been conducted monthly until January 2011, when they were discontinued due to the number of vacant positions.

As part of our audit we performed a data match between the 16,631 recipients for whom the DOH provided ADAP services between July 2010 and December 2011, as recorded in the CAREWare and ADAP databases, and individuals determined eligible for Medicaid. Our data match identified 123 recipients who were eligible for ADAP during the same month in which they were eligible for Medicaid. According to DOH records, the DOH provided ADAP drug benefits totaling $31,170 to 31 of these recipients, while no prescriptions were filled for 79 recipients. The DOH could not determine whether prescriptions were filled for the remaining 13 recipients due to the closing of the applicable county health department's pharmacy. DOH management indicated that not all local offices utilized CAREWare; consequently, not all ADAP recipients were included in the CAREWare database. As a result, not all recipients were subject to the monthly CAREWare matching process. In addition, the DOH had only conducted the match between the ADAP database and recipients eligible for Medicaid once between December 2010 and February 2012. Because the DOH did not routinely conduct the match between the ADAP database and Medicaid Program records, DOH controls did not facilitate the timely detection of ADAP assistance improperly paid on behalf of Medicaid-eligible recipients.

DOH management indicated that in instances in which ADAP assistance is paid for Medicaid-eligible recipients, the ADAP claim can be adjusted to move the expense for the medication from HIV Care Formula Grant funding to Medicaid funding. Although claims may be adjusted upon identification, controls to prevent ineligible recipients from receiving ADAP due to Medicaid eligibility would provide greater assurance that the DOH provides ADAP assistance only to eligible recipients.

Recommendation: We recommend that the DOH conduct periodic matches to better ensure that ADAP assistance is not provided to Medicaid-eligible persons.

[8] Title 42, Section 300ff-27, United States Code.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This operational audit focused on the State's eligibility determination processes for public assistance programs. The overall objectives of the audit were:

- To evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering assigned responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and guidelines.
- To evaluate internal controls designed and placed in operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- To identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in management's internal controls, instances of noncompliance with applicable governing laws, rules, or contracts, and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; exercising professional judgment in considering significance and audit risk in the design and execution of research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature, does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, abuse, or inefficiency.

In conducting our audit we:

- Identified the various public assistance programs for which eligibility is determined by the State and then summarized the various aspects of the programs, including: statutory authority, funding source, eligibility requirements, eligibility determination process, data exchanges performed, State accounting codes, and amounts expended for benefit payments and program administration.
- Performed inquiries of State agency personnel and inspected documents and records to obtain an understanding of eligibility determination processes and records and identify opportunities for enhanced efficiency and effectiveness.
- Performed inquiries, observations, inspections of documents and records, and reviewed other auditors' reports relating to the State agencies' eligibility determination processes to determine whether the agencies had adequately designed and implemented controls to allow for the prevention and detection of eligibility determination errors, including those caused by fraud.
- Examined eligibility records for 200 recipients from the population of recipients who were enrolled in more than one program during the month of December 2011, to determine whether the documentation provided by the recipient was consistent among programs.
- Determined whether the recipient's benefits appeared reasonable given information contained in agency files and whether the documentation provided by the recipient was consistent among programs, by examining eligibility records for 100 recipients from the population of recipients who received benefits from the most programs during the month of December 2011.
- Determined whether the documentation provided by the recipient was consistent among programs, by examining eligibility records for 100 recipients who received the highest dollar value in benefits between July 1, 2010, and December 31, 2011, from nonmedical programs.
- Performed analytical procedures that included matching the social security numbers of public assistance recipients with the official death records of the OVS to identify for further examination instances in which public assistance benefits may have been paid on behalf of deceased individuals.
- Performed analytical procedures that included matching the social security numbers of public assistance recipients with DOC inmate data to identify for further examination instances in which public assistance benefits may have been paid on behalf of incarcerated individuals.
- Performed analytical procedures for the period July 2010 through December 2011 that included matching the Medicaid claims paid on behalf of Medicaid recipients with the DFS workers' compensation medical claim records to identify for further examination instances in which Medicaid claims and workers' compensation claims may have been paid for the same individual on the same day for the same procedure.
- Performed analytical procedures for the period July 2010 through December 2011 that included matching DJJ recipient data with SNAP, TANF, Medicaid, OEL, CMS, and APD data in order to identify for further examination instances in which youths may have been improperly included in public assistance households while in DJJ detention.
- Performed analytical procedures for the period July 2010 through December 2011 that included matching the social security numbers of recipients of HIV/AIDS drug assistance to those of Medicaid-eligible persons to identify for further examination instances in which HIV/AIDS drug assistance may have been improperly provided to recipients who were eligible for Medicaid.
- Performed analytical procedures for the month of December 2011 that included matching State payroll records with unemployment compensation records to identify instances in which State employees may have been improperly receiving unemployment compensation.
- Performed analytical procedures for the period July 2010 through December 2011 that included matching the social security numbers of individuals receiving unemployment compensation benefits to those shown in DFS workers' compensation claim records to identify instances in which unemployment compensation may

have been improperly paid to a recipient who was also receiving temporary total or permanent total workers' compensation benefits.

- Reconciled the public assistance payment data utilized in our audit to related data in the Florida Accounting Information Resource Subsystem (FLAIR).
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Communicated on an interim basis with applicable State officials to facilitate the timely resolution of issues involving controls and noncompliance.
- Prepared and submitted for management responses the findings and recommendations that are included in this report and which describe those matters requiring corrective actions.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.



David W. Martin, CPA
Auditor General

MANAGEMENT'S RESPONSES

In response letters dated February 11, 2013, through March 7, 2013, the agency heads provided responses to our audit findings and recommendations. The responses are included as **EXHIBIT D**.

EXHIBIT A
STATE-ADMINISTERED PUBLIC ASSISTANCE PROGRAMS

	Agency	Program Name	Program Abbreviation	Number of Clients from 7/1/10 Through 12/31/11 [a]	Assistance Payments 7/01/10 Through 12/31/11	Direct Support & Administrative Expenditures 7/01/10 Through 12/31/11 [b]	Program Purpose
1	DCF	Medicaid	MC	3,665,525	$25,294,924,419	$1,028,672,916	Provides medical coverage to low-income individuals and families who meet program technical, income, and asset requirements.
2	DCF	Supplemental Nutrition Assistance Program	SNAP	4,832,289	7,573,493,187	259,762,017	Helps people with low income to buy food needed for good health.
3	DCF	Temporary Assistance for Needy Families	TANF	112,776	232,348,388	19,598,301	Provides cash assistance to families with children to help families become self-supporting.
4	OEL	School Readiness	SR	269,026	704,340,263	35,054,104	Provides financial assistance for low-income families and those with children at risk of abuse or neglect. Allows parents to participate in workforce training, pursue higher education, remain in the workforce, and ultimately achieve economic self-sufficiency by providing access to affordable, quality child care for their children.
5	DEO	Unemployment Compensation[9]	UC	1,179,619	7,589,036,957	258,723,899	Provides temporary wage replacement benefits to qualified individuals who are out of work through no fault of their own.
6	DOE	Division of Blind Services - Blind Babies Program	BS	3,445	31,892,919	5,936,407	Promotes early development with a special emphasis on vision skills to minimize developmental delays.
7	DOE	Division of Blind Services - Children's Program	BS				Supplements services already offered by the school system to foster a child's learning and ability to function independently.
8	DOE	Division of Blind Services - Transition Program	BS				Assists young people in transitioning from school to work or from school to a higher educational program.
9	DOE	Division of Blind Services - Vocational Rehabilitation Services & Supported Employment	BS				Assists individuals with developing an Individualized Plan for Employment which outlines the rehabilitation program needed to meet desired employment outcomes.
10	DOE	Vocational Rehabilitation Services	VR	41,274	115,306,806	88,794,634	An umbrella program which includes VR's School to Work Transition, Deaf or Hard of Hearing, Supported Employment, and the Ticket to Work Programs.
11	DOE	Vocational Rehabilitation Services - Deaf or Hard of Hearing	VR				Provides services to address hearing loss issues in the workplace, guidance and counseling on how to cope with hearing loss, interpreting services for job interviews, and may also provide employers and co-workers training on how to communicate with those who are deaf.
12	DOE	Vocational Rehabilitation Services - Injured Worker	VR				Provides Florida's injured workers with reemployment services to allow return to suitable gainful employment.
13	DOE	Vocational Rehabilitation Services - School to Work Transition	VR				Provides activities that help students enter training, continue education, or work after leaving high school.
14	DOE	Vocational Rehabilitation Services - Supported Employment	VR				Provides assistance for individuals with the most significant disabilities who require ongoing support services to succeed in competitive employment.
15	DOE	Vocational Rehabilitation Services - Ticket to Work Program	VR				Provides tickets that may be taken to Employment Network participants who offer access to employment and rehabilitation services necessary to help a person secure and retain employment.
16	DOH	Brain and Spinal Cord Injury Program	BSCIP	1,283	17,257,886	7,417,335	Provides direct case management and resource facilitation as its primary services. In addition, the program funds education, prevention, and research activities.
17	DOH	Antiepileptic Drug Program	ADP	199	5,290,459	2,900	Provides medications essential for seizure control.
18	DOH	Dental Program	Dental	291,230	88,922,207	11,045,680	Provides services to improve and maintain the oral health of Florida's citizens by promoting and developing quality, cost-effective, community and school-based preventive, educational, and treatment programs which emphasize elimination of oral health disparities.
19	DOH	Family Planning	FP	274,247	76,761,495	9,522,321	Provides voluntary and confidential services consisting of comprehensive medical exams and screening for breast and cervical cancers and sexually transmitted diseases, including HIV. Individuals receive reproductive health education and counseling, as well as social services necessary to enable individuals to determine the number and spacing of their children.
20	DOH	Insulin Distribution Program	IDP	2,672	1,374,609	3,875	Provides insulin drug assistance for eligible individuals.
21	DOH	Breast and Cervical Cancer Early Detection Program	BCCEDP	17,257	4,255,215	3,163,422	Provides breast and cervical cancer screenings to eligible individuals.

[9] For purposes of the tests and analyses included in this audit, we have included the records of the Unemployment Compensation Program (now referred to in Florida law as the Reemployment Assistance Program). This program has been included because, although it is more properly considered a form of insurance than a form of public assistance, the Program does utilize processes to determine applicant eligibility and distribute benefits that are similar to those used in public assistance programs and does, in some instances, provide benefits to participants of public assistance programs.

EXHIBIT A (CONTINUED)
STATE-ADMINISTERED PUBLIC ASSISTANCE PROGRAMS

	Agency	Program Name	Program Abbreviation	Number of Clients from 7/1/10 Through 12/31/11 [a]	Assistance Payments 7/01/10 Through 12/31/11	Direct Support & Administrative Expenditures 7/01/10 Through 12/31/11 [b]	Program Purpose
22	DOH	Colorectal Cancer Control Program	CRCCP	795	$ 230,953	$ 1,144,047	Provides colorectal cancer screening services to eligible individuals.
23	DOH	Children's Medical Services - Early Steps	Early Steps	27,417	71,439,852	2,113,777	Develop an Individualized Family Support Plan based on family concerns and priorities, and coordinates the provision of early intervention services and related supports for eligible children.
24	DOH	Children's Medical Services - Network Health Services	CMS	36,208	148,366,543	6,656,058	Provides health insurance coverage for children with special needs who have no insurance or who are under-insured for their condition.
25	DOH	Children's Medical Services - Network Safety Net	Safety Net	3,871	20,012,617	3,761,235	Provides health care assistance for children whose families are over the income limits for Medicaid or Children's Medical Services - Network Health Services, or may be eligible for limited services, subject to the availability of funds, if the cost of their child's care spends the family down to the Federal Poverty Level Guidelines for their family size.
26	DOH	HIV/AIDS Patient Care	HIV/AIDS	20,697	215,729,794	19,077,111	Provides medical treatment and services to low-income individuals who are HIV positive and reside in Florida and are not receiving the same services by other means (e.g., Medicaid, Project AIDS, etc.).
27	DOH	Ryan White Part B AIDS Insurance Continuation Program	AICP	1,986			Provides medications, disease management training, and information to clients.
28	DOH	State Housing Opportunities for Persons with AIDS Program	HOPWA	759			Provides direct payments to each client's employer or insurance company for the continuation of medical, dental, mental health, and optical coverage.
29	DOH	Ryan White Part B AIDS Drug Assistance Program	ADAP	16,631			Provides temporary housing assistance to qualified individuals. The services include: short-term housing facilities placement; short-term rent, mortgage, and utilities assistance; and supportive services.
30	DOH	Tuberculosis	TB	91,481	63,901	16,503	Provides for targeted testing, contact investigations, treatment for latent TB infection, and treatment for TB disease services.
31	DOH	Vaccines for Children	VFC	32,754	295,622,390	489,243	Provides vaccines for eligible children at no cost to their parent or guardian.
32	DOH	Women, Infants, and Children Nutritional Program	WIC	838,527	515,161,445	163,633,233	Nutrition program for women who are pregnant or breastfeeding or who have recently been pregnant, infants, and children under age 5.
33	DOEA	Adult Day Healthcare Waiver	ADHC	46	592,737	3,309,991	Provides a combination of integrated health and social services with a goal of delaying or preventing placement into a long-term care facility.
34	DOEA	Aged/Disabled Adult Waiver	ADA	6,104	833,003,073		Provides home and community-based services to those assessed as frail, functionally impaired, and at risk for nursing home placement.
35	DOEA	Assisted Living Waiver	ALW	3,611	48,313,915		Provides home and community-based services for recipients who reside in qualified assisted living facilities.
36	DOEA	Channeling Waiver	Channeling	1,663	7,163,932		Provides home and community-based services through a contractual agreement with an organized health care delivery system.
37	DOEA	Consumer Directed Care Plus - DOEA	CDC+ DOEA	273	199,717	540,704	Provides a self-directed option for disabled adults and seniors participating in the Aged and Disabled Adult Waiver.
38	DOEA	Long-Term Care Diversion	LTCD	25,292	469,506,750	1,043,099	Provides home and community-based services to older persons assessed as being frail, functionally impaired, and at risk of nursing home placement.
39	DOEA	PACE	PACE	779	5,630,162		Provides individuals who would otherwise qualify for Medicaid nursing home placement with a comprehensive array of home and community-based services at a cost less than nursing home care.
40	APD	Consumer Directed Care Plus - APD	CDC+ APD	1,902	82,180,558	2,575,442	Provides a self-directed option for individuals who are enrolled in one of the APD waivers.
41	APD	Developmental Disabled Waiver	HCBS	29,044	1,346,328,410	61,635,176	Provides services in the community to enable people to live, work, and learn in their community and prevent the need for institutionalization.
42	APD	Individual & Family Support Services	IFS	7,185	22,346,027	524,480	Provides a variety of services to APD clients including companion, in-home supports, respite, personal care assistance, supported employment, and supported living coaching services.
43	PSC	Link-up and Lifeline Program [c]	LL	N/A	N/A	Not Provided	Designed to help make telephone service affordable to low-income customers. The program provides a rebate on the telephone connection charge or a credit per month on local phone bills.
Totals					$45,817,097,586	$1,994,217,910	

[a] Includes only clients who had a social security number. See Table 3 for the number of clients who did not have a social security number listed.

[b] Direct Program and Administrative costs include direct costs, such as those associated with nursing staff who assess medical needs and counselors who aid clients in identifying and finding employment, and administrative costs, such as office expenses and overhead.

[c] Link-up and Lifeline Program benefits are provided directly by the telephone companies and not as cash assistance by the PSC. The PSC does not capture the costs it incurs to administer this program.

Source: Agency records and personnel.

EXHIBIT B
SUMMARY OF PUBLIC ASSISTANCE PROGRAM ELIGIBILITY CRITERIA

	Agency	Program	U.S. Citizenship	Florida Resident	ID of Applicant	Income	Asset	SSN	Age	Level of Care/Health	Other
1	DCF	MC	D	S	D	D	S	M	S		x
2	DCF	SNAP	S	D	D	D	S	M	S		x
3	DCF	TANF	S	S	D	D	S	M	S		x
4	OEL	SR	D	D	D	D			D		x
5	DEO	UC			D	M		M	M		x
6	DOE	BS			S				S	D	x
7	DOE	BS			S				S	D	x
8	DOE	BS			S				D	D	x
9	DOE	BS			S					D	x
10	DOE	VR			S	D				D	x
11	DOE	VR			S	D				D	x
12	DOE	VR			S	D				D	x
13	DOE	VR			S	D			S	D	x
14	DOE	VR			S	D				D	x
15	DOE	VR		D	S	D				D	x
16	DOH	BSCIP		D	S					D	x
17	DOH	ADP		S	S	S	S			D	
18	DOH	Dental			S	S					
19	DOH	FP	S		S	S		S			x
20	DOH	IDP		S	S	S	S			D	
21	DOH	BCCEDP		D	S	S			S	D	x
22	DOH	CRCCP			S	S			S		
23	DOH	Early Steps			S				S	D	
24	DOH	CMS		M	S	A	A		M	D	
25	DOH	Safety Net		S	S	A	A		S	D	
26	DOH	HIV/AIDS		D	S	D				D	
27	DOH	AICP		D	S	D				D	
28	DOH	HOPWA			S	D				D	
29	DOH	ADAP		D	S	D				D	
30	DOH	TB			S					D	
31	DOH	VFC			S				S		
32	DOH	WIC		D	D	D		S	D	D	x
33	DOEA	ADHC		S	S	A	A	S	S	D	x
34	DOEA	ADA		S	S	A	A	S	S	D	
35	DOEA	ALW		S	S	A	A	S	S	D	
36	DOEA	Channeling		S	S	A	A	S	S	D	x
37	DOEA	CDC+ DOEA		S	S	A	A	S	S	D	
38	DOEA	LTCD		S	S	A	A	S	S	D	
39	DOEA	PACE		S	S	A	A	S	S	D	x
40	APD	CDC+ APD	D	D	D	A	A	S	S	D	x
41	APD	HCBS	D	D	D	A	A	S	S	D	
42	APD	IFS	D	D	D			S	S	D	
43	PSC	LL			S	D					
Total All Programs			**8**	**25**	**43**	**34**	**16**	**16**	**25**	**33**	**23**

Legend:

D Documentation provided by client.

S Information self-reported by client.

M Data is matched by agency via data exchange or provided by a secondary source.

A DCF determined financial eligibility based on documentation provided by client.

x Program specifies additional eligibility criteria. Examples of other eligibility criteria include: gender, school attendance, or work registration. Documentation may be provided by the client or self-reported.

Source: Federal and State laws and agency records.

EXHIBIT C
SUMMARY OF PRIMARY INFORMATION TECHNOLOGY SYSTEMS UTILIZED BY PUBLIC ASSISTANCE PROGRAMS FOR RECORDING MATTERS RELATED TO PROGRAM ELIGIBILITY

	Agency	Program	Information Technology System [a]
1	DCF/ AHCA	MC	Florida Online Recipient Integrated Data Access (FLORIDA) System and Florida Medicaid Management Information System (FMMIS)
2	DCF	SNAP	FLORIDA System
3	DCF	TANF	
4	OEL	SR	Enhanced Field System (EFS)
5	DEO	UC	Unemployment Compensation System
6	DOE	BS	Accessible Web-Based Activity and Reporting Environment (AWARE)
7	DOE	BS	
8	DOE	BS	
9	DOE	BS	
10	DOE	VR	Rehabilitation Information Management System (RIMS)
11	DOE	VR	
12	DOE	VR	
13	DOE	VR	
14	DOE	VR	
15	DOE	VR	
16	DOH	BSCIP	
17	DOH	ADP	Health Management System
18	DOH	Dental	
19	DOH	FP	
20	DOH	IDP	
21	DOH	BCCEDP	Cancer Screening and Tracking System (CaST)
22	DOH	CRCCP	
23	DOH	Early Steps	Case Management Data System, Vendor Payment System, Prescription Benefit Management Data Set
24	DOH	CMS	
25	DOH	Safety Net	
26	DOH	HIV/AIDS	CAREWare
27	DOH	AICP	
28	DOH	HOPWA	
29	DOH	ADAP	ADAP Database
30	DOH	TB	TB Surveillance Database
31	DOH	VFC	State Health Online Tracking System (SHOTS)
32	DOH	WIC	WIC Data System
33	DOEA	ADHC	FLORIDA
34	DOEA	ADA	
35	DOEA	ALW	
36	DOEA	Channeling	
37	DOEA	CDC+ DOEA	
38	DOEA	LTCD	
39	DOEA	PACE	
40	APD	CDC+ APD	Allocations, Budget, and Contract Control (ABC) System and FMMIS
41	APD	HCBS	
42	APD	IFS	ABC System
43	PSC	LL	Lifeline Enrollment Database

[a] Primary system used by agency in recording matters relating to program eligibility. System served as the source of recipient data used in audit testing.

Source: Audit analysis.

EXHIBIT D
MANAGEMENT'S RESPONSES

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EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

State of Florida
Department of Children and Families

Rick Scott
Governor

David E. Wilkins
Secretary

March 7, 2013

Mr. David W. Martin
Florida Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Thank you for the January 29 letter providing the preliminary and tentative audit findings and recommendations on the audit of Public Assistance Eligibility Determination Processes at Selected State Agencies. We welcome the opportunity to respond.

The Department takes its role as a steward of state and federal dollars seriously and works to ensure that only those eligible for public assistance benefits are approved for benefits. We act with due diligence to ensure that proper safeguards and oversight are in place to prevent, deter and detect fraud in all of our public assistance programs. And, we believe working with our sister agencies to accomplish these goals is of upmost importance.

Enclosed is our response addressing the recommendations to the findings referenced in your letter.

Should you have questions, please contact me at your convenience. Should your staff have questions, please contact Jeri Flora, Economic Self-Sufficiency Director, at (850) 717-4093.

Sincerely,

David E. Wilkins
Secretary

Enclosure

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Response to Preliminary and Tentative Audit Findings
Public Assistance Eligibility Determination Processes
at Selected State Agencies
Department of Children and Families (DCF)

Finding 1: The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

Recommendation 1: We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the DCF, with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.

DCF Response: DCF has made great strides towards implementing integrated eligibility practices and a common client database for the programs that it administers. The Department uses a single, streamlined web application for Medicaid, cash assistance (TANF), food assistance (SNAP), court placed child or unrelated child or refugee, other medical assistance for nursing home, HCBS/Waiver, hospice, and simplified pregnant woman services; and in January 2014 this will also include WIC and CHP applications per HB 5301. Information about a client is therefore contained within one system (FLORIDA) and shared across these programs.

As for proof of identity, DCF requires applicants to provide social security numbers (or proof of application for a number) and other identifying documentation as a condition of public assistance eligibility. The numbers are then validated electronically by the Social Security Administration and used for electronic data matching with other data sources to identify and confirm household income and other factors. And, to further enhance identity verification and authentication, in 2013 DCF is piloting a new online tool with a data broker vendor that will be integrated within our online application process to help verify that the person applying for assistance is who they say they are. This tool is similar to that used in the banking industry.

Lastly, Department concurs with the recommendation regarding conducting a feasibility study.

Finding 2: Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.

Recommendation 2: We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.

DCF Response: The Department concurs. DCF currently has 7 interfaces for sharing data between other Florida State agencies. While additional interfaces would be useful in our eligibility determination processes, the cost is significant to changing/modifying the FLORIDA system which is why we have not pursued and there are limitations placed upon us by the USDA in terms of requiring our staff to verify any third party data matching sources. An examination of the feasibility of expansion is appropriate as is the pursuit of Federal waiver authority to change current policy on data exchanges.

The following agencies receive data from DCF via interfaces:

Social Security Administration (SSA)
Department of Economic Opportunity (DEO)

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Response to Preliminary and Tentative Audit Findings
Public Assistance Eligibility Determination Processes
at Selected State Agencies
Department of Children and Families (DCF)

Department of Education (DOE)
Agency for Health Care Administration (AHCA)
Child Support Enforcement (DOR)
Department of Financial Services (DFS)
US Department of Defense (PARIS data match)
Internal Revenue (IRS)
USDA-Food Stamp Disqualification
Local Clerks of Court.
Department of Revenue
Public Service Commission (Lifeline services)

The following agencies and counties have direct access to the FLORIDA system to either evaluate eligibility or services or to validate information for Medicaid billing:

Lutheran Social Services (access being set up at this time)
Alachua County
Bay County
Baker County
Bradford County
Brevard County
Broward County
Calhounn County
Charlotte County
Citrus County
Clay County
Desoto County
Escambia County
Franklin County
Gadsden County
Hamilton County
Hardee County
Hendry County
Hernando County
Highlands County
Hillborough County
Holmes County
Indian River County

DCF is currently exploring the possibility and value of obtaining access to the following additional data:

Florida Retirement Benefits - from DMS's Florida Retirement System
Interstate Unemployment Compensation Benefits - from the Agency for Workforce Innovation
Stop Inmate Fraud Incarceration Information – from Appriss (provides County jail data)
Unemployment Compensation Benefits – from the Agency for Workforce Innovation
Workman's Compensation Benefits – from the Department of Financial Services

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Response to Preliminary and Tentative Audit Findings
Public Assistance Eligibility Determination Processes
at Selected State Agencies
Department of Children and Families (DCF)

Finding 6: Data exchanges were not always processed timely, resulting in the failure to timely detect public assistance benefits that were authorized or paid on behalf of some recipients subsequent to the recipient's death.

Recommendation 6: We recommend that State agencies ensure that death record data exchanges are timely performed, any matching records be appropriately researched, and any payment errors timely resolved. Additionally, we recommend that the DCF conduct death record data exchanges for SUNCAP program recipients and ensure that cases are timely closed upon a recipient's death.

DCF Response: The Department concurs. The Department currently receives death information in the following verified upon receipt sources and as such, must take timely action on these data exchanges:

- Social Security Administration (SSA) - BENDEX (DEBB), showing termination of the SSA income and date of death;
- SSA - State Data Exchange SDX (DESD), showing SSI income ending and date of death;
- Office of Vital Statistics - Death Match (DEDT), with a date of death;
- SSA - Numident (DENU), with a date of death.

The Department tracks data exchange timeliness through its reporting system (Data & Reports) and continues to monitor compliance through its Management Evaluation review to ensure any data exchange associated with death matches showing as outstanding on Data & Reports is processed immediately to avoid issuance of benefits. Critical to successful compliance, however, is the ability to manage and display the appropriate data exchange workload. FLORIDA has been unable to keep pace with updated policy and practice needs resulting in an overburdened process and increasing workload that is not managed effectively leading to overdue action on exchanges and other forms of verification. The FLORIDA system is extremely limited in its ability to process data exchanges without worker intervention. And, since more than half of the data exchanges received as duplicate or redundant, this leads to inefficiencies and lack of timely action on exchanges that are accurate.

The Department currently receives only DESD death data exchanges for SUNCAP cases, which results in auto-closure of the cases. The Department will implement programming changes to ensure that other death data exchanges (DEBB, DEDT and DENU) post to SUNCAP cases for processing by the specialized SUNCAP unit and will explore the feasibility of auto-closure of the cases.

The Department's new identity verification tool will also assist in preventing deceased individuals from receiving benefits in the first place. Pilot began March 4, 2013, with statewide implementation expected in June 2013.

Lastly, DCF has conducted an in-depth analysis of its data exchange sources, current policy and system programming needs. Changes were proposed as part of the FLORIDA replacement project that would have allowed for data exchanges to be more timely acted upon and more easily managed with little worker intervention – such as displaying only meaningful info and eliminating redundant flags. However, this project was not funded. Changes to our current system, including adding new interfaces, will require additional funds for our maintenance and operations of FLORIDA.

Finding 7: Data exchange processes did not always effectively identify recipients who had been incarcerated. As a result, public assistance benefits were paid by State agencies to the accounts of some individuals subsequent to the date of their incarceration.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Response to Preliminary and Tentative Audit Findings
Public Assistance Eligibility Determination Processes
at Selected State Agencies
Department of Children and Families (DCF)

Recommendation 7: We recommend that the DCF review its data exchange process in order to determine if alternative processes could be implemented to ensure more timely and accurate data matches. We also recommend that when the DCF identifies ineligible recipients, benefits be timely terminated and benefit recovery referrals be made when appropriate. In addition, we recommend that the DEO revise its match process to better ensure the detection of all inmate accounts.

DCF Response: The Department currently receives prisoner data exchange (DEPR) matches from the Social Security Administration; however, the information is not verified upon receipt and requires third party verification. The Department is exploring the feasibility of designating information obtained from Appriss, Inc as verified upon receipt (The Department currently has a Memorandum of Understanding with Appriss, Inc. for them to provide current data regarding persons incarcerated in state correctional institutions or in county, municipal, or regional jails or other detention facilities of local governments.)

DCF is entering into an agreement with the Department of Corrections (DOC) and programming has commenced to automate an electronic data file match which would result in auto-closure or removal of the incarcerated individual from Food Assistance and Temporary Cash Assistance cases.

The Department recently received a USDA waiver to partner with a global database vendor to integrate an identity discovery and customer authentication electronic tool into its web application which is designed to help identify potentially fraudulent applications. The tool will identify true individuals as well as ensuring that the person applying for benefits is who they claim to be by asking "out of wallet" questions that only the applicant can answer. This system will also identify incarcerated individuals upon application submission which will assist the Department in ensuring benefits are not erroneously authorized.

Finding 8: State agencies did not compare public assistance records and juvenile detention records. Our comparisons identified instances in which improper payments were made by State agencies on behalf of youths who, at the time of payment, were committed to a Department of Juvenile Justice facility.

Recommendation 8: We recommend that the DCF match public assistance records with DJJ records monthly to timely identify any modifications needed in the program status of applicable youths and the youths' families. In addition, the DJJ should ensure that appropriate forms are completed and sent to the DCF and AHCA for youths in DJJ commitment.

DCF Response: The Department, DJJ and six other human service agencies are included in an interagency agreement signed October 31, 2012. Under the agreement, the agencies meet monthly at the local and regional levels and quarterly at the state level. The purpose of the state level meeting is to work collaboratively across the necessary state agencies to provide additional assistance to the local and regional entities.

The Department will explore the feasibility of creating an interface with its public assistance eligibility system (FLORIDA) to receive a file from DJJ for matching with active public assistance cases. If any matches are found, the cases would be referred to the specialized confidential Child-in-Care units for resolution. The interface will match public assistance records monthly for timely identification and action on DJJ information.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

FLORIDA
DEPARTMENT of
CORRECTIONS

Governor
RICK SCOTT

Secretary
MICHAEL D. CREWS

An Equal Opportunity Employer

501 South Calhoun Street, Tallahassee, FL 32399-2500

http://www.dc.state.fl.us

February 11, 2013

David W. Martin, CPA
Auditor General
Office of the Auditor General
G74 Claude Pepper Building
111West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

In accordance with Section 11.45(4)(d), Florida Statutes, I am enclosing the Department's response to the preliminary and tentative findings and recommendations contained in the audit of Public Assistance Eligibility Determination Processes at Selected State Agencies.

This response reflects the specific action taken or contemplated to address the finding cited in your report.

Thank you for the opportunity to review and provide comments. If you have any questions or need additional information, please contact Paul Strickland, Chief Internal Auditor, at (850) 717-3408.

Sincerely,

Michael D. Crews
Secretary

Enclosure

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS AUDIT OF PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION PROCESSES AT SELECTED STATE AGENCIES

State Records Integrity

Finding: The Department of Corrections (DOC) did not have processes in place to ensure the accuracy of the social security numbers recorded in the DOC's Offender Based Information System. The failure of the DOC to collect and maintain accurate data including name, social security number, and date of birth, reduces State agencies' ability to efficiently identify and investigate instances in which public assistance may have been paid to an inmate account.

Recommendation: We recommend that the DOC develop procedures to verify an inmate's identity including the inmate's name, social security number, and date of birth. Additionally, the DOC should pursue statutory changes given the SSA's discontinuation of social security number verification.

Agency Response: *In accordance with department procedure, 601.209, the Department of Corrections requires at the time of reception that all inmates complete a "Social Security Number Identification Verification Statement" form (DC6-133).*

Until 2007, the department sent all social security numbers obtained to the Social Security Administration (SSA) for verification. In 2007 the SSA stopped the programmatic verification process. The process used prior to sending the social security numbers for verification is the same process we use today. This process is as follows:

- *Researching the NCIC/FCIC.*
- *Researching information in OBIS from prior commitments.*
- *Inmate property.*
- *Information obtained from court documents.*

Although we do a tremendous amount of research, without verification from the SSA we cannot have one hundred percent accuracy. Several attempts have been made over the past few years to resume our agreement, to no avail.

In addition, the Florida Department of Corrections is required by §945.2151 to collect social security numbers before the department opens a canteen account for the inmate. Also, this statute requires the department to submit these social security numbers to the SSA for verification. The SSA discontinued the programmatic verification process in 2007. Since this time, verification is made through other means as indicated above.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

In addition, the Department has a memorandum of understanding with the SSA to obtain Social Security Cards prior to release, participation in work release, etc.

We agree with the recommendation that statutory changes should be made given the SSA's discontinuation of social security number verification. However, as indicated above, the Department does have procedures in place to verify within our means the inmate's identity. Without verification from the SSA, it is not possible to exactly match their data.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Florida Office of Early Learning

Rick Scott
Governor
Shan Goff
Director

February 28, 2013

Mr. David W. Martin
Auditor General
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, the enclosed response is to the preliminary and tentative audit findings, for inclusion in the Auditor General's audit of Public Assistance Eligibility Determination Processes at Selected State Agencies.

Thank you for providing us the opportunity to respond to your preliminary findings. If you have any questions concerning this response, please contact Stephanie L. Gehres, Deputy Director of Operations, at (850)717-8598.

Sincerely,

Shan Goff
Director

250 Marriott Drive, Tallahassee, Florida 32399
Telephone: (850) 717-8550 Fax: (850) 921-0026 Toll Free Line: 1-866-FL-Ready (357-3239)
www.FloridaEarlyLearning.com

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TDD equipment via the Florida Relay Service at 711.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Eligibility Determination Efficiency

Finding No. 1: Process Improvement Opportunities

The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

Recommendation: We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the DCF, with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.

Response: OEL concurs that establishing common background information requirements in all of the State's public assistance eligibility determinations will improve the efficiency and accuracy of these determinations across multiple programs. However, the common background information should be limited to information that is required for all programs. For example, the social security numbers are not required for participation in the School Readiness Program and the state cannot require an applicant to provide it (see OEL Response to Finding #3). The OEL will cooperate fully with in such a feasibility study.

State Records Integrity

Finding No. 2: Record Inconsistencies

Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.

Recommendation: We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.

Response: OEL concurs with this recommendation. In addition to the development of an integrated database, Early Learning Information System (ELIS), OEL receives a data match from the Department of Employment Opportunity (DEO) which compares SR clients in billing groups, which require employment, against individuals receiving Reemployment Assistance benefits (formerly known as Unemployment Compensation benefits). These matched data are sent to the 31 early learning coalitions (ELCs) and Redlands Christian Migrant Association for review and further resolution, as appropriate. For 2012-2013, the matched data will include recipients of both SR and UC from November, 2012 – June, 2013.

ELIS is scheduled to have at least four data exchanges interfaces with other State agencies; Department of Revenue, DEO, Department of Health, and the Department of Children and Families. The purpose of these data exchanges is to significantly reduce potential program loss around unreported information that could be known to other benefits programs. In sharing data, each agency needs to be aware that programs have differing eligibility requirements which could impact the results of the exchanges.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Finding No. 3: Social Security Number Data

For the records tested, the social security numbers recorded by State agencies for public assistance recipients were not always accurate.

Recommendation: We recommend that State agencies evaluate the need to obtain social security numbers from applicants and, when obtained, ensure that social security numbers are correct and accurately recorded in agency records.

Response: OEL concurs with this recommendation. As indicated in the response to Finding No.1, the submission of parent and/or child social security number (SSN) data is not a requirement of the School Readiness Program. A parent's decision to not provide SSN information is not a program disqualifier. Notwithstanding program requirements, OEL will continue to implement the following preventative actions for School Readiness participants where SSN data is provided:

- Providing technical assistance to the early learning coalitions on data collection and data entry accuracy during eligibility determination/redetermination;
- Providing training to the early learning coalitions on the current availability of data edits and exception reports to identify instances of SSN data matches for more than one SR participant. (OEL currently runs a similar exception report (SR Duplication Records Report) to identify instances of a SSN associated with more than one SR child care payment in a month.);
- Including the validation of SSB data entry in the monitoring of SR and the Voluntary Prekindergarten (VPK) Education Programs; and
- Reviewing data edit and exception reports, as mentioned above, on a quarterly basis.

OEL is currently working on the execution of a data sharing agreement with the Social Security Administration (SSA) for the purpose of having access to SSA information that will support SR participant eligibility.

Benefit Payments

Finding No. 6: Benefits Paid to the Accounts of Deceased Recipients

Data exchanges were not always processed timely, resulting in the failure to timely detect public assistance benefits that were authorized or paid on behalf of some recipients subsequent to the recipient's death.

Recommendation: We recommend that State agencies ensure that death record data exchanges are timely performed, any matching records be appropriately researched, and any payment errors timely resolved. Additionally, we recommend that the DCF conduct death record data exchanges for SUNCAP program recipients and ensure that cases are timely closed upon a recipient's death.

Response: OEL concurs with this recommendation. As stated in our response to Finding #2, data exchanges will be part of the ELIS system.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Rick Scott
GOVERNOR

FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Jesse Panuccio
EXECUTIVE DIRECTOR

February 28, 2013

Mr. David W. Martin
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, we have prepared the enclosed response to the preliminary and tentative audit findings and recommendations which may be included in your report on Public Assistance Eligibility Determination Processes at Selected State Agencies audit for the period of July 1, 2010, through December 31, 2011.

We thank you and your staff for the recommendations designed to enhance our on-going efforts to efficiently and effectively serve the citizens of our state.

If you have any questions or require additional information, please contact Mr. Joseph K. Maleszewski, Inspector General at (850) 245-7141.

Sincerely,

Jesse Panuccio

JP/cam

Enclosure

Florida Department of Economic Opportunity | The Caldwell Building | 107 E. Madison Street | Tallahassee, FL | 32399-4120
866.FLA.2345 | 850.245.7105 | 850.921.3223 Fax | www.FloridaJobs.org | www.twitter.com/FLDEO | www.facebook.com/FLDEO

An equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this document may be reached by persons using TTY/TDD equipment via the Florida Relay Service at 711.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Department of Economic Opportunity (DEO) Response - Public Assistance Eligibility Determination Processes Audit

ELIGIBILITY DETERMINATION EFFICIENCY

Finding No. 1: The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

Recommendation: We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the DCF (Department of Children and Families), with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.

DEO Response: The administrative funding of the Unemployment Compensation (UC) Program, which is currently referred to in Florida Law as the Reemployment Assistance (RA) Program, is totally federally funded. These federal funds are derived from the federal unemployment tax that is levied on all employers liable for the tax. In addition, the funds used by the state to pay benefits under state law are the result of tax payments paid strictly by employers based on their experience with unemployment. No general revenue is appropriated by the Legislature to DEO for any purpose related to the RA program. Consequently, the RA program is not fundamentally a public assistance program but is rather, an insurance program that is totally funded through employers' contributions – both state and federal. These tax payments provide a benefit to employers during economic downturns by allowing unemployed workers to continue to keep cash flowing in the economy as they use their benefits to purchase personal goods and services.

In order to be eligible to receive federal administrative grants from the United States Department of Labor, states must ensure that their state laws do not authorize the expenditure of grant funds for purposes not related to the RA program. Pursuant to 42 U.S.C. 503(a), for a state to be eligible to receive federal Unemployment Compensation grants the Secretary of Labor must find that the state's methods of administration will ensure full payment of unemployment compensation when due. Consequently, DEO cannot request from claimants information not required to determine eligibility or expend grant funds to maintain data or information that is not related to RA administrative purposes. However, DEO would be able to gather information not needed for the administration of claims if an alternative funding source or sources were available. In addition, DEO is close to deploying a new system that will collect information and determine eligibility for the RA Program and if this system were to be used to

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

collect information not needed to support the administration of claims, modification to the system would need to be paid for with alternative funding sources.

While DEO shares its RA information on a cost reimbursement basis with all of the departments involved in the audit, these entities do not generally have information that is of use to the administration of the RA program. In summary, to the extent that DEO's RA information would be able to support a centralized and consolidated state system for applications and eligibility determinations under non-RA programs, DEO is willing to cooperate on a cost reimbursement basis.

STATE RECORDS INTEGRITY

Finding No. 2: Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.

Recommendation: We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.

DEO Response: DEO currently obtains information from the Department of Homeland Security, the Social Security Administration, the Department of Health and Human Services, as well as records from the Florida Department of Revenue, and the Department of Financial Services, which currently operates the Stop Inmate Fraud Program to support the administration of the RA program. Further, DEO would be interested in using additional information from other entities to combat and limit fraudulent payments.

BENEFIT PAYMENTS

Finding No. 6: Data exchanges were not always processed timely, resulting in the failure to timely detect public assistance benefits that were authorized or paid on behalf of some recipients subsequent to the recipient's death.

Recommendation: We recommend that State agencies ensure that death record data exchanges are timely performed, any matching records be appropriately researched, and any payment errors timely resolved. Additionally, we recommend that the DCF conduct death record data exchanges for SUNCAP program recipients and ensure that cases are timely closed upon a recipient's death.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

DEO Response: The Department of Economic Opportunity receives two monthly updates from the Office of Vital Statistics on the first and fifteenth of each month, the death records for the two individuals identified in the audit test were not provided by OVS to DEO until January 3, 2012, which was the first business day of January 2012. When the file was run through the nightly batch process stops were placed on the claims to prevent further payment. Although both individuals already were dead for several weeks, the improper payments were discontinued immediately upon receipt of the information from OVS.

Finding No. 7: Data exchange processes did not always effectively identify recipients who had been incarcerated. As a result, public assistance benefits were paid by State agencies to the accounts of some individuals subsequent to the date of their incarceration.

Recommendation: We recommend that the DCF review its data exchange process in order to determine if alternative processes could be implemented to ensure more timely and accurate data matches. We also recommend that when the DCF identifies ineligible recipients, benefits be timely terminated and benefit recovery referrals be made when appropriate. In addition, we recommend that the DEO revise its match process to better ensure the detection of all inmate accounts.

DEO Response: On June 4, 2012 DEO implemented a revision to its match process to better ensure the detection of all inmate accounts.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

FLORIDA DEPARTMENT OF EDUCATION

STATE BOARD OF EDUCATION

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Dr. Tony Bennett
Commissioner of Education

February 28, 2013

Mr. David W. Martin, CPA
Auditor General
Office of Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

The following responses are offered regarding the preliminary and tentative audit findings issued January 29, 2013, with respect to the audit of Public Assistance Eligibility Determination:

ELIGIBILITY DETERMINATION EFFICIENCY

Finding No 1: The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as Social Security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

Response: The divisions of Blind Services (DBS) and Vocational Rehabilitation (VR) did not have any cases in which Social Security numbers were not recorded. Documentation of a Social Security number (i.e., green card, work permit) and documents that establish employment eligibility are required for the VR program; however, eligibility determination for DBS or VR services is not based on eligibility for public assistance services provided by other agencies. Income verification is required in order to provide potential DBS clients with technical assistance equipment (e.g., braille typewriters, screen readers).

DBS and VR agree that collecting and recording applicant identity information such as Social Security numbers are processes that duplicate the requirements of other public assistance agencies. We will cooperate with other agencies as needed in order to determine the feasibility and cost-effectiveness of a centralized and consolidated public assistance application or establishment of a state portal. Nevertheless,

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

we are required by the federal government's Rehabilitation Services Administration (RSA) to collect and provide specific eligibility information that may not be required for other agencies.

STATE RECORDS INTEGRITY

Finding No. 2: Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.

Response: DBS and VR provide specialized services to blind, visually impaired, and otherwise disabled individuals that are not duplicated by other public assistance agencies. DBS and VR coordinate caseload services for consumers with multiple disabilities.

Enrollment in more than one public assistance program does not exclude a client from being determined eligible for DBS or VR services. Different information recorded by other state programs does not affect DBS or VR program eligibility and benefit amounts, with the exception of household income verification, which determines how much money can be spent on adaptive equipment (as mentioned in the Response to Finding 1).

Both DBS and VR agree that it may be feasible to share or verify common data, such as household income, as long as it is not in violation of RSA requirements.

If you need additional information, please feel free to contact Martha K. Asbury, Assistant Deputy Commissioner, Finance and Operations, at (850) 245-0420 or Martha.Asbury@fldoe.org.

Sincerely,



Tony Bennett

TB/tln

cc: Linda Champion, Deputy Commissioner, Finance and Operations
Mike Blackburn, Inspector General
Martha Asbury, Assistant Deputy Commissioner, Finance and Operations
Aleisa McKinlay, Director, Division of Vocational Rehabilitation

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

DEPARTMENT OF ELDER AFFAIRS STATE OF FLORIDA

RICK SCOTT
GOVERNOR

CHARLES T. CORLEY
SECRETARY

4040 ESPLANADE WAY
TALLAHASSEE, FLORIDA
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February 21, 2013

Mr. David W. Martin, CPA
Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, the Department of Elder Affairs (Department) is submitting its response to the preliminary and tentative findings and recommendations regarding the audit of Public Assistance Eligibility Determination Processes at Selected State Agencies for the period July 1, 2010, through December 31, 2011.

Your audit resulted in eight findings, only two of which were directed toward the Department. Below is our response to those two findings with further clarification and proposed corrective action.

Finding No. 1: *Process Improvement Opportunities*
Recommendation: *We recommend that the State consider requiring all applicants to submit common background information, including, but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the DCF, with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.*

Statement of Explanation: The public assistance programs administered by the Department listed in Exhibit A of the preliminary audit findings are Medicaid programs. As such, in order to receive services for these programs, clients are required to meet the same fundamental program eligibility criteria that are listed for the Medicaid Program in Exhibit B. This data is collected and maintained by the Department of Children and Families (DCF) in the FLORIDA system. The Department only determines the medical eligibility for these clients.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Mr. David W. Martin, CPA
February 21, 2013
Page 2

Planned Corrective Action: The Department defers corrective action to DCF due to DCF handling the Medicaid (i.e., financial) eligibility process that limits whether an individual will receive Medicaid services. The Department will cooperate with DCF concerning any necessary changes made in DCF's eligibility processing.

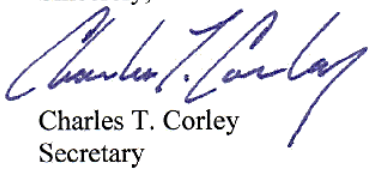
Finding No. 2: *Record Inconsistencies*
Recommendation: *We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.*

Statement of Explanation: The public assistance programs administered by the Department listed in Exhibit A of the preliminary audit findings are Medicaid programs. As such, in order to receive services for these programs, clients are required to meet the same fundamental program eligibility criteria that are listed for the Medicaid Program in Exhibit B. This data is collected and maintained by DCF in the FLORIDA system. The Department only determines the medical eligibility for these clients.

Planned Corrective Action: The Department defers corrective action to the DCF due to DCF handling the Medicaid (i.e., financial) eligibility process that limits whether an individual will receive Medicaid services. The Department will support efforts made by DCF to share data and perform any necessary additional matches in order to identify and resolve inconsistencies in recipient information.

Should you need further information, please contact Marcy Hajdukiewicz, of my staff, at (850) 414-2308 or via email at hajdukiewiczmr@elderaffairs.org. Thank you.

Sincerely,



Charles T. Corley
Secretary

cc: Richard Prudom, Deputy Secretary and Chief of Staff
Taroub King, Inspector General
Marcy Hajdukiewicz, Director, Division of Statewide Community-Based Services
Cheryl Young, Chief, Bureau of Long-Term Care and Support
Paula James, Chief, Bureau of Comprehensive Assessment and Review for Long-Term Care Services (CARES)

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Mission:
To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.

Florida HEALTH

Vision: To be the **Healthiest State** in the Nation

Rick Scott
Governor

John H. Armstrong, MD, FACS
State Surgeon General & Secretary

February 27, 2013

Mr. David W. Martin, C.P.A.
Auditor General
Room G74, Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

We are pleased to respond to the preliminary and tentative audit findings and recommendations concerning the Auditor General's Multi-Agency Audit of *Public Assistance Eligibility Determination Processes at Selected State Agencies*. Our response to the findings are enclosed as required by section 11.45(4)(d), *Florida Statutes*.

We appreciate the effort of you and your staff in assisting to improve our operations. If you have any questions, please contact our Director of Auditing, Michael J. Bennett by calling (850) 245-4444 extension 2150.

Sincerely,

John H. Armstrong

John H. Armstrong, MD, FACS
Surgeon General & Secretary

JHA/kir
Attachment

cc: James D. Boyd, C.P.A., M.B.A.
Inspector General
Michael J. Bennett, C.I.A.
Director of Auditing

Florida Department of Health
Office of the State Surgeon General
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Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
1	The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.	We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the Department of Children and Families (DCF), with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.	**Children's Medical Services (CMS) Early Steps:** The CMS Early Step program's federal direction does not provide the authority nor requirement to collect social security information or other documentation to verity dentity in order to be eligible for services through this entitlement program. **Family Planning Program:** According to federal Title X Family Planning Program Guidelines, all men and women with reproductive ability that request family planning services are eligible for services (Guidelines 7.0). Department of Health (DOH) accepts public insurance including Medicare, Medicaid and the Medicaid Family Planning Waiver. The Medicaid Family Planning Waiver requires proof of identity, United States citizenship or certain alien status, and proof of income. All clients receive a financial determination and assessment of their household income and size and provided services on a sliding fee scale developed in accordance with the federal poverty level (FPL) [Guideline 6.3 (2)]. Title X federal guidelines state that no client may be turned away due to inability to pay for family planning services (Guidelines 6.3). As part of the intake process, staff may request family planning clients for sufficient information to identify and contact the client (Guidelines 10.3). The Florida Statewide Family Planning Program utilizes the Social Security Number (SSN) or a pseudo number as a unique identifier through the Department of Health's Health Management System (HMS). Currently a copy of the Social Security Card is not a written requirement, nor can services be denied if a client does not provide a Social Security Card. **Dental Program:** Medicaid clients must be US citizens or Qualified Aliens, must be Florida residents, must provide SSN and proof of identity. Therefore all dental program clients on Medicaid have completed the state's Medicaid application process which includes providing the SSN to the DCF. For those clients not eligible for Medicaid, dental services are provided on a sliding fee scale and SSNs are obtained by asking for a social security card and at times self reporting.	**CMS Early Steps:** N/A **Family Planning Program:** County Health Department (CHD) eligibility staff and their supervisors receive training on the importance of obtaining a copy of the client's Social Security Card, if available, or verify through other sources, such as the Florida Medicaid Management Information System (FLMMIS). Infant, Maternal, and Reproductive Health (IMRH) Unit Liaisons will review the information available in the client's health record during CHD quality assurance/quality improvement (QA/QI) visits to verify how the SSN was verified. **Dental Program:** The Public Health Dental Program will communicate with the CHD dental programs the importance of verifying correct entry and documentation of SSNs.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
			Women, Infants and Children (WIC) Program Services: Federal regulations governing the WIC Program do not require the collection of SSNs of applicants as part of the eligibility determination process. Florida WIC does, however, collect social security numbers (or creates pseudo SSNs for applicants such as newborns without a SSN) to facilitate an adjunctive income eligibility determination by checking a client's eligibility for Medicaid, Food Assistance (SNAP) or Temporary Cash Assistance. WIC regulations do require all applicants to be physically present at each WIC certification. There are several limited exemptions to this requirement such as individuals with disabilities whose medical condition necessitates the use of medical equipment not easily transportable. In addition, the WIC program requires each applicant to present proof of residency and proof of identity at each certification.	**WIC Program Services:** The program liaisons will be reminded of the importance of gathering timely and accurate data.
			Antiepileptic Drug Program (ADP) and Insulin Distribution Program (IDP): This recommendation to include collecting SSNs as part of a common set of background information seems to conflict with recommendation #3. The DP and the ADP do not collect SSNs and do not need this information to implement the programs.	**ADP and IDP:** The IDP and ADP will participate in any discussions related to collection of common data elements. They will begin collecting SSNs, if that is identified as a common element.
			Breast and Cervical Early Detection Program (BCCEDP): Eligibility criteria for BCCEDP include: female, aged 50-64 (priority population), Florida resident, household income at or below 200% of the federal poverty level (self-declared), and uninsured or no insurance that covers screening services; symptomatic women younger than age 50 may be eligible; women older than age 64 who are not eligible to receive Medicare Part A and B or who cannot pay the premium to enroll in Medicare Part B are eligible. All enrolled clients sign an Annual Applicant Agreement, which includes a declaration of income at or below 200% of the federal poverty level. SSN or pseudo number is collected at intake. The following information is provided to DCF: completed and signed (by client) DCF Medicaid Application for Breast and Cervical Cancer Treatment, patient name, race, date of birth, and when available, SSN, Florida driver license number, birth certificate, and/or U.S. passport; diagnostic testing start date, breast or cervical cancer diagnosis date, and treatment length recommended by BCC provider. BCCEDP staff provide written assurance to DCF that they have reviewed the information supplied by the local provider, that the BCCEDP paid for screening services as stipulated in section 381.93, Florida Statutes (FS), and the client requires treatment for breast or cervical cancer as stipulated in section 409.904 (9), FS.	**BCCEDP:** The program liaisons will be reminded of the importance of gathering timely and accurate data.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Status of Findings

Florida HEALTH

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
			Colorectal Cancer Control Program (CRCCP): The CRCCP Florida Screen for Life Program is designed to meet the screening needs of asymptomatic individuals who are at average risk for colorectal cancer and who meet other eligibility requirements established by the Centers for Disease Control and Prevention that include: o Must be age 50 to 64; o Must be underinsured or uninsured for colorectal cancer screening; o Must have a household income below 200% of Federal Poverty Guidelines; o Have not had colorectal cancer or colorectal polyps; o Do not have symptoms of colorectal cancer , i.e. rectal bleeding, blood in stool, bloody diarrhea within the past 6 months, change in bowel habits lasting more than 2 weeks not worked up, bowel obstruction significant unintentional weight loss of 10% or more, and anemia that has not been worked up; o Do not have Familial Adenomatous Polyposis, Hereditary Non-Polyposis Colorectal Cancer, Ulcerative Colitis, Crohn's Disease, Celiac Disease or Inflammatory Bowel Disease; o Do not have any immediate family members who were diagnosed with colorectal cancer before the age of 60. Social security number of pseudo number is collected during the eligibility process. **HIV/AIDS:** The HIV/AIDS and Hepatitis Program requests background information on all applicants applying for program services, including SSNs and other identity documentation, i.e., photo identification (ID), a driver's license, passport, school ID, other state ID, or VISA; however, applicants are not required to provide this identity documentation to receive program services. Ensuring that HIV-infected persons receive treatment for their infection is a critical component of our overall goal to prevent the spread of HIV. HIV-infected persons who are receiving antiretroviral treatment have a better quality of life and are less likely to transmit HIV to others. The program requires applicants to provide documentation of Florida residency, i.e., through a utility bill, mortgage agreement, school records, etc.	**CRCCP:** The program liaisons will be reminded of the importance of gathering timely and accurate data. **HIV/AIDS:** At this time, the program has no plans to require further documentation for the reasons listed.

Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
			Immunization: The DOH immunization program does not directly assess or assign eligibility determination for public assistance. Children who are Medicaid eligible (as deemed eligible through other state agencies) are eligible to receive vaccine provided through the Vaccines for Children Program (VFC) at local county health departments or private practices participating in the VFC Program. Florida SHOTS is the system where immunizations are recorded, as well as VFC eligibility (i.e., Medicaid, uninsured, American or Alaskan Native or underinsured). This system is not a billing system nor is it an eligibility determination system, but simply allows a user to record the VFC eligibility status as pre-determined by a self-report screening process. Florida SHOTS does not require the entry of SSNs; however, the system does load vital statistics birth data, which includes SSNs. It is not possible to require SSNs, but there are system edit checks which block known invalid SSNs such as 999-99-9999.	**Immunization:** None needed.
2	Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.	We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.	**WIC Program Services:** The program liaisons will be reminded of the importance of gathering timely and accurate data. **HIV/AIDS:** A data sharing agreement is being finalized that will allow daily data matches between the Agency for Health Care Administration (AHCA) Medicaid eligibility information and the HIV/AIDS and Hepatitis Program. **Immunization:** Since eligibility is not determined at the time of vaccinating with VFC vaccine (only confirmed and recorded), this finding does not appear to be relevant to the process of using VFC vaccine.	**WIC Program Services:** The program liaisons will be reminded of the importance of gathering timely and accurate data. **HIV/AIDS:** Implement daily data matches between Medicaid and the HIV/AIDS and Hepatitis Program. **Immunization:** None needed.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
3	For the records tested, the social security numbers recorded by State agencies for public assistance recipients were not always accurate.	We recommend that State agencies evaluate the need to obtain social security numbers from applicants and, when obtained, ensure that social security numbers are correct and accurately recorded in agency records.	**Family Planning Program:** According to federal Title X Family Planning Program Guidelines, all men and women with reproductive ability that request family planning services are eligible for services (Guidelines 7.0). DOH accepts public insurance including Medicare, Medicaid and the Medicaid Family Planning Waiver. The Medicaid Family Planning Waiver requires proof of identity, United States citizenship or certain alien status, and proof of income. All clients receive a financial determination and assessment of their household income and size and provided services on a sliding fee scale developed in accordance with the federal poverty level (FPL) [Guideline 6.3.(2)]. Title X federal guidelines state that no client may be turned away due to inability to pay for family planning services (Guidelines 6.3). As part of the intake process, staff may request family planning clients for sufficient information to identify and contact the client (Guidelines 10.3). The Florida Statewide Family Planning Program utilizes the SSN or a pseudo number as a unique identifier through the Department of Health's Health Management System (HMS). Currently a copy of the Social Security Card is not a written requirement, nor can services be denied if a client does not provide a Social Security Card. **Dental Program:** Medicaid clients must be US citizens or Qualified Aliens, must be Florida residents, must provide SSNs and proof of identity. Therefore all dental program clients on Medicaid have completed the state's Medicaid application process which includes providing the SSN to the DCF. For those clients not eligible for Medicaid, dental services are provided on a sliding fee scale and SSNs are obtained by asking for a social security card and at times self reporting.	**Family Planning Program:** CHD eligibility staff and their supervisors receive training on the importance of obtaining a copy of the client's Social Security Card, if available, or verify through other sources, such as the Florida Medicaid Management Information System (FLMMIS). Infant, Maternal, and Reproductive Health (IMRH) Unit Liaisons will review the information available in the client's health record during CHD quality assurance/quality improvement (QA/QI) visits to verify how the SSN was verified. **Dental Program:** The Public Health Dental Program will communicate with the CHD dental programs the importance of verifying correct entry and documentation of SSNs.

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Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
			WIC Program Services: Federal regulations governing the WIC Program do not require the collection of SSNs of applicants as part of the eligibility determination process. The SSN (or a pseudo SSN) is, however, a required field within the Florida WIC data system. If the SSN entered is already in the WIC data system, staff will receive an error message which must be resolved prior to the applicant being entered into the system.	**WIC Program Services:** The Bureau of WIC Program Services will develop a memo to local WIC agencies reminding staff of the importance in collecting valid SSNs and to follow-up to obtain an actual SSN when a pseudo SSN is used for certification.
			IDP and ADP: The IDP and ADP do not collect SSNs and do not need this information to implement the programs.	**IDP and ADP:** None needed.
			BCCEDP and CRC Programs: SSN or pseudo number is collected during the eligibility process.	**BCCEDP and CRC Programs:** The program liaisons will be reminded of the importance of gathering timely and accurate
			HIV/AIDS: The HIV/AIDS and Hepatitis Program requests SSNs from all applicants. The documentation is scanned into the CAREWare database and is available for future reference. Given the public health implications of serving HIV-infected persons, while this information is requested, it is not a requirement to receive program services.	**HIV/AIDS:** As mentioned. at this time the program has no plans to require SSNs.
			Immunization: The Immunization Program attempts to obtain SSNs and enter these correctly into Florida SHOTS, which is the system used to record self-reported VFC eligibility. The system is not an eligibility determination system. As stated in the response to finding #1 above, SSNs are obtained from vital statistics birth records, which is the most accurate method to ensure accuracy. This effort has been ongoing since 2003. Since the records sampled included children born with a date of birth of 7/1/1991 or later many sampled records would not reflect the more complete SSNs obtained from vital statistics birth records. Younger children in the VFC-covered population are the most actively immunized and, if born in Florida will have an accurate SSN. Immunization records for children that are not born in Florida or older children between the VFC eligibility ages of 0-18 may have missing or incorrect SSNs.	**Immunization:** None needed birth record population of SSNs is already in place.

Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
4	DOH, Office of Vital Statistics (OVS), did not have a process in place to verify the accuracy of the information included in the death records submitted by funeral directors. Our audit tests disclosed numerous errors in OVS death records. The absence of accurate data reduces the ability of State agencies to rely on OVS information as an efficient means for detecting benefit payments that have not been timely discontinued.	We recommend that the OVS implement procedures to be followed by State agencies to report errors in OVS death records. Additionally, the OVS should consider whether additional steps may be taken, such as the performance of a comprehensive match against SSA records, to identify and resolve errors in existing OVS death records.	Bureau of Vital Statistics (BVS) registers 170,000 death records annually. Prior to 2012, registration was a paper process. The funeral director started the paper death certificate, collected and entered all decedent information as provided by the informant (family, friends, or the best source available at the time the record was filed), using the best documentation these entities were able to provide. The BVS paper system had no real time edits and BVS was not able to validate decedents' SSN; any errors had to be handled via a paper amendment process initiated either by the family or the funeral director. In 2012, BVS re-engineered the death registration system, whereby the death record is registered electronically via the Internet. The funeral director gathers the decedent information in the same manner, from the same potential sources, and enters it into the system. With electronic registration (EDRS), however, the SSN provided is verified in real time with Social Security Administration (SSA), keying off of the name, date of birth, and the SSN provided. If a "non-match" is received from the system, the funeral director asks the informant again to verify the information for those three key items; again, the name, date of birth, and the SSN is resubmitted to SSA. If that is the only number available to the informant, the unverified SSN is left on the record as provided and the funeral director moves on through the rest of the record. The department added a secondary online edit, reminding the funeral director that the SSN has not been verified, to ensure that the funeral director tries to collect the correct SSN before the record is Registered/Completed.	The department is looking at adding a new data field to data files that states the decedent's SSN is not verified by SSA for those instances where it is applicable. This fact would be indicated on the death data file distributed to agencies needing decedent's SSN.
6	Data exchanges were not always processed timely, resulting in the failure to timely detect public assistance benefits that were authorized or paid on behalf of some recipients subsequent to the recipient's death.	We recommend that State agencies ensure that death record data exchanges are timely performed, any matching records be appropriately researched, and any payment errors timely resolved. Additionally, we recommend that the DCF conduct death record data exchanges for SUNCAP (a DCF program) program recipients and ensure that cases are timely closed upon a recipient's death.	**WIC Program:** WIC regulations require all applicants to be physically present at each WIC certification with some limited exemptions. This policy did identify at the next certification the two WIC recipients receiving benefits after a child died that were found during the audit. **HIV/AIDS:** We will examine the data in the report, including the number of persons who potentially received services inappropriately, and determine the feasibility of performing such data matches.	**WIC Program:** The Bureau of WIC Program Services will develop a memo to local WIC agencies outlining suggested procedures to more timely identify the death of children participating in WIC. **HIV/AIDS:** We will examine the data in the report, including the number of persons who potentially received services inappropriately, and determine the feasibility of performing such data matches.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Florida HEALTH

Status of Findings

Report # TBD
Report Title: Public Assistance Eligibility Determination Processes at Selected State Agencies
Report Date: TBD
Preliminary and Tentative Findings

Number	Finding	Recommendation	Management Response	Corrective Action Plan
7	Data exchange processes did not always effectively identify recipients who had been incarcerated. As a result, public assistance benefits were paid by State agencies to the accounts of some individuals subsequent to the date of their incarceration.	We recommend that the DCF review its data exchange process in order to determine if alternative processes could be implemented to ensure more timely and accurate data matches. We also recommend that when the DCF identifies ineligible recipients, benefits be timely terminated and benefit recovery referrals be made when appropriate. In addition, we recommend that the Department of Economic Opportunity (DEO) revise its match process to better ensure the detection of all inmate accounts.	**HIV/AIDS:** We will examine the data in the report, including the number of persons who potentially received services inappropriately, and determine the feasibility of performing such data matches. **Immunization:** Not applicable for Immunization Program	**HIV/AIDS:** We will examine the data in the report, including the number of persons who potentially received services inappropriately, and determine the feasibility of performing such data matches. **Immunization:** Not applicable for Immunization Program
10	DOH did not perform timely, complete matches of records showing individuals receiving AIDS Drug Assistance to records showing individuals who were Medicaid-eligible. We noted instances where AIDS Drug Assistance Program (ADAP) benefits were improperly provided to Medicaid-eligible recipients.	We recommend that the DOH conduct periodic matches to better ensure that ADAP assistance is not provided to Medicaid-eligible persons.	ADAP will continue to perform monthly matches. In addition, the department is implementing a data sharing agreement with AHCA to conduct daily Medicaid matches. (see Finding #2) This match will include a l HIV Patient Care clients, not only ADAP. Once this daily match is initiated and becomes routine, the monthly ADAP –specific match will no longer be performed.	Monthly ADAP matches are performed.

Page 8 of 8

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

FLORIDA AGENCY FOR HEALTH CARE ADMINISTRATION

RICK SCOTT
GOVERNOR

Better Health Care for all Floridians

ELIZABETH DUDEK
SECRETARY

February 28, 2013

Mr. David W. Martin
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Mr. Martin:

Thank you for the opportunity to respond to the preliminary and tentative findings and recommendations resulting from your audit of Public Assistance Eligibility Determination Processes. In accordance with your request, we have emailed you the preliminary and tentative audit findings document with our response incorporated therein.

If you have any questions regarding our response, please contact Mary Beth Sheffield, Audit Director, at 412-3978.

Sincerely,

Elizabeth Dudek
Secretary

ED/szg
Enclosure

2727 Mahan Drive • Mail Stop #1
Tallahassee, FL 32308

Visit AHCA online at AHCA.MyFlorida.com

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Agency for Health Care Administration
Public Assistance Eligibility Determination Processes At Selected State Agencies
Response to Auditor General's P&T Audit Findings and Recommendation
(July 1, 2010 to December 31, 2011)

Finding 8:
State agencies did not compare public assistance records and juvenile detention records. Our comparisons identified instances in which improper payments were made by State agencies on behalf of youths who, at the time of payment, were committed to a Department of Juvenile Justice facility.

Recommendation:
We recommend that the DCF match public assistance records with DJJ records monthly to timely identify any modifications needed in the program status of applicable youths and the youths' families. In addition, the DJJ should ensure that appropriate forms are completed and sent to the DCF and AHCA for youths in DJJ commitment.

Agency Response:
In the specific instance in question, according to recipient records, DJJ sent the correct form to the Area 5 office to disenroll the recipient. While action was taken to disenroll the recipient from the Children's Medical Services managed care organization, the recipient continued in managed behavioral health care, because manual input to end the Prepaid Mental Health Plan (PMHP) date span was not added in FMMIS.

Medicaid Services staff has a standing call each Monday with the area office behavioral health staff who put the exemptions into FMMIS, and Medicaid Services staff will remind area office behavioral health staff that they must also manually end the PMHP date span in addition to adding the special condition code to FMMIS.

Finding 9:
The Agency for Health Care Administration did not conduct matches between Medicaid records and workers' compensation records until March 2012. Our tests disclosed Medicaid claims that, according to State records, were paid to providers who were also paid through workers' compensation insurance.

Recommendation:
We recommend that AHCA ensure the conduct of the workers' compensation data matches and the collection of amounts due from third parties.

Agency Response:
The Agency for Health Care Administration (Agency) and the Department of Financial Services, Division of Workers' Compensation (DFS-DWC), executed a five-year workers' compensation information data sharing agreement on April 1, 2010. However, the Agency did not begin to receive complete and usable workers' compensation data files from DFS-DWC until March 2012. The Agency's Third Party Liability contractor, Xerox State Healthcare, LLC (Xerox), is currently receiving monthly files containing workers' compensation accident information from DFS-DWC via secure file transfer protocol (FTP).

DFS-DWC does not provide workers' compensation paid medical claims benefit information in the data file. Therefore, it is not possible for the Agency to match Medicaid paid claims to worker's compensation paid claims using this data file. Instead, DFS-DWC provides data regarding injured workers and insurance carriers to the Agency. The data elements contained in the file are:

- *Claimant Name,*
- *Claimant Social Security Number (SSN) or Division Assigned Number,*
- *Claimant Date of Birth,*
- *Date of Accident,*
- *Workers' Compensation Carrier Name,*

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Agency for Health Care Administration
Public Assistance Eligibility Determination Processes At Selected State Agencies
Response to Auditor General's P&T Audit Findings and Recommendation
(July 1, 2010 to December 31, 2011)

- *Workers' Compensation Carrier Address,*
- *Workers' Compensation Carrier Number-Assigned by Division,*
- *Third Party Administrator Name,*
- *Third Party Administrator Address,*
- *Third Party Administrator Number-Assigned by Division, and*
- *Carrier or Third Party Administrator Internal Claim Number.*

Xerox matches those individuals filing a claim against a workers' compensation insurance carrier with the Medicaid recipient file. Xerox then identifies any Medicaid paid claims for the recipient matches. Xerox uses an auto-calculation process whereby any International Classification of Disease code that may relate to treatment of an injury are identified, (i.e. strains, sprains, fractures, general pain, etc.). This process returns a spreadsheet that lists the accident-related claims for each Medicaid recipient.

The spreadsheet is reviewed by Xerox's medical claims analyst and workers' compensation recovery specialist. This review compares the outcome of the systematic analysis with the known date of accident and injuries to validate if a Medicaid lien against any benefits from the workers' compensation insurance settlement is necessary.

Xerox recovery specialists review the information and make a decision regarding the appropriate method of outreach and recovery, such as initiating communication with the workers' compensation carrier, the Medicaid recipient's attorney or with the Medicaid recipient if they have not retained an attorney.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

FLORIDA DEPARTMENT OF JUVENILE JUSTICE
Rick Scott, Governor Wansley Walters, Secretary

February 27, 2013

Mr. David W. Martin, Auditor General
State of Florida
Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

RE: Response to Preliminary and Tentative Audit Findings
Public Assistance Eligibility Determination Processes at Selected State Agencies, January 29, 2013

Dear Mr. Martin:

We have reviewed the above-referenced preliminary and tentative audit findings. The following is our response to "Finding No. 8: Benefits for Youths in DJJ Detention or Commitment:"

1. We concur with the recommendation that DCF match the public assistance records with DJJ records monthly in order to identify in a timely manner any modifications needed in the public assistance status of applicable youths and the youths' families.

    a. Agreements and Memoranda of Understanding are already in place that provide for coordinated services and data sharing between DJJ and DCF.

    b. DJJ currently sends a monthly data report to the DCF Child Welfare Office that includes each DJJ-served youth's name; date of birth; social security number; and the youth's in-date and out-date for DJJ services, which includes youths served in Detention and Residential Commitment services.

2. We concur with the recommendation that DJJ ensure the appropriate forms are completed and sent to DCF and AHCA for youths in DJJ Residential Commitment.

    a. DJJ and DCF embarked on a pilot project in 2008, which put in place the proper procedures for the programs to process Child In Care Medicaid paperwork with DCF and AHCA for those youths who reside in Medicaid-allowable Residential Commitment programs.

        i. Quarterly conference calls are held with all DJJ residential providers, DCF Medicaid workers, and AHCA area office liaisons, during which the processing of DCF and AHCA forms is discussed. This practice shall continue.

        ii. The DJJ Statewide Medicaid Liaison provides one-on-one training with private provider staff to ensure the program's Medicaid liaison understands how to process DCF and AHCA paperwork properly and in a timely fashion.

2737 Centerview Drive ● Tallahassee, Florida 32399-3100 ● (850) 488-1850
http://www.djj.state.fl.us

The mission of the Department of Juvenile Justice is to increase public safety by reducing juvenile delinquency through effective prevention, intervention, and treatment services that strengthen families and turn around the lives of troubled youth.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Page Two
February 27, 2013

iii. The DCF forms required for Child In Care Medicaid were incorporated into the Juvenile Justice Information System (JJIS) in 2011, thereby reducing human error by automatically populating each form with demographic information for each youth served in a Medicaid-allowable program.

b. The DJJ policy and procedures, which pertain to Medicaid, will be revised to reflect the pilot project's process and to revise the responsibilities of DJJ's juvenile probation officers (JPOs). The policy and procedures revision will incorporate the Auditor General's recommendations and be routed internally for review and comment (prior to adoption) by April 1, 2013.

c. An ongoing training program was implemented this fiscal year (2012-13) for JPOs, regarding the following Medicaid notification procedures:

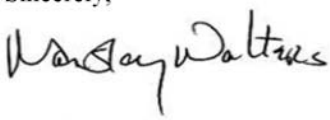
i. Notify the local DCF liaison in writing when a youth who has family Medicaid is in Detention for 21 days or more; and

ii. Notify the local DCF liaison in writing when a youth is adjudicated to a high-risk or maximum-risk Residential Commitment program, which is not a Medicaid-allowable placement.

d. DJJ is revising the Residential Rule (63E) in order to ensure compliance by its private providers of Residential Commitment programs with the revised Medicaid Policy and Procedures.

Thank you for the opportunity to provide a response to this preliminary and tentative audit finding. Per your request, this response is being submitted electronically as a PDF file to flaudgen_audrpt_SGA@aud.state.fl.us. If you have any questions regarding this submission or need additional information, please contact Michael Yu, Director of Internal Audit, Office of the Inspector General, (850) 921-5698.

Sincerely,



Wansley Walters
Secretary

WW/lpb

cc: Florida Department of Children and Families

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

agency for persons with disabilities
State of Florida

February 21, 2013

Rick Scott
Governor

Barbara Palmer
Director

State Office

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David W. Martin, CPA
Auditor General
State of Florida
Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-0950

Re: Preliminary and Tentative Audit Findings – Agency for Persons with Disabilities – Public Assistance Eligibility Determination Processes At Selected State Agencies

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, we have prepared the attached response to the preliminary and tentative findings and recommendations to your operational audit of Public Assistance Eligibility Determination Processes At Selected State Agencies.

I want to thank you for this opportunity to respond to your preliminary findings. I hope this response satisfies your requirements. If you have any questions or need additional information, please contact Carol Sullivan, Director of Audit at (850) 414-7166.

Sincerely,

Barbara Palmer

Barbara Palmer
Director

BP/cs
Enclosure

http://apdcares.org

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

Finding No. 1 – Process Improvement Opportunities

The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

Recommendation: We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as for example, the applicant's identity. We also recommend that the Legislature require the DCF, with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.

APD Response:
We concur with the finding. The Agency for Persons with Disabilities is willing to cooperate with DCF on the feasibility and cost-effectiveness study as needed.

Finding No. 2 – State Records Integrity

Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size, and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.

Recommendation: We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.

APD Response:
We concur with the finding. The Agency for Persons with Disabilities agrees that data sharing would reduce redundancy of efforts and is willing to work with other State agencies as needed.

EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA

EXECUTIVE DIRECTOR
BRAULIO L. BAEZ
(850) 413-6463

Public Service Commission

February 26, 2013

David W. Martin, CPA
Auditor General
Office of the Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

Dear Mr. Martin:

Pursuant to Section 11.45(4)(d), Florida Statutes, enclosed is the Commission's written statement of explanation, including actual or proposed corrective actions, for findings 1 and 2 of the list of preliminary and tentative findings and recommendations which may be included in your audit of Public Assistance Eligibility Determination Processes at Selected State Agencies.

We appreciate the opportunity to participate in this audit and believe the findings and recommendations will assist agencies in managing and improving their eligibility determination processes. If additional information is needed, please contact our Inspector General, Steven Stolting, at (850) 413-6071.

Sincerely,

Braulio L. Baez
Executive Director

BB/css

Enclosure

cc: Apryl Lynn, Deputy Executive Director-Administrative
Charles Hill, Deputy Executive Director-Technical
Steven Stolting, Inspector General

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EXHIBIT D (CONTINUED)
MANAGEMENT'S RESPONSES

RESPONSE TO PRELIMINARY AND TENTATIVE AUDIT FINDINGS AND RECOMMENDATIONS

AUDIT OF PUBLIC ASSISTANCE ELIGIBILITY DETERMINATION PROCESSES AT SELECTED STATE AGENCIES

Finding No. 1: The efficiency of the State's public assistance eligibility determination processes could be improved. We found that for several programs, identifying information, such as social security numbers, was not always required, no documentation was required in support of significant applicant-reported information, and some processes were duplicated by administering State agencies.

Recommendation: We recommend that the State consider requiring all applicants to submit common background information, including but not limited to, social security numbers and documentation in support of certain representations made in public assistance applications, such as, for example, the applicant's identity. We also recommend that the Legislature require the DCF, with the cooperation of other agencies of State government, to conduct a study of the feasibility and cost-effectiveness of the centralization and consolidation of the public assistance application and eligibility determination processes.

Commission Response: The Commission agrees and would support collection of common background information to the degree it is compatible with Lifeline program Federal requirements.

Finding No. 2: Our review of enrollment in 42 of the selected public assistance programs during the month of December 2011 disclosed that 43 percent of the recipients were enrolled in at least two programs. For a selection of these recipients, we compared the information shown in the records of each of the administering agencies and found numerous instances in which the information shown in the records of one agency, concerning such matters as employment status, household income, family size and participation in other public assistance programs, differed from that shown in the records of other agencies. Such differences, in some instances, may indicate the existence of fraud or record errors resulting in improper payments.

Recommendation: We recommend that State agencies examine the feasibility of sharing data and performing additional matches in order to identify and resolve inconsistencies in recipient information.

Commission Response: The Commission agrees and would support an examination of sharing data and performing matches to validate recipient data to the extent permitted under Federal and State laws governing the Lifeline program. Currently, the Lifeline program has implemented a Web services interface to permit real time verification that an applicant or customer is a valid participant in a Department of Children and Families program that qualifies the individual to receive Lifeline benefits.