



**State of Florida
Department of Children and Families**

Rick Scott
Governor

Esther Jacobo
Interim Secretary

DATE: November 15, 2013

TO: Esther Jacobo
Interim Secretary

FROM: Keith Parks *KPD*
Inspector General

SUBJECT: Six-Month Status Report for Auditor General Report No. 2013-133

In accordance with Section 20.055(5)(h), Florida Statutes, enclosed is our six-month status report on Auditor General Report No. 2013-133, "*Public Assistance Eligibility Determination Processes, at Selected State Agencies, Operational Audit.*"

The Office of Internal Audit compiled these up-to-date corrective action representations to resolve findings, as reported by program management.

If I may be of further assistance, please let me know.

Enclosure

cc: Kathy DuBose, Staff Director, Joint Legislative Auditing Committee

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



OFFICE OF INSPECTOR GENERAL

Esther Jacobo
Interim Secretary

Enhancing Public Trust in Government

Keith Parks
Inspector General

Project #E-1112DCF-159

November 15, 2013

Six-Month Status Report
PUBLIC ASSISTANCE ELIGIBILITY
DETERMINATION PROCESSES
AT SELECTED STATE AGENCIES
Operational Audit

PURPOSE

The purpose of this report is to provide a written response to the Secretary on the status of corrective actions taken six months after the Auditor General published Report No. 2013-133, "Public Assistance Eligibility Determination Processes, at Selected State Agencies, Operational Audit."

REPORT FINDINGS, RECOMMENDATIONS, STATUS & COMMENTS

The Department was responsible for providing updated status and corrective action comments for finding numbers 1, 2, 6, 7, and 8. Presented below are the full text of the Auditor General's finding statements and recommendations and up-to-date corrective action comments and status, as reported by the Automated Community Connection to Economic Self-Sufficiency (ACCESS) staff.

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.*

Status (per ACCESS staff): *Partially Corrected*

CHIP applications will be included as part of the Medicaid Eligibility System (MES) upgrade, which is scheduled for implementation mid-December 2013 as a part of Florida's roll-out of the Affordable Care Act. WIC will not be a part of the Department's single, streamlined web application. The Department did, however, broker the contract to allow WIC benefits to be placed on an electronic benefit transfer card (EBT), which is separate and apart from the Department's EBT system.

To enhance the identity verification process, in 2013, the Department adopted a new online tool that is integrated within the Department's online application process to help verify and authenticate the identity of individuals applying for assistance; this tool is known as Customer Authentication.

Customer Authentication began as a Pilot in March 2013, and implemented statewide on August 1, 2013. Applicants are prompted to answer a series of questions to verify and authenticate their identity prior to receiving benefits.

Since implementation, the Department has streamlined and verified the identity of 53% of online applicants through the Customer Authentication process.

Individuals who do not authenticate via the online tool are authenticated via a manual process in which contact is made with the applicant.

In addition, the Affordable Care Act requires the use of an identity proofing component for Medicaid only applications. This process is similar to that which the Department is using for all other public assistance program applicants.

The Department concurs with the recommendation regarding conducting a feasibility study and has made a legislative budget request to pursue a study on how to maximize Florida's flexibility to maintain the integrity and effectiveness of the Department's workforce and public assistance model and proactively engage with local, state, and federal partners, as well as private sector service delivery options.

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.*

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.*

Status (per ACCESS staff): Partially Corrected

The Department is involved with the Governor's Medicaid Fraud Statewide Enterprise Efficiency Initiative, which includes the establishment of an enterprise data unit that would compare and leverage various state agency data sources. The Legislature provided funding for this initiative and the Agency for Health Care Administration recently issued an Invitation to Negotiation for these services.

In addition, the Department is in the process of developing a data sharing agreement to utilize technology and develop a real time data sharing interface with the Department of Agriculture's school lunch program, to be operational January 1, 2014. The Department is working on an interface with the Florida Lottery to identify individuals with significant winnings and ensure that income is correctly budgeted prior to authorizing benefits. This interface has a target implementation date of October 2014.

The Department has removed Lutheran Social Services from the list of agencies and counties that have direct access to the FLORIDA system to either evaluate eligibility or services or to validate information for Medicaid billing as the organization did not follow through with the required procedures to gain system access. The Department has, however, maintained the data sharing agreement with the organization.

The Department is also exploring the usability of data matching with Appriss data, which is a compilation of data from local county jails and state correctional facilities. Beginning in April 2014, an analysis will be completed to evaluate the usability with program regulations.

The Department has interfaces with the Florida Retirement System for Florida retirement benefits and Department of Economic Opportunity for intrastate and interstate unemployment compensation benefits.

The Department also has data sharing agreements with the following agencies:

- Agency for Persons with Disabilities
- Division of Disability Determinations
- Department of Elder Affairs
- Office of Early Learning
- Florida Healthy Kids
- Department of Health
- Centers for Medicare and Medicaid Services
- Virgin Mobile
- Lutheran Service Florida, Inc.

Through the implementation of the Affordable Care Act, the Department will receive data via the federal data service hub from the following sources:

- Social Security Administration Composite Service
- U.S. Department of Homeland Security (Verify Lawful Presence)
- Agency for Health Care Administration (Minimum Essential Coverage)
- Department of Economic Opportunity (State Income Verification)

The Department is not pursuing other data exchange waivers at this time.

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.*

Status (per ACCESS staff): *Partially Corrected*

The posting of other death data exchanges (DEBB, DEDT and DENU) to SUNCAP cases is still pending for programming. The Department wishes to finalize automatic closure of benefits based on these data exchanges; however, is delayed until after the Medicaid Eligibility System (MES) deployment in mid-December 2013.

The Department utilizes its reporting system (Data & Reports) to manage unworked death data exchanges to ensure timely closure.

In addition, the Customer Authentication tool identifies deceased individuals through its search of multiple data sources. The Department is notified electronically and is able to utilize this notification to take proactive action on these cases.

To date, the solution has identified approximately 2,895 individuals who have expired while on assistance or during the application process. This has resulted in a total cost avoidance and benefit savings of \$2,327,580 for the Department.

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.*

Status (per ACCESS staff): *Partially Corrected*

In May 2013, the Department and the Department of Corrections executed a Memorandum of Understanding to share inmate data on a weekly basis. The Department uses this information to automate the closure of SNAP and TANF benefits for individuals identified as incarcerated. Since implementation, the Department has realized \$968,787 in total savings.

In addition, the Customer Authentication tool alerts the Department of individuals who are currently or have been incarcerated during the application or benefit receipt window. This information allows the Department to explore the data and take the necessary action to prevent the issuance of benefits to inmates. Since implementation, the solution has identified 4,305 individuals with an incarcerated alert.

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.*

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.*

Status (per ACCESS Staff): Fully Corrected

The Department continues to have quarterly meetings to review and participate with the Department of Juvenile Justice (DJJ) and the other agencies to provide additional assistance with program operation.

Beginning in August 2013, the Department implemented monthly records reconciliation process to identify youths in the custody of DJJ. Based on the monthly reconciliation file, the Department is able to match public assistance records for timely identification and prevention of improper Medicaid or other public assistance benefits payments. Since implementation, the Department has identified and taken the appropriate action on 1,307 cases where it was discovered through this data sharing that youths were in the custody of DJJ.

This follow-up audit was conducted as required by Florida Statutes 20.055(5)(h) and section 2500.A1 of the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors. Elton Jones compiled this follow-up audit from representations provided by program management. Please address inquiries regarding this report to Jerry Chesnutt, Director of Auditing, at (850) 488-8722.