

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF MEDICAL ASSISTANCE  
PAYMENTS UNDER THE REFUGEE  
RESETTLEMENT PROGRAM IN  
FLORIDA**



**JUNE GIBBS BROWN**  
Inspector General

**JUNE 1998**  
**A-04-98-00119**

**JUN 10 1998**REGION IV  
Room 3T41  
61 Forsyth Street, S.W.  
Atlanta, Georgia 30303-8909

CIN: A-04-98-00119

Mr. Edward A. Feaver, Secretary  
Department of Children and Families  
1317 Winewood Boulevard-Building E, Room 227  
Tallahassee, Florida 32399-0700

Dear Mr. Feaver:

This final report provides you with the results of our audit of medical assistance payments under the Refugee Resettlement Program (RRP) in the State of Florida. The purpose of our review was to determine the appropriateness of Refugee Medical Assistance (RMA) payments made by the Florida Department of Children and Families (DCF) during the period October 1991 through February 1997. In a report dated April 21, 1998, we communicated to you (Common Identification Number (CIN) A-04-96-00104) the results of our review of Refugee Cash Assistance (RCA) payments.

**OBJECTIVE**

The objective of our review was to determine if DCF had controls in place to prevent the payment of RMA after a refugee's period of eligibility had expired.

**SUMMARY OF FINDINGS**

The DCF made RMA payments to refugees who were not eligible for such assistance. Federal regulations limit the period refugees are eligible for medical assistance under the RRP.

The DCF did not have edits in its computerized payment system (the Florida System) to identify and automatically terminate refugees whose eligibility period had expired. Instead, DCF relied on its district offices to terminate cash and medical benefits to refugees when their period of eligibility expired. These terminations were not always accomplished timely. As a result, we estimate that for the period October 17, 1991 to February 28, 1997, \$409,759 was paid to ineligible refugees under the RMA program.

We are recommending that DCF make a financial adjustment of \$409,759 for the ineligible medical assistance payments. We are also recommending procedural changes to improve DCF's administration of the RRP.

In written comments to the draft report, DCF agreed with the amount of our overpayment. The DCF outlined changes to its computerized payment system that they believe will prevent payments after a refugee's period of eligibility has expired. In regard to our recommendation that DCF determine overpayments subsequent to our review, DCF said they would continue to rely on the State Auditor General's annual audits to determine eligibility accuracy. The DCF's comments are summarized after the Recommendations section of this report and are included in their entirety in the APPENDIX.

## **BACKGROUND**

The Refugee Act of 1980 (Public Law 96-212) authorized Federal reimbursement to States for up to 100 percent of cash and medical assistance provided to refugees immediately following their date of entry (DOE) into the United States. The RRP reimbursed States the cost that they would normally incur to provide refugees cash and medical assistance under existing Federal and State assistance programs such as Aid to Families with Dependent Children (AFDC), Medicaid and the Supplemental Security Income State supplement, and for a special program of RCA and RMA.

For refugees eligible for Federal assistance programs, the RRP reimbursed the States their share of program costs while the Federal assistance programs, such as AFDC and Medicaid contributed their usual Federal financial participation. For refugees eligible for RCA and RMA, the RRP reimbursed States the full cost of assistance.

Funding for the RRP is subject to the availability of funds appropriated. Over the years, the Office of Refugee Resettlement (ORR) has found it necessary to change the period of eligibility for RCA and RMA from 36 months to 12 months due to limited funding.

Effective October 1, 1991, ORR notified the States to reduce the eligibility period for RCA and RMA for new arrivals from 12 months to 8 months. The 8-month eligibility period has remained in effect since that date.

At the Federal level, the RRP is administered by ORR, which is a part of the Administration for Children and Families. In Florida, the RRP is administered by DCF, formerly the Department of Health and Rehabilitative Services. The Florida Agency for Health Care Administration (AHCA) determines the duration and type of RMA services provided. The AHCA also contracts with the State's Medicaid fiscal agent to process RMA payments.

**OBJECTIVE, SCOPE &  
METHODOLOGY**

The objective of this review was to determine if DCF had controls in place to prevent the payment of Refugee Medical Assistance after a refugee's period of eligibility had expired. In an earlier audit report (CIN A-04-96-00104), we identified 8,445<sup>1</sup> refugees who potentially received RCA payments after their period of eligibility had expired. To determine the RMA payments made on behalf of these refugees, we obtained a computer tape from the AHCA. This computer tape showed that of the 8,445 refugees that received RCA, 4,629 also received on their behalf RMA totaling \$7,149,115. The AHCA made these RMA payments during the period October 17, 1991 to February 28, 1997.

Also under CIN A-04-96-00104, we randomly selected 200 individuals to determine if RCA payments were made after their period of eligibility had expired. We used these same 200 individuals to determine if RMA payments were made after their period of eligibility had expired. Using the data contained in the AHCA computer tapes, we computed the eligibility period for each refugee in the universe using the DOE and the appropriate eligibility period. We compared each RMA payment to the eligibility period and identified the payments made after the period of eligibility had expired.

We obtained from the Florida Auditor General (AG), a listing of the refugees and RMA payments the AG questioned in prior annual statewide audits of the RRP. We also obtained from DCF, a listing showing adjustments, based on the AG's findings, DCF made to Federal financial reports it submitted to ORR. We identified 36 individuals whose RCA payments were questioned by the AG and adjusted on the DCF's Federal financial reports. We excluded these individuals from our population when projecting the estimated RMA overpayment.

We did not review the overall internal control structure at DCF because we performed substantive audit tests to determine the allowability of RMA payments made to a random sample of 200 RCA recipients. We did not test the internal controls because the objective of our review was accomplished through substantive tests of the random sample of 200 RRP recipients who received RCA and RMA payments during the period covered by our review.

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<sup>1</sup> We initially identified 8,481 individuals who potentially received RCA overpayments, but later we determined that payments for 36 of the individuals had been adjusted by the Florida Auditor General and DCF. Therefore, we adjusted our population by the 36 leaving a population of 8,445 individuals.

Our review was conducted primarily at our Regional Office in Atlanta, Georgia, at AHCA offices and the DCF's headquarters office in Tallahassee, Florida. Our audit field work was conducted during the period October 1997 through April 1998. Our review was conducted in accordance with generally accepted government auditing standards.

On May 22, 1998 we held an exit conference with DCF officials to discuss the draft report's findings and recommendations. On June 1, 1998, we received DCF's written comments to the draft report.

<p style="text-align: center;"><b>DETAILED RESULTS OF REVIEW</b></p>
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The DCF provided medical assistance to refugees after their period of eligibility had expired. Payments were made after the period of eligibility because DCF did not have adequate automatic edits in its computer system to identify and terminate these payments timely. As a result, the DCF made \$409,759 in ineligible RMA payments.

#### **Refugee Medical Assistance**

We identified 8,445 refugees who potentially received cash assistance payments after their period of eligibility had expired. From a randomly selected sample of 200 refugees that received RCA payments, we determined that 88 also received RMA. Of the 88, 64 refugees had payments totaling \$30,174 made on their behalf after their eligibility had expired. Ineligible payments ranged from 1 to 7 months after the refugees' period of eligibility had expired. Projecting these payments to the population, we estimate that the amount of RMA payments made past the period of eligibility was \$409,759.<sup>2</sup>

The ineligible payments occurred because DCF did not have edits in its computerized system to identify and automatically terminate refugees whose period of eligibility had expired. Instead, DCF relied on its district offices to terminate medical benefits when a refugee's period of eligibility expired. The district offices were to terminate ineligible refugees based on an AD HOC report DCF provided to the district offices. However, as reported by the Florida AG in his audit report No. 12565, dated June 30, 1995, relying on the district offices to terminate ineligible refugees' cash benefits was not working effectively. In this report the AG stated:

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<sup>2</sup> This estimate represents the lower limit of ineligible RMA payments at the 90 percent confidence level. The point estimate of our sample was \$1,274,090 with a precision of + or - \$864,330 at the 90 percent confidence level.

"... this control was not effectively ensuring the closure of cases on a timely basis. Our tests of 60 client files disclosed 22 instances in which cash and medical benefits were provided beyond the periods allowed by Federal regulations. In 21 of these 22 instances, benefits totaling \$11,638.01 were provided for periods ranging from one to five months beyond the allowable periods."

## RECOMMENDATIONS

We recommend that DCF:

- make a financial adjustment of \$409,759 for RMA payments made for ineligible recipients.
- implement an edit in the Florida System to identify and automatically terminate recipients from the RRP when their eligibility expires.
- determine the amount of RMA payments made to ineligible recipients subsequent to the period covered by our review and make the appropriate financial adjustment.

### **DCF Comments - Make a Financial Adjustment**

In written comments to the draft report, DCF agreed with the amount of our overpayment. However, DCF would like to delay repayment until they have had an opportunity to discuss with HHS, repayment options other than a financial adjustment.

### **OIG Response - Make a Financial Adjustment**

Within the Department of Health and Human Services, the Administration for Children and Families' ORR has the responsibility for resolving audit recommendations, including recommendations for financial adjustment. The ORR will decide if a delay is warranted in the repayment of the recommended financial adjustment.

### **DCF Comments - Implement an Edit**

The DCF outlined changes to its computerized payment system that they believe will prevent payments after a refugee's period of eligibility has expired. The DCF set February 1, 1999 as the target date for programming these enhancements in the Florida System.

**DCF Comments - Determine Overpayments Subsequent to the OIG Review Period**

In regard to our recommendation that DCF determine overpayments subsequent to our review, DCF said they would continue to rely on the State Auditor General's annual audits to determine eligibility accuracy and to make financial adjustment in accordance with State financial procedures.

**OIG Response - Determine Overpayments Subsequent to the OIG Review Period**

We believe the DCF should not totally rely on the State Auditor General's annual audit to determine eligibility. The DCF should be preemptive in determining if RMA overpayments have been made. Accordingly, we stand by our recommendation that the DCF identify and make appropriate financial adjustments for payments that were made to ineligible recipients subsequent to our review.

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In accordance with the principles of the Freedom of Information Act (Public Law 90-23), Office of Inspector General, Office of Audit Services reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to the exemptions in the Act which the Department chooses to exercise.

We request that you respond within 30 days from the date of this letter to the Department of Health and Human Services action official shown below. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

To facilitate identification, please refer to the above CIN A-04-98-00119 in any correspondence related to this report.

Sincerely yours,



Charles J. Curtis  
Regional Inspector General  
for Audit Services, Region IV

Page 7 - Mr. Edward A. Feaver

**Direct Reply To:**

Director  
Division of Audit Resolution and Grants Oversight  
Room 702 Aerospace Building  
370 L'Enfant Promenade, S.W.  
Washington, D.C. 20447



May 28, 1998

Mr. Charles J. Curtis  
Regional Inspector General  
for Audit Services, Region IV  
Office of Inspector General  
61 Forsyth Street, S.W.  
Atlanta, GA 30303-8909

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Office of Audit Svcs.

Dear Mr. Curtis

**Reference: Audit CIN:A-04-98-00119**

Thank you for your April 29 letter enclosing the draft report on your *Review of Medical Assistance Payments Under the Refugee Resettlement Program in Florida*. Our response to each recommendation follows:

*Recommendation: Make a financial adjustment of \$409,759 for Refugee Medical Assistance payments made for ineligible recipients.*

**Response:** We agree with the amount of overpayment; however, we are requesting that repayment of the financial adjustment be postponed until we can discuss with your agency other options that would best serve the goals of this program.

*Recommendation: Implement an edit in the Florida System to identify and automatically terminate recipients from the Refugee Resettlement Program when their eligibility expires.*

**Response:** Following are the programming specifications to be used for processing payments for Refugee Medical Assistance groups when their eligibility expires:

- Payments to Refugee Medical Assistance group members who have met their time limit will be automatically closed at the end of eight months.
- Refugee Medical Assistance groups that contain multiple recipients, some of whom have met their time limit and some of whom have not, will not be automatically closed. The case will be completed manually.
- Refugee Medical Assistance groups that do not contain any individuals who have met their time limit will be totally bypassed.

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and live in stable families and communities.*

Mr. Charles J. Curtis  
Page 2

The target date for programming these enhancements in the FLORIDA system is February 1, 1999.

*Recommendation: Determine the amount of Refugee Medical Assistance payments made to ineligible recipients subsequent to the period covered by our review and make the appropriate financial adjustment.*

**Response:** We fully understand the concern that resulted in this recommendation. We will, however, continue to rely on our state auditor general's annual audits to determine eligibility accuracy and to make financial adjustments in accordance with state financial procedures.

The 8-month time limit report, which is now distributed to our district staff monthly for case time-limit management, has been beneficial in improving program compliance.

We appreciate the opportunity to respond to the findings of this audit. If you have questions or require additional information, please let me know.

Sincerely,



Edward A. Feaver  
Secretary