



STATE OF MICHIGAN  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
LANSING

GRETCHEN WHITMER  
GOVERNOR

ELIZABETH HERTEL  
DIRECTOR

December 14, 2021

Rick Lowe, Chief Internal Auditor  
Office of Internal Audit Services  
George W. Romney Building  
111 South Capitol Avenue, 8<sup>th</sup> Floor  
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of the Medicaid Home Help Program.

Questions regarding the summary table or corrective action plans should be directed to me at 517-241-4237 or MyersP3@michigan.gov.

Sincerely,

***Pam Myers***

Pam Myers, Director  
Bureau of Audit

PM:wb

Enclosure

c: Office of the Auditor General  
House Fiscal Agency  
Senate Fiscal Agency  
Executive Office  
DHHS, David Knezek  
DHHS, Farah Hanley

House Appropriations Committee  
House Standing Committee  
Senate Appropriations Committee  
Senate Standing Committee  
DHHS, Emily Schwarzkopf  
DHHS, Katherine Massey

PERFORMANCE AUDIT OF THE MEDICAID  
HOME HELP PROGRAM

DEPARTMENT OF HEALTH AND HUMAN  
SERVICES

AUDIT RESPONSE

Approved: Farah A. Hanley  
Farah A. Hanley, Senior Deputy Director  
Department of Health and Human Services

Date: 11/18/21



## **AUDIT REPORT SUMMARY**

DEPARTMENT: Medical Services Administration

AUDIT PERIOD: October 1, 2017 through September 30, 2019

REPORT DATED: December 11, 2020

### **DISPOSITION OF AUDIT RECOMMENDATIONS**

CITATIONS COMPLIED WITH	CITATIONS TO BE COMPLIED WITH	CITATIONS DHHS DID NOT AGREE WITH
	Finding 1 (01/01/2023)	
	Finding 2 (03/31/2022)	
	Finding 3 (09/30/2022)	
Finding 4 (11/17/2021)		

**Audit Response**  
**Performance Audit**  
**Medicaid Home Help Program**  
**Department of Health and Human Services**  
**October 1, 2017 through September 30, 2019**

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Recommendation 1: Monitoring of provider invoices needs improvement.

We recommend that MDHHS improve its monitoring to help ensure that invoices are supported, are properly approved, and accurately reflect the HHP services provided.

Response

- a. The current payment system in conjunction with the CHAMPS provider invoice process does not have an edit in place to review service levels prior to payment for those services. MDHHS is in the process of implementing or has implemented the following:

-MDHHS completed a strategic planning process in August 2020 to review the Home Help payment process and developed recommendations for improvements.

-MDHHS will identify service review requirements to automate service review prior to payment to help ensure that providers accurately complete the Home Help services log. In addition, MDHHS has started planning for the development of the federally required Electronic Visit Verification (EVV) system which will aide development of a service review system. Funding for the EVV system is included in the FY22 budget proposal, which is awaiting finalization. The anticipated roll-out of EVV is January 2023.

-In October 2019, MDHHS released new policy requiring all agencies to use a standardized agency invoice to provide consistency in documentation and to capture sufficient detail to support agency payments. All invoices are reviewed by an ASW before a payment authorization is completed.

-In September 2020, the Home Help Policy section released a mandatory training on proration of IADLs in shared living arrangements.

-In October 2020, additional training was provided to adult services supervisors on case monitoring and proper documentation for IADLs in shared living arrangements. In addition, reviews have been completed on all cases with shared living where IADLs were not prorated to determine accuracy and proper documentation.

- b. MDHHS's policy was unclear regarding when supervisor approval was needed for single party payments. In June 2020, Home Help policy was updated to clarify that supervisor approval for single-party checks paid to agency providers is not required.

Recommendation 2: Improved controls needed to prevent or recover improper payments.

We recommend that MDHHS enhance its controls to prevent or recover payments for HHP services relating to instances for which the client and/or provider no longer meet eligibility requirements.

### Response

MDHHS will review its post payment review methodology and update where necessary. MDHHS is in the process of implementing or has implemented the following:

-MDHHS has reviewed the cases identified and completed recoupment efforts.

-MDHHS is researching to see what source of information can be used to identify providers who are incarcerated. Once this is identified, MDHHS will review to see if this can be automated in CHAMPS or if a manual process needs to be developed.

-A new report was developed in July 2020 to identify clients who have been incarcerated. The report is sent monthly to adult services staff to stop future payments and to initiate recovery if payments have been made.

-Reports for Home Help clients who have been hospitalized, are in a nursing home, or who are deceased are sent to adult services staff monthly to stop future payments and recover those that have already been processed.

-The Home Help recoupment policy was updated in January 2021 to transfer all recoupments from these reports back to the adult services staff to ensure timely recoupment is completed.

### Recommendation 3:      Review of undeliverable W-2 forms needs improvement.

We again recommend that MDHHS follow up on W-2 forms that are returned as undeliverable to help identify potential fraud and abuse.

### Response

MDHHS is in the process of implementing or has implemented the following:

-Home Help policy was updated in January 2021 to clarify the process for returned W-2s.

-The Home Help Policy Section worked with adult services staff to follow-up on 1,257 returned W-2s. An analysis of this follow-up was completed to determine the effectiveness of these efforts.

-Home Help providers will be required to verify provider contact information in CHAMPS every 5 years as part of a revalidation process.

### Recommendation 4:      Improvements needed in responding to unemployment inquiries.

We recommend that MDHHS provide UIA with sufficient information to help limit its unemployment insurance liability.

### Response

MDHHS has implemented the following:

-The Bureau of Finance and Accounting staff have been granted access to MiAIMS and received training to view separation of employment information. An Adult Services Notification was issued on 12/15/20 instructing adult services staff what to document in MIAIMS when a provider ends service for a client. ASW contact information has been provided to the Bureau of Finance and Accounting in the event additional information is needed.

-MDHHS has developed a report from the data warehouse that enables the accounting staff to obtain provider information as needed.