

THE AUDITOR'S REPORT



News & Updates

from the Office of the State Auditor Suzanne M. Bump

Making Government Work Better



Suzanne M. Bump
State Auditor



Dear Friend,

The 189th Legislative Session has concluded, the new fiscal year lies in front of us, and our staff is already looking forward to the work ahead.

Each new legislative session and each new fiscal year is an opportunity to further our efforts to make government work better in Massachusetts.

I talk often about how our office is using data analytics to advance government accountability and auditing. These tools have become an integral part of our work, and have already provided significant benefit to the residents of the Bay State.

In the coming year, we'll build on these successes and the power of data analytics. We'll expand access to the tools to more members of our team, enabling more audit teams to utilize this risk-based approach to auditing. We'll develop new tools and capabilities that will allow us to better track the impact of our audit recommendations, and predict future problems in state agencies. And we'll expand our partnerships with state agencies to provide our team with access to even more real-time and ongoing data.

These advances are part of our strategy to build public trust in government. These tools will allow us to proactively address problems, rather than reactively analyze crises. They will continue to change how our office operates, shifting away from relying on sampling of small datasets to exploring operations of entire entities and root causes of problems. All with the goal of making government work better.

Thank you,

Suzanne M. Bump
Auditor of the Commonwealth

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OSA Focus: Legislative Session Reaches the Finish Line

The 189th Legislative Session was a sprint to the finish with members of the Legislature working until the very last hour of the very last day to move bills out of committee, and their respective chambers, and onto the desk of Governor Baker.

Beyond producing audits and reports that get to the root causes of government inefficiency and helping leaders make thoughtful policy decisions, Auditor Bump uses the same critical eye to advocate for legislative changes that are important to Massachusetts residents. Some of these changes include:

- The Pay Equity Bill, which ensures that women receive equal pay for equal work. [Auditor Bump supported](#) this bill which was a priority of Senator Patricia Jehlen, Representative Patricia Haddad, and Treasurer Deb Goldberg and many other elected officials and organizations. On Aug. 1, [Auditor Bump was on hand](#) when Governor Baker signed the bill into law at the State House;
- The Public Accommodations Bill, which banned discrimination against transgendered citizens of the Commonwealth in public accommodations. [Auditor Bump advocated](#) in support of this bill, which Governor Baker signed [into law on June 2](#); and
- An amendment to the Municipal Modernization Bill, sponsored by Senator Katy O'Connor Ives and co-sponsored by Senator Bruce Tarr in the Senate, and put forward by Representative Ted Speliotis in the House, which would have required that municipal impact statements be sent to the OSA's Division of Local Mandates when agencies change, remove, or implement new regulations. This provision was unfortunately not included in the final version of the bill, but will continue to be a priority for the OSA.

In addition, two bills written by Auditor Bump are still awaiting action before the House Committee on Ways and Means. House Bill 4, *An Act Reconciling Inconsistent Statutory Audit Schedules*, streamlines the audit schedule, creating a three year standard timeframe while also allowing for discretionary audits of agencies that are at a lower risk of waste, fraud, and abuse. Also, House Bill 7, *An Act Improving the Internal Controls Within State Agencies*, was filed in conjunction with the Office of the State Comptroller to promote greater government efficiency and strengthen protection of state resources.



Auditor Bump, second from left, stands with lawmakers and advocates at the Pay Equity bill signing August 1 at the State House.

OSA's Work Makes Headlines

[Audit Finds \\$15 Million Wasted On Double Services For Disabled Adults](#)

WGBH dove in to an audit of MassHealth's adult foster care program, which found that a loophole created by the state's Medicaid program resulted in \$15 million in inappropriate payments.

[Cape college reprimanded in state audit](#)

The Cape Cod Times reported that after an audit found weaknesses at Cape Cod Community College, the school is developing a plan to protect and reduce risk associated with fraud. The college also purchased inventory control hardware and software, and hired a full-time inventory control coordinator.

[Auditor faults Framingham State University for weak inventory controls](#)

As a result of an our audit, Framingham State University formed a taskforce to address findings of deficient inventory controls which puts the school at risk of losing property or exposing sensitive data, the Metro West Daily News reports.

[Read more coverage of OSA's work](#)



ICYMI: On July 19, Auditor Bump accepted the Association of Government Accountants' (AGA) Einhorn-Gary award from AGA President John Homan (left) on behalf of the OSA at the organization's Professional Development Training in Anaheim, CA. This is the first time an organization, rather than a single individual, has been recognized for the award.

Accountability in Action: Promoting Systemic Improvements in MassHealth

You could travel anywhere and ask someone what they want from their government, and more often than not, the answer will be accountability. People naturally want to know how, where and why their tax dollars are spent.

MassHealth comprises more than one-third of the state budget each year and provides access to healthcare services to approximately 1.9 million individuals of all ages. However, OSA's audits have identified that inconsistent policies and procedures are peppered throughout the agency, and create an environment where accountability takes a back seat.

The OSA has [an audit unit dedicated](#) to reviewing MassHealth. At any point in time, five audits of the agency are in progress simultaneously. Each of the audits released by OSA includes recommendations for improvements and potential savings.

Since 2011, the OSA has identified more than \$1 billion in waste, fraud, and abuse in state government programs. More than half of that amount has stemmed from MassHealth. Auditors have identified: physicians who [practice up-coding](#)—or billed for more costly services than were provided; [vague policies that resulted in duplicative payments](#); excessive [dental treatments](#); and even [unnecessary drug screenings](#).

As a result of these audits, MassHealth has: cracked down on upcoding, sought repayment from physicians, and made edits to its claims processing system to fix some of the specific problems identified in our audits. While these steps are helpful, the piecemeal approach to fixing one-off problems does not get to the root of systemic issues at the agency.

For example, a recent audit of MassHealth Adult Foster Care and Group Adult Foster Care programs showed just how costly it can be when accountability is not a priority. The audit found a loophole of MassHealth's own creation resulted in \$15 million in inappropriate payments. Through this loophole, each time MassHealth pays for Group Adult Foster Care and long-term services for a single member, the program is paying for 26 hours of care each day for that member. MassHealth created the loophole three years ago, and has yet to develop regulations that would eliminate it.

At a time when the state faces an uncertain fiscal future, and policymakers and other agencies are finding ways to do more with less, this audit shows another instance of MassHealth failing to put proper controls in place to ensure they're spending funds with integrity and accountability. MassHealth owes it to the residents of the Commonwealth to address these systemic problems. And the way to do this is by fully investing in real accountability. Real accountability is not just admitting there is a problem and apologizing after it has been identified. Instead, it is an active and on-going process that requires honesty, planning, and using taxpayer dollars wisely to minimize government failures and misspending. It requires proactive identification and resolution of areas at risk for waste or fraud. MassHealth is making progress, but can do much more.



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