



MEMORANDUM

To: Brenda Rogers, Director of Community Services Department

From: R. B. "Chips" Shore, Clerk of the Circuit Court and Comptroller

Date: April 11, 2012

Subject: Community Services Benefits Section Follow-up Audit #2

The Internal Audit Department has completed a second follow-up audit based on the Clerk of the Circuit Court's Community Services Benefits Section Follow-up Audit Memorandum issued on June 11, 2010, and the original Audit Report issued on April 15, 2008. The follow-up consisted of reviewing the Management Action Plans included in the previous follow-up audit memorandum to ensure corrective actions have been implemented by the Benefits Section's management. This follow-up audit scope incorporated the three-month period ending August 31, 2011.

Since the last audit memorandum was issued, limited progress has been made by the Community Services Benefits staff on the areas requiring improvement. The Benefit Section was successful in obtaining approval from the Board of County Commissioners for the Prescription Program through Resolution R-10-176, and in implementing their quality review program to ensure participants' files are accurate and complete. Management's attention, however, is still required in various aspects of the Prescription and Fee Assistance programs. During the meeting of March 29, 2012, your Management staff together with the Internal Audit Department staff, agreed with the following outstanding issues together with the appropriate management action plans:

1. Improvements are still needed over the accuracy and completeness of documentation contained in the Fee Assistance Program participants' files. Specific deficiencies found included:
 - Required documents and forms were missing or incomplete.
 - Income was not properly calculated resulting in vouchers issued when the income limit was exceeded.
 - Documentation was not obtained or maintained to support the value of non-cash assets such as vehicles and/or property.

Management Action Plan

Management is in the process of updating the checklist contained in the participants' files to ensure all required documentation is included and properly completed. In addition, the Policies and Procedures manual will be updated to include requirements for documenting all asset values. They anticipate implementation within three months.

2. Improvements are still needed over the accuracy and completeness of documentation contained in the Prescription Program participants' files. Specific deficiencies found included:
- Required documents and forms were missing or incomplete.
 - Documentation was not obtained or maintained to support the value of non-cash assets such as vehicles and/or property.
 - Vouchers were issued prior to approval of application and/or receipt of all required documentation.
 - Vouchers were issued (by Benefits) and/or filled (by the pharmacy) after the expiration date printed on the voucher.
 - Grandfathered clients did not complete their 90-day recertification within the required 45-day period.
 - Vouchers are being printed with incorrect "valid thru" dates. Currently the date shown is 90 days from **date of application** rather than 90 days from **date of determination of eligibility**.

Management Action Plan

Management is in the process of updating the checklist contained in the participants' files to ensure all required documentation is included and properly completed. In addition, the Policies and Procedures manual will be updated to include requirements for documenting all asset values, and to allow grandfathered clients to recertify one time per year instead of every 90 days. Management will also be working with the Information Services Department to correct the dates printed on the vouchers. Implementation is anticipated within three months.

3. Resolution R-10-176, authorizing the Prescription Benefits Program, requires updating to reflect current operations. Specific areas include:
- While the Resolution stipulates a maximum asset value for program eligibility, "asset" is not defined.
 - No specific "grandfather" provision is included in the Resolution allowing for clients to receive benefits for more than one 90-day period each year. Current practice allows for clients participating in the program prior to October 1, 2008, to receive continual prescription assistance provided they recertify every 90 days, and as a result, test work found that some of these clients have been in the program for 20 years. This appears to be in contradiction with the provision of the Resolution which states that the prescription program, "shall be a program of last resort...to provide assistance on an interim/emergency/ short term basis...In the instance of chronic, long-term needs, this program is intended to serve as a bridge until a more long term solution may be arranged."

Management Action Plan

Management will revisit the Resolution and anticipates having the changes incorporated and approved by December 31, 2012.

4. Management has implemented and included in their Policies and Procedures manual a quality review program that includes selecting and reviewing 10% of program files to ensure documentation is complete. Test work found the following deficiencies:

- The current checklist used does not include all required documents. Procedures are limited to checking for proof of residence, income and assets, and do not include verifying that other documents (application, social security disclosure, release of information, etc.) are complete and maintained in the file.
- Procedures do not include a recalculation of income and/or assets to ensure accuracy.

Management Action Plan

Management will update their current checklist to include all required documents and recalculation of income and assets for accuracy.

5. The Benefits Section Policy and Procedures manual has not been fully updated to reflect current guidelines, procedures, and forms. The following areas were identified where improvements are recommended:

Prescription Program:

- Per policies and procedures, prescriptions must be from a licensed physician however; Benefits accepts prescriptions from ARNP (nurse practitioner) as well.
- Prior policies and procedures included a statement that vouchers will be issued for medication up to 30 days. This language is not included in the current policies and procedures even though the practice is still being followed.
- From observation, prescriptions are often picked up from the pharmacy, signed for, and delivered to the client by Benefits staff. This practice is not included in the Policy and Procedures manual. Furthermore, evidence does not exist to confirm receipt of the prescriptions by client.

Fee Assistance Program:

- According to management, the Benefit Section uses the "black book" value when determining the value of a vehicle. Also, if the applicant has more than one vehicle, Benefits excludes the newest one from the asset total when determining eligibility. Neither of these practices is included in the policies and procedures.

Exhibits:

- Exhibits which are included in the manual are not always referenced in the appropriate procedures.
- Exhibits/forms included in the manual are not always the most current versions.

Management Action Plan

Management is currently reviewing, correcting, and updating the Benefits Section Policy and Procedures manual. Implementation is expected within six months.

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We would like to thank you and your staff for the cooperation given to the Internal Audit staff. Another follow-up audit will be scheduled after the implementation of the Management Action Plan.

RBS/MDB/LJS

**cc: Board of County Commissioners
Ed Hunzeker, County Administrator**