

PROGRAM: AUDIT & PROGRAM COMPLIANCE

ADMINISTRATION

	1982	1983	-----1984-----		-----1985-----	
	Actual	Approp.	Executive	Current Level	Executive	Current Level
					Difference	Difference
FTE	39.00	39.00	50.00	36.00	14.00	36.00
Personal Services	\$ 687,573	\$ 892,199	\$ 922,585	\$ 836,367	\$ (86,218)	\$ 835,290
Operating Expenses						
Contracted Services	\$ 12,836	\$ 109,915	\$ 27,662	\$ 24,439	\$ (3,223)	\$ 25,846
Supplies	4,562	6,112	4,666	5,116	450	5,419
Communications	16,392	12,669	21,016	21,306	290	24,862
Travel	45,814	61,256	68,938	48,241	(20,697)	49,550
Rent	40,637	51,623	45,659	41,672	(3,987)	44,172
Repairs	1,578	1,414	1,774	1,771	(3)	1,881
Other	2,320	5,074	2,603	2,601	(2)	2,755
Total	\$ 124,169	\$ 248,093	\$ 172,318	\$ 145,146	\$ (27,172)	\$ 154,480
Equipment	3,961	1,500	1,560	1,560	-0-	1,560
Total Admin.	\$ 815,593	\$ 1,141,762	\$ 1,096,463	\$ 983,073	\$ (113,390)	\$ 991,330
Funding						
LIEAP	\$ 8,978	\$ 105,503	\$ -0-	\$ -0-	\$ -0-	\$ -0-
General Fund	409,340	482,156	698,337	451,625	(247,312)	454,595
Federal Funding	371,033	512,194	398,126	378,740	(19,386)	381,738
Comm. on Aging	-0-	-0-	-0-	55,804	55,804	56,246
Voc. Rehab.	-0-	-0-	-0-	11,474	11,474	11,565
Soc. Serv. Bk. Gnt.	26,152	41,909	-0-	86,030	86,030	87,186
Total	\$ 815,503	\$ 1,141,762	\$ 1,096,463	\$ 983,073	\$ (113,390)	\$ 991,330
DOR Grant	\$ 52,953	\$ -0-	\$ -0-	\$ 60,000	\$ 60,000	\$ 60,000
Funding						
SS xx BG	\$ 52,953	\$ -0-	\$ -0-	\$ 60,000	\$ 60,000	\$ 60,000

SRS:cm:b17

LFA Item - / out 2-23-85

FTE

FTE Authorized in Fiscal 1982: 39	<u>FY 1984</u>	<u>FY 1985</u>
Executive	50	50
Current Level	<u>36</u>	<u>36</u>
Executive Above LFA	14 ==	14 ==

The difference is due to:

The LFA deleting three FTE which were vacant most of fiscal 1982 and the executive adding 11 positions as shown on the following page.

The LFA deleted three as follows:

<u>Position #</u>	<u>Title</u>	<u>FTE</u>	<u>% Filled</u>
1251	Auditor IV	1.00	31%
1546	Administrative Asst.	1.00	17%
1548	Administrative Officer	<u>1.00</u>	0%
		3.00	

SUMMARY CHART - Fiscal 1984 & 1985

<u>Bureau or Unit</u>	<u>Exec.</u>	<u>LFA</u>	<u>Diff.</u>
Audit Bureau	18	9	9
Program Integrity Bureau			
Quality Control/Quality Assurance	18	15	3
S/URS	3	3	0
Recoveries, Other	7	5	2
Administration, General	<u>4</u>	<u>4</u>	<u>0</u>
Totals	50 ==	36 ==	14 ==

AUDIT WORKLOADS

To the 1981 Legislature, the Audit Bureau estimated the 1982 audit capability for 12 FTE as shown below in comparison to the accomplished audits for fiscal 1982.

<u>1982</u>	<u>DD</u> <u>Audits</u>	<u>DD</u> <u>Reviews</u>	<u>---Aging---</u> <u>Audits</u>	<u>reviews</u>	<u>E.A. (Food Stamps)</u> <u>Audits</u>	<u>Reviews</u>	<u>---Other---</u> <u>Audits</u>	<u>Reveivs</u>	<u>Total</u>
Estimated	19	---	19	---	56	---	7	---	101
Actual	10	1	1	8	30	---	5	---	55
Difference	-9	+1	-18	8	-26	-0-	-2	-0-	46
	===	===	===	===	===	===	===	===	===

These audit estimates of 101 do not include any of the 97 nursing home reviews.

Fifty-Five audits or reviews were accomplished in fiscal 1982.

Estimates shown below are the proposed audits for fiscal 1984 and fiscal 1985. The agency is requesting six more auditor staff to complete this schedule.

<u>Program</u>	<u>FY '84</u> <u>Audits</u>	<u>FY '85</u> <u>Audits</u>
14 Developmental Disabilities	20	28
02 Area Agencies on Aging	3.5	3.5
02 Residential Foster Care	10	12
01 Food Stamp Issuance Offices	25	25
02 Title XX Block Grants Contracts & Refugee Contracts	5	10
10 Visual Services	4	4
01 Grant In Aid/Counties		Undetermined
Total	67.5	82.5
	====	====

Program 08
 AUDIT & PROGRAM COMPLIANCE DIVISION
 Audit Bureau

	<u>A C T U A L</u>			<u>E S T I M A T E D</u> ①		
	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Contracted audits of Nursing Homes ①					<u>.30</u>	<u>30</u>
<u>Nursing Homes:</u>						
Desk Reviews			85	90	97	97
Field Audits	39	61	<u>29</u>	17		
<u>Other Programs:</u>						
Dev. Disabilities	8	5	3	12	19	19
Aging Services		2	9	11	19	19
E.A. (Food Stamps)			2	18	56	56
Others		2	11	4	7	7
<u>TOTAL</u>	<u>47</u>	<u>70</u>	<u>139</u>	<u>152</u>	<u>198</u>	<u>198</u>
<u>Authorized FTE's:</u>						
Old	4	6	8	11	11	11
New	<u>2</u>	<u>2</u>	<u>3</u>			
<u>TOTAL</u>	<u>6</u>	<u>8</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
average per FTE	<u>7.8</u>	<u>8.8</u>	<u>12.6</u>	<u>13.8</u>	<u>18.0</u>	<u>18.0</u>

) Proposed budget modification for fiscal years 1982 & 1983. These audits are not included in the totals.

) The above estimations were based on the following assumptions:

- a. Staffing will remain static.
- b. Nursing home audits will be contracted out. - *The 1981 legislative appropriation of \$30,000 to contract out the nursing home audits. These are in the medical assistance program.*
- c. There will be no "special projects."

PROGRAM INTEGRITY BUREAU

Program Integrity Bureau requested five new FTE to lower error rates in the AFDC, Food Stamp, and medicaid programs. The following tables demonstrate error rate lowering performance.

I - AFDC Program

<u>Reporting Period</u>	<u>Error Rate in %</u>	<u>Trend</u>
4/80 - 9/80	9.3 %	
10/80 - 3/81	6.9	Down
4/81 - 9/81	3.6	Down
10/81 - 3/82	1.1*	Down
4/82 - 9/82	1.5**	Steady

Maximum allowable rate for fiscal 1984 and 1985 = 4.0%

* not finalized
** unofficial

According to the division, Montana has one of the lowest error rates in the United States.

II - FOOD STAMP PROGRAM (Case Errors)

<u>Reporting Period</u>	<u>Error Rate in %</u>	<u>Trend</u>
10/79 - 3/80	10.0%	
4/80 - 9/80	11.4	Up
10/80 - 3/81	15.7	Up
4/81 - 9/81	13.9	Down
2.0 FTE added		
10/81 - 3/82	6.6	Down
3/82 - 9/82	10.5*	Up (?)

Maximum allowable case error rate = 9.0% in fiscal 1984, 5% in fiscal 1985. The department reports one sanction waived and one under review.

* Unofficial
MN:cm:d6

Program Integrity Bureau (Cont.)

III - Medicaid Program (Case Errors)

<u>Reporting Period</u>	<u>Error Rate in %</u>	<u>Trend</u>
10/79 - 3/80	13.3%	
4/80 - 9/80	16.6	Up
10/80 - 3/81	18.3	Up
4/81 - 9/81	11.7	Down
10/81 - 3/82	10.9*	Down

*Maximum allowable error rate since April, 1982 = 3 percent.

Division reports one sanction pending for period 10/80 - 9/81, but that activity of Quality Assurance unit may aid in consideration of waiver. As the following page shows, discretion is allowed in applying sanctions for a state showing good faith effort to meet target rate. Table III exhibits that effort beginning 4/81.

Four reasons appear to have generated downtrends in error rates. All imply continued downtrends or stabilization.

1. A news specs. manual was written and implemented in 1982.
2. Determinations as to qualifications for program participation were simplified.
3. A training program to upgrade skills was begun at UM in 1982. \$188,671 was spent (from 01, Economic Assistance Program) in fiscal 1982, with \$150,000 and \$175,000 budgeted for 1984 and 1985, respectively.

Issue: Is there a reasonable cost/benefit ratio for the training program?

4. 2 new FTE were added in fiscal 1982 (shown on Table II) after which the largest drop in error rates in the food stamp program occurred.

Program Request for Two Quality Control Reviewers

The program requests \$81,430 for two quality control reviewers and \$630,000 for nursing home audits. During the 1977 session, the legislature added three FTE to recover third party payments, three FTE to review medicaid eligibility determinations, and four auditors for nursing homes. The 1979 legislature added three more auditors for nursing homes and six employees to improve management of the medicaid program. Some of the six employees were quality reviewers. Part of the justification or measurement criteria of adding quality control reviewers in 1979 was a reduction in the error rate. SRS has not documented a decrease in the error rate for ineligible medicaid recipients.

1. The error rate for ineligible medicaid recipients was 5.5 percent in fiscal 1978-79. The agency said it would be reduced to 5 percent in fiscal 1980 and 4 percent in fiscal 1981.

SRS could not provide what the error rate was in fiscal 1980. In conversation they felt it was not decreasing.

SRS should show the program integrity staff positions they had in fiscal 1976, the amount added by the 1977 and 1979 legislature. What are the benefits of adding these positions? How does the addition of these positions relate to improving the quality of service--or less errors?

CONTRACT SERVICES

Difference is due to:

The executive adding on estimated \$11,782 in fiscal 1982 for a medical consultant contract; versus, LFA added \$9,000, the actual cost of the contract.

TRAVEL

The executive adding \$20,358 of travel for the increase FTE.

RENT

The executive including rent on a mag card typewriter.

Rent Expense in	FY 1980	\$25,760	
	FY 1981	38,377	49%
	FY 1982	40,636	6

FUNDING

How much of the audit and quality assurance should be general funded? The department wants 64 percent general fund. Historically, the percentage has been 35 to 42 percent.

LFA has general fund at 43 percent as originally proposed by the department.

The department wants it revised to 64 percent general fund. The difference, depending on expenditure levels, is approximately \$500,000 of general fund for the biennium.

DEPARTMENT OF REVENUE CONTRACT

1. The Department of Revenue receives a \$60,000 grant from the Department of Social and Rehabilitation Services to investigate matters relating to public welfare assistance to enforce welfare laws.

2. These funds are federal dollars. *which would otherwise be used for programs*

3. The Department of Social and Rehabilitation Services requested this to continue. The executive said they forgot to put it in the budget.

	<u>Fiscal 1984</u>	<u>Fiscal 1985</u>
Executive	\$ -0-	\$ -0-
Current Level	<u>60,000</u>	<u>60,000</u>
Current Level Above Exec.	\$60,000 =====	\$60,000 =====

*4. The department of revenue budget includes
in fiscal 1984 and in fiscal 1985
to be received from SRS. The department of
revenue also reports
fiscal 1984 and in fiscal 1985*