

FINANCIAL-COMPLIANCE AUDIT
 Department of Public Health and Human
 Services

For the Two Fiscal Years Ended June 30, 2013

NOVEMBER 2013

13-14

REPORT SUMMARY

The Department of Public Health and Human Services (department) operates a portfolio of medical, economic assistance, and public health programs to serve Montanans. Many of these programs are counter-cyclical, with increases in demand for services coinciding with downturns in employment, income, and state revenues. However, Medicaid and Temporary Assistance for Needy Families (TANF) enrollments increased by 7.7 and 3.03 percent, respectively, between June 2012 and June 2013. Medicaid mental health case load increased by 20.06 percent in the same period.

Context

Department expenditures during the past fiscal year included \$1.254 billion in federal funds. Twelve federal programs comprised 91.8 percent of the federal expenditure total with Medicaid and Supplemental Nutrition Assistance Program (SNAP) comprising 80.5 percent of that total.

The department also operates mental health, developmental disabilities, and long-term care facilities. The department contracts for Medicaid claims processing services and manages a number of information systems to handle eligibility, contractor payments, and other data intensive elements of its programs.

federal law or program grant agreements, prevention of inappropriate access to computer systems, overcharge for infant formula rebate, and reallocation of alcohol tax distributions in accordance with state law.

We questioned \$4,300,075 in costs charged to federal grants as a result of our audit.

The prior audit report had 15 recommendations. The department implemented 10, partially implemented four, and did not implement one.

Results

The report includes 16 recommendations to improve internal controls, enhance compliance with federal laws and regulations, and achieve compliance with state statutes. Issues address TANF fiscal monitoring, department payments not allowable under

Recommendation Concurrence	
Concur	16
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	

For a complete copy of the report (13-14) or for further information, contact the Legislative Audit Division at 406-444-3122; e-mail to lad@mt.gov; or check the web site at <http://leg.mt.gov/audit>
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