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Office of the Auditor General

Report Summary

Performance Audit

Children's Special Health Care Services (CSHCS)

Michigan Department of Health and Human Services (MDHHS)

Report Number:
391-0724-15

Released:
March 2016

The CSHCS Division oversees services provided to individuals with special health care needs. The Division expended \$190.0 million in fiscal year 2014, including \$177.7 million for medical care and treatment. As of June 30, 2015, the Division had 35,536 CSHCS clients and 31 full-time staff.

Audit Objective			Conclusion
Objective #1: To assess the sufficiency of MDHHS's oversight of services provided to individuals with special health care needs.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable	Not applicable	Not applicable

Audit Objective			Conclusion
Objective #2: To assess the effectiveness of MDHHS's efforts to ensure compliance with CSHCS client eligibility requirements.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable	Not applicable	Not applicable

Audit Objective			Conclusion
Objective #3: To assess the appropriateness of MDHHS's establishment and enforcement of the CSHCS fee structure.			Appropriate with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
MDHHS's process to collect delinquent accounts needs improvement. The State may be at risk of losing up to \$1.4 million in delinquent account balances (<u>Finding #1</u>).		X	Agrees
The Division did not properly verify and correct client-reported payment agreement information; therefore, it could not ensure that it appropriately charged CSHCS clients (<u>Finding #2</u>).		X	Agrees

A copy of the full report can be
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