



PAT FRANK  
Clerk of the Circuit Court  
13th Judicial Circuit

**COUNTY AUDIT**

**HILLSBOROUGH COUNTY, FLORIDA**

**HEALTH CARE SERVICES - INDIGENT CARE ELIGIBILITY AUDIT**

**REPORT # 319**

**FEBRUARY 15, 2017**



February 15, 2017

The Honorable Stacy White, Chairman  
The Honorable Victor Crist  
The Honorable Ken Hagan  
The Honorable Al Higginbotham  
The Honorable Pat Kemp  
The Honorable Lesley "Les" Miller  
The Honorable Sandra L. Murman

Dear Chairman White and Commissioners:

The Audit Team performed an audit of the Health Care Services - Indigent Care Eligibility (Audit Report # 319, dated February 15, 2017). Responses to the Audit Team's recommendations were received from the Director of Health Care Services and have been included in the Report after the audit comment and recommendations.

The purpose of this Report is to furnish management independent, objective analysis, recommendations, counsel, and information concerning the activities reviewed. It is not an appraisal or rating of management.

Although the Audit Team exercised due professional care in the performance of this audit, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud and/or employee abuse is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud or abuse will be detected.

The Audit Team appreciates the cooperation and professional courtesies extended to the auditors by the Director and personnel of Health Care Services during this audit.

Sincerely,

Steve Hooper, CIA, CGAP, CCSA, CFE  
Director of County Audit

CC: Mike Merrill, County Administrator  
Carl Harness, Chief Human Services Administrator  
Gene Earley, Director, Health Care Services  
Kevin Brickey, Management & Budget Office  
Pat Frank, Clerk of the Circuit Court  
Daniel Klein, Chief of Staff, Clerk of the Circuit Court  
Rick VanArsdall, Chief Deputy, Finance

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## EXECUTIVE SUMMARY

### BACKGROUND INFORMATION

Hillsborough County provides health care to residents living at or below the poverty level through the Hillsborough County Health Care Plan (Plan). The Plan is a comprehensive managed care program for Hillsborough County residents with limited income and assets who do not qualify for other health care coverage, including Medicare and Medicaid.

The Plan is funded by a one-half cent sales tax known as the Indigent Healthcare Surtax, which was enacted by Ordinance #91-19 in 1991 by the Hillsborough County Board of County Commissioners, pursuant to Chapter 212.055 of the Florida Statutes. As of September 30, 2016, the fund balance in the Indigent Healthcare Surtax Trust Fund was \$100,006,578. This is an increase of more than \$8 million from the prior year's ending balance of \$92,648,310.

Healthcare assistance is available for clients who qualify. Personnel from Health Care Services determine who qualifies based on established criteria.

### OBJECTIVE

The objective of the audit was to determine whether or not controls are in place to reasonably ensure the recipients' eligibility to the Hillsborough County Health Care Plan.

### SCOPE

The audit was conducted in conformance with the *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. These Standards require that County Audit plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the audit comments and conclusions based on the audit objectives. County Audit believes that the evidence obtained provides this reasonable basis.

The scope of the audit consisted of those individuals who were enrolled in the Plan as of July 31, 2016. The Audit Team performed the following audit procedures:

- Identified and flow-charted the control environment relative to the application process for enrollment into the indigent health care plan.
- Determined the eligibility criteria for testing.
- Performed sample testing to determine if existing recipients of health care services were appropriately verified for eligibility.

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**OVERALL EVALUATION**

The managers and staff of Health Care Services were responsive to the Audit Team's inquiries and provided the information requested in a timely and courteous manner. The Audit Team encountered knowledgeable and dedicated employees during the course of the audit.

<b>AUDIT COMMENT</b>	<b>CONCLUSION OF OBJECTIVE</b>	<b>PAGE</b>
1	There is an opportunity to improve controls to ensure clients enrolled in the Hillsborough County Health Care Plan are eligible.	3

**OPINION**

The control environment relative to the eligibility of clients enrolled in the Hillsborough County Health Care Plan is at the formal (defined) maturity level. The controls over the application and re-enrollment processes provide a reasonable level of assurance that clients receiving benefits meet the eligibility requirements. Health Care Services has written procedures as to how applications for enrollment are to be processed. Addressing the improvement opportunities identified in this Report will further enhance the overall control structure of the eligibility determination process.

The exit conference was held on February 6, 2017.

Other minor concerns not included in this Report were communicated to management and/or corrected during fieldwork.

**AUDITED BY**

Steve Hooper, CIA, CGAP, CCSA, CFE, Director of County Audit

Margaret Brown, CIA, Audit Manager

Ben Everett, CPA, CIA, CFE, Senior Internal Auditor

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## AUDIT COMMENT & RECOMMENDATION

### AUDIT COMMENT

**There is an opportunity to improve controls to ensure clients enrolled in the Hillsborough County Health Care Plan are eligible.**

The objective was to determine whether or not there are adequate controls to ensure clients enrolled in the Hillsborough County Health Care Plan were eligible to receive benefits.

#### Background

Hillsborough County residents applying for enrollment into the Plan submit an application either online, by mail, fax, or in-person at any of several facility locations throughout the County. Applicants must provide all required supporting documentation such as proof of income, bank statements, personal identification, proof of legal U. S. and County residency, and benefit notification letters from other agencies. All applicants are required to provide a photo ID and their Social Security Card.

Data about the applicant and any other household members are entered and saved in the Health Care Services' Client Assistance System (CLASS). Applications and supporting documents are reviewed for eligibility by Health Care Services' case managers. Based on the supporting documentation submitted by the applicant, case managers determine whether or not the applicant is eligible to be enrolled in the Plan. Applicants are checked for enrollment in Medicaid. If the applicant is 65 years or older, they are also checked for enrollment in Medicare. If the applicant is enrolled in either Medicaid or Medicare, then he/she is ineligible for Plan services and the application is denied.

Existing clients have a 12-month Plan re-enrollment review performed by case managers to ensure the client is still eligible to remain enrolled. Each client's eligibility is reviewed and verified. If eligibility is not verified, then the client's enrollment is terminated. Department supervisors perform weekly case reviews on a sample basis to ensure that case managers are processing applications appropriately.

The Department uses a third-party vendor to check for Medicaid/Medicare enrollment. The results of these searches are not retained by the Department. If the applicant is found to be enrolled in Medicaid/Medicare at the time of the search, Plan enrollment is either denied for new applicants or terminated for current clients

#### Test Procedure

The Audit Team obtained a report listing the total population of all clients enrolled in the Plan as of July 31, 2016. There were 12,571 clients enrolled. From these clients, a random sample of 50 was selected for audit testing. The Audit Team reviewed the case file's supporting

documentation for each client selected to determine whether or not the client met the eligibility requirements for enrollment.

This review included:

- Comparing the client's documented income to the federal poverty guideline dollar amount limits set by the Department of Health and Human Services.
- Searching Hillsborough County Clerk of the Circuit Court records for felony convictions.
- Assessing the sufficiency of documentation for asset identification.
- Assessing the sufficiency of documentation for proof of legal residency (U. S. and County).

The Audit Team also reviewed documentation supporting the weekly case reviews and documentation supporting the Medicaid/Medicare searches.

### Results

Of the 50 Plan clients selected for testing, 49 clients (98%) satisfied the eligibility requirements for enrollment at the time of testing:

- One client's case file did not have sufficient income documentation to support the client's eligibility for re-enrollment in the Plan at the time of re-enrollment. The client should have been re-enrolled for a 30-day period until proper documentation was obtained. However, documentation was not obtained until after the Audit Team completed testing and questioned the eligibility. Documentation obtained by staff after the re-enrollment date confirms the client was eligible at the time of re-enrollment.
- Sixteen clients of the 50 clients tested were born outside of the U. S. (32%). All 16 had appropriate supporting documentation showing they were legal U. S. residents.

The Audit Team was unable to test the 50 selected clients for the initial Medicaid/Medicare search or for the annual re-enrollment since the search results are not retained by the Department. During audit testing, the Audit Team was able to obtain and review the results of a search that was performed in October, 2016. The search produced results identifying clients as having either Medicaid or Medicare coverage during the year of his or her Plan enrollment. Health Care Services provided the Audit Team with claim payment reversal reports showing the Medicaid and Medicare recovery process was performed by the Department.

**RECOMMENDATION**

To ensure that case files contain consistent documentation supporting a client's eligibility for enrollment and/or re-enrollment in the Plan, consideration should be given to clearly listing income eligibility calculations and obtaining current financial information on which the eligibility decision is based.

Income eligibility should be clearly reconciled to income documents, such as pay check stubs, and bank statements. Descriptive notes regarding circumstances or situations that affect the rationale of how case managers determine income eligibility and approve enrollment/re-enrollment should also be included in the documentation as well.

**CLIENT RESPONSE**

*Concur*

**CORRECTIVE ACTION PLAN**

*Prior to the audit the Department revised its documentation procedures complying with the recommendations. To ensure that case files contain consistent documentation supporting a client's eligibility for enrollment and/or re-enrollment, the Department developed a budget worksheet, as part of its procedures, clearly listing the income used in eligibility calculations. This also includes the linking of income documents, such as pay check stubs, and bank statements during that review period. Descriptive notes regarding circumstances or situations that affect the rationale of how case managers determined income eligibility are included in the eligibility system notes (CSPL). This allows for supervisors to understand the case managers' determination for income eligibility and the basis. This action is considered closed.*

*It is important to note that all clients reviewed in the audit were eligible for enrollment and/or re-enrollment and documentation procedures in effect now will ensure the Department avoids documentation issues in the future.*

**TARGET COMPLETION DATE:**

*Completed as of August 26, 2016.*