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Advisory Report Health And Human Services System Medicaid Program For Fiscal Year Ended June 30, 1999

Report Highlights

Comments

and

Recommendations

- Accounting Procedures
- Information Management Systems
- Nursing Facilities
- Aid Payments
- Provider Payments
- Aged & Disabled Waiver Payments
- Accounts Receivable
- Contractual Service Payments
- Payments for Bedholding
- Nursing Facility Rates
- Nursing Home Adjustments
- Performance Measures
- Claims Processing
- Surveillance & Utilization Review
- Temporary Employees

The Department of Finance and Support of the Nebraska Health & Human Services System (HHS) administers the Medical Assistance Program, under Title XIX of the Social Security Act. In 1998, under Title XXI (CHIPS), Nebraska expanded Medicaid eligibility to 185 percent of poverty for pregnant women and for children under age 19 through a program known as Kids Connection.

Medicaid expenditures for fiscal year 1999 exceeded \$1 billion

Our report included 15 Comments and Recommendations, outlining significant concerns with accounting procedures, management systems, payment procedures, and other areas. We generally recommended a program the size of Medicaid should have better controls to ensure funds are properly disbursed and safeguarded from errors and abuse.

For example, significant deficiencies were found in reconciliation procedures, including:

- ⇒ HHS failed to detect the double reporting of \$9.5 million in Rehabilitation Option claims
- ⇒ Approximately \$6.2 million was paid with State funds which should have been paid with Federal funds
- ⇒ HHS needs to repay \$1.45 million in Federal funds for errors in the Intergovernmental Transfer

Compared to the surrounding six states, Nebraska's average Medicaid administrative cost per recipient was the second highest, yet we found that several HHS administrative areas were performing minimal procedures.

We have detailed our findings in the Comments and Recommendations Section of the report.

See our website at www.nol.org/home/auditor/index.html.

Average Administrative Cost per Recipient

