



KATE WITEK, AUDITOR OF PUBLIC ACCOUNTS  
 STATE CAPITOL, SUITE 2303  
 LINCOLN, NEBRASKA 68509  
 (402) 471-2111

**Audit Report of the  
 Nebraska Health and Human Services System  
 Beatrice State Developmental Center  
 July 1, 2001 through June 30, 2002**

**Report Highlights**

*Issued December 9, 2002*

**Comments and Recommendations**

- Medicaid Federal Fund
- Institution Cash Fund Balance
- Payroll Calculation
- Medicare Part B Claims
- Resident Trust Balances
- Rules and Regulations

The Beatrice State Developmental Center (BSDC) provides 24-hour on-campus residential, rehabilitative, and medical services to Nebraskans with mental retardation. Services are provided in the least restrictive manner, consistent with each resident's habilitation objectives, and which best promotes the resident's community placement or reintegration with the family. BSDC provides technical assistance and training to staff of community-based provider programs. In addition, BSDC provides access to short-term community or inpatient behavioral intervention and allied health evaluations and therapies to persons receiving support in community-based programs.

Our report included six Comments and Recommendations relating to internal controls and compliance with State laws. Specific areas of concern included:

- ❑ The Nebraska Accounting System and HHSS records did not accurately reflect the fund balance by program. The financial statements were adjusted to reflect the indirect costs due Program 341. HHSS had not determined BSDC final cost rates for fiscal year 2001 as of November 7, 2002. The Program 421 receipts for Medicaid federal reimbursement have exceeded the disbursements charged to

Fund 4812 Program 421 for at least each of the past four fiscal years.

- ❑ Receipts exceeded disbursements in Fund 2252 for BSDC for the past three years resulting in an increased fund balance.
- ❑ Our calculation of payroll noted 7 of 25 employees tested that were overpaid from \$3 to \$18 for the pay period.
- ❑ No Medicare Part B claims for ancillary services have been filed since August 2000.
- ❑ The total cash on deposit for resident trust accounts was \$688 greater than the sum of the individual account balances.
- ❑ Rules and Regulations, Title 202 NAC 1, Determining Ability to Pay for Hospital Charges, have not been revised since implementation in 1975.

We have detailed our findings, and responses from BSDC, in the Comments and Recommendations section of the report, which can be accessed at [www.auditors.state.ne.us](http://www.auditors.state.ne.us).

