



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

PRELIMINARY SURVEY SUMMARY

MEDICAID CUSTOMER SERVICE DIVISION

DEPARTMENT OF COMMUNITY HEALTH

December 2014



Doug A. Ringler, C.P.A., C.I.A.
AUDITOR GENERAL

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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Doug A. Ringler, C.P.A., C.I.A.
Auditor General

December 2, 2014

Mr. Nick Lyon, Director
Department of Community Health
Capitol View Building
Lansing, Michigan

Dear Mr. Lyon:

This is our preliminary survey summary of the Medicaid Customer Service Division, Department of Community Health. Because we did not identify significant concerns that would warrant the additional use of our audit resources, we have decided to terminate this performance audit.

This summary contains our preliminary survey results, scope, and purpose and the Medicaid Customer Service Division background.

We appreciate the courtesy and cooperation extended to us during our preliminary survey. If you have any questions, please call me or Laura J. Hirst, C.P.A., Deputy Auditor General.

Sincerely,

Doug Ringler
Auditor General

PRELIMINARY SURVEY SUMMARY MEDICAID CUSTOMER SERVICE DIVISION DEPARTMENT OF COMMUNITY HEALTH

Preliminary Survey Results

We conducted a preliminary survey of the Medicaid Customer Service Division, Department of Community Health (DCH), and did not identify significant concerns that would warrant the additional use of our audit resources to complete a performance audit. Therefore, we have terminated the planned performance audit.

Medicaid Customer Service Division Background

Responsibilities: The Medicaid Customer Service Division's primary responsibilities include providing information, assistance, and operational support for healthcare programs administered by DCH. This includes the oversight of the enrollment services contractor that is responsible for a broad range of administrative tasks for various DCH administered healthcare programs, such as maintaining a beneficiary helpline, providing an automated enrollment function, and providing health plan enrollment information to beneficiaries.

Funding: In fiscal year 2013-14, the Medicaid Customer Service Division's annual budget was supported by federal funds (56%) and State General Fund/general purpose funds (44%).

Expenditures: The Medicaid Customer Service Division expended \$12.3 million and paid the enrollment services contractor \$35.5 million during the period October 1, 2011 through June 30, 2014.

Employees: As of June 30, 2014, the Medicaid Customer Service Division had 46 full-time employees.

Preliminary Survey Scope

Our preliminary survey generally covered the period October 1, 2011 through June 30, 2014. We conducted our preliminary survey of the following significant Medicaid Customer Service Division activities:

- Monitoring of the enrollment services contractor.
- Investigation and remediation of concerns with Medicaid and health plan coverage.
- Processing of various Medicaid eligibility changes.

Preliminary Survey Purpose

Within a performance audit, we design the preliminary survey to obtain an understanding of the core activities within an entity or a program and to identify potential program improvements and/or deficiencies that could impair management's ability to conduct its operations in an effective and efficient manner. If the results of a preliminary survey do not identify significant concerns, our practice is to terminate the planned performance audit.

Preliminary survey procedures are limited in nature and should not be considered a completed performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, our preliminary survey procedures would not necessarily disclose the presence or absence of any material conditions and/or reportable conditions. Given that the procedures we employed did not constitute a performance audit, we will not issue a performance audit report and we do not express conclusions regarding the Medicaid Customer Service Division's effectiveness and efficiency.

