

**Review: 4464
Statewide Single Audit
Year Ended June 30, 2015
Illinois Department of Public Health**

**FINDINGS/RECOMMENDATIONS – 3
Repeated – 3**

Accepted – 3

15-33. The Auditors recommend IDPH establish procedures to ensure all subrecipients expending federal awards have audits performed in accordance with OMB Circular A-133. Additionally, desk reviews of OMB Circular A-133 audit reports should be formally documented using an A-133 desk review checklist which includes procedures to determine whether: (1) the audit reports meet the audit requirements of OMB Circular A-133, (2) federal funds reported in the scheduled of expenditure of federal awards reconcile to IDPH records, and (3) Type A programs are audited at least once every three years. (Repeated-2005)

Finding: The Illinois Department of Public Health (Department) did not obtain or review OMB Circular A-133 audit reports for subrecipients of the State Planning and Establishment Grants for the Affordable Care Act's Exchanges (ACA Exchanges), Social Services Block Grant (Title XX), and HIV Care programs.

During testwork over 15 subrecipients of the ACA Exchanges program (with expenditures totaling \$5,223,681) and 15 subrecipients of HIV Care program (with expenditures totaling \$1,444,158), auditors noted the Department had not obtained or reviewed A-133 audit reports for any of the subrecipients selected for testing. Auditors also noted IDPH passed through approximately \$4.7 million to subrecipients under the Title XX program. Upon further review, auditors determined that OMB Circular A-133 audit reports had not been obtained or reviewed for any ACA Exchanges, Title XX, or HIV Care subrecipients during the year ended June 30, 2015.

Subrecipient expenditures under the federal programs for the year ended June 30, 2015 were as follows:

Program	Total FY15 Subrecipient Expenditures	Total FY15 Program Expenditures	Percentage
ACA Exchanges	\$ 25,710,000	\$ 73,984,000	34.8%
Title XX	4,731,000	65,180,000	7.3%
HIV Care	8,420,000	35,753,000	23.6%

In discussing these conditions with IDPH officials, they stated, due to shortage of qualified audit staff, the Department is currently limited in its ability to fully meet these requirements.

Updated Response: Accepted. The Department is currently working on procedures. The Department has several representatives that are participating in the various GATU committees and subcommittees to ensure the corrective actions taken by the State also resolve some of the findings cited for IDPH. The Chief Accountability Officer and Chief Fiscal Officer are both members of the GATA Streamlining Subcommittee On-Site Review Monitoring Workgroup that is in the process of developing the financial on-site monitoring tool and procedures.

15-34. The Auditors recommend IDPH review its current process for investigating complaints received against Medicaid providers and consider changes necessary to ensure all complaints are investigated within the time frames required by State law. (Repeated-2007)

Finding: IDPH did not investigate complaints received relative to Medicaid providers within required time frames.

During testwork of 40 complaints filed against Medicaid providers during FY15, auditors identified 12 complaints that were not investigated within the time frames required by the State's law. The delays ranged from 13 to 193 days in excess of required time frames.

In discussing these conditions with IDPH officials, they stated, due to hiring delays and the necessary mandated training of newly hired staff, some complaints are not being investigated within the necessary time frames.

Response: Accepted. The Department concurs with the finding and recommendation. The Office of Health Care Regulation continues to actively allocate increased resources (surveyors) to ensure timely completion of all complaints. Surveyors are shared between regions to assist, when necessary, to meet required time frames. Regional supervisors are accessing complaint reports on a daily basis to stay ahead of the due date for complaint investigations. The Department has significantly reduced the backlog of complaints.

15-35. The Auditors recommend IDPH implement policies and procedures to verify providers have met the State licensing requirements directly with licensing agencies upon enrollment and on a periodic basis. (Repeated-2011)

Finding: IDPH does not have adequate procedures to verify medical providers are properly licensed in accordance with applicable State laws.

During testwork over the licensing of 44 providers of the Medicaid Cluster program for FY15, auditors noted licenses were not on file for four providers sampled. Upon further review with IDPH personnel, auditors noted these providers were end-stage renal disease facilities and IDPH stated this provider type was not required to be licensed. Payments to end-stage renal disease (ESRD) facilities under the Medicaid Cluster totaled \$15,539,592 during the year ended June 30, 2015.

In discussing these conditions with IDPH officials, they stated, due to delays in convening the ESRD advisory board and the complexity of writing rules for ESRD facilities, rules are not yet completed.

Response: Accepted. The Department concurs with the finding and recommendation. The ESRD Advisory Board met on April 14, 2015 and approved the final rules and regulations. The ESRD rules are now under the Department legal review and will be sent to the Governor's office for their legal review. When the legal review is completed, they will be submitted to the State Board of Health and then published for first public comment.