

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**AUDIT OF PAYMENTS FOR
MEDICAID SERVICES TO
DECEASED RECIPIENTS**

**OCTOBER 1, 1998 THROUGH
SEPTEMBER 30, 2001**

**ARIZONA HEALTH CARE COST
CONTAINMENT SYSTEM**



**October 2003
A-05-03-00073**

Office of Inspector General

<http://oig.hhs.gov>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the department.

Office of Evaluation and Inspections

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the department, the Congress, and the public. The findings and recommendations contained in the inspections reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs.

Office of Investigations

The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil monetary penalties. The OI also oversees state Medicaid fraud control units, which investigate and prosecute fraud and patient abuse in the Medicaid program.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. The OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within the department. The OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops model compliance plans, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov>

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of Inspector General, Office of Audit Services reports are made available to members of the public to the extent the information is not subject to exemptions in the act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.





DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF AUDIT SERVICES
233 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601
October 31, 2003

REGION V
OFFICE OF
INSPECTOR GENERAL

Report Number A-05-03-00073

Anthony Rodgers, Director
Arizona Health Care Cost Containment System
801 East Jefferson
Phoenix, Arizona 85034

Dear Mr. Rodgers:

This letter provides you with the results of our audit of Medicaid payments for services provided after the recipient's death. Our review was conducted in accordance with generally accepted government auditing standards.

Although we identified Medicaid payments for services provided after the recipient's death, we concluded that the State agency had procedures in place to ensure that these inappropriate payments were recovered. The State agency procedures include recovery of a portion of the monthly payments for capitated services and payments for extensive services obtained by using another person's social security number, often a spouse or relative. The State agency has implemented procedures to ensure that Medicaid recipients use their own social security number. For the period October 1, 1998 through September 30, 2001, we reviewed a statistical sample of 200 claims and determined that identified overpayments were adjusted and that there were no reportable weaknesses.

If you have any comments or concerns, please contact Leon Siverhus at (312) 353-7907. To facilitate identification, please refer to Report Number A-05-03-00073 in all correspondence related to this letter.

We appreciate the courtesies extended our audit staff during the course of the review.

Sincerely,

A handwritten signature in cursive script that reads "Paul Swanson".

Paul Swanson
Regional Inspector General
for Audit Services

ACKNOWLEDGMENTS

This report was prepared under the direction of Paul Swanson, Regional Inspector General for Audit Services. Other Office of Audit Services staff who contributed include:

Leon Siverhus, *Audit Manager*

Mike Barton, *Senior Auditor*

Patrick Kelly, *Auditor*

Technical Assistance

John Day, *Advanced Audit Techniques*

Mike Kersting, *Advanced Audit Techniques*

For information or copies of this report, please contact the Office of Inspector General's Public Affairs office at (202) 619-1343.