

# 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



[Office of the State Auditor](#)  
Massachusetts State House  
Room 230  
617-727-2075  
[@MassAuditor](#)

Dear Friend,

When I took office, I made it a goal to modernize our work by combining the power of data analytics with traditional government auditing in order to increase accountability and transparency in state government.

Last month, the National State Auditors Association (NSAA) recognized the value of that work by honoring the team within my office that conducted an audit of MassHealth's Managed Care Organization (MCO) program with a [2016 Excellence in Accountability Award](#).

Released in June of last year, the audit that was recognized is perhaps one of the best, and most illustrative, examples of that goal. Our audit and IT teams worked together to analyze 22.5 million fee-for-service claims submitted to MassHealth over a five-year period, and identified \$521 million in improper payments and potential savings.

This audit's findings, and its future cost savings, are substantial, but what is equally important is how we are using this innovation to build public trust and accountability in government—and how we can continue do so into the future. The teamwork of our IT and audit staff has become a standard part of the audit process.

While the findings of this audit were significant, all of our audits bring greater accountability and transparency to state government. Each of them—large and small—plays a critical role in making government work better.

Thank you,

Suzanne M. Bump  
*Auditor of the Commonwealth*

# OSA Focus: Leading the Data Analytics Charge

## Recent Audits

- [Massachusetts Land Court](#)
- [Massachusetts Bay Community College](#)
- [Department of Fire Services](#)
- [Hampshire Family Dental & Orchard Family Dental](#)

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## Recent Press Releases

- [Auditor Bump calls Transgender Bill an Important Step Against Discrimination](#)
- [Auditor Calls on Dental Practices to Repay Over \\$290K to MassHealth](#)
- [Bump's Office Receives National Award for Efforts to Combat Waste at MassHealth](#)

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Throughout government, and for the OSA in particular, data is becoming a larger and more impactful part of our work. Data tells the story of state government—how much things cost, what services are delivered and when, whether programs meet their goals, and more.

Those are relatively simple questions, but through our advanced data analytics capabilities, they're just the tip of the iceberg. With these tools, the possibilities are endless.

OSA staff recently showcased our data analytics capabilities to attendees at State Comptroller Thomas Shack's first Leadership Conference. The event drew representatives from over 152 state agencies and programs. During the presentation, members of our staff explained the many ways data analytics has been used in our audit work—from identifying duplicative payments by MassHealth to OSA's contributions to the Interagency Group on Illegal Opioid Prescribing. Our advanced data analytics capacity is unique, not just for our state government, but in the nation.

One of our tools, the Risk-Based Rules Engine, or RBRE, has had a tremendous impact on our audits. The RBRE provides a collaborative workspace that leverages the traditional skills of our auditors and investigators with the power of data analytics to dramatically increase our ability to gather, deploy, and preserve information. One of the features that makes it so unique is the ability to effectively combine multiple data sets to identify risky transactions, calculate the weight of each transaction's risk, assign a share of that risk weight to entities associated with the transaction, and aggregate the results to identify the entities with the most risk. The tool also allows users to revisit analyses. Rather than the traditional method of auditing in which an analysis is done at one moment in time, the tool allows users to re-use the analyses to understand the impacts of our findings.

The presentation to the Comptroller's Conference followed a similar event last fall, at which Auditor Bump and staff were invited to lead a presentation about our data analytics project to members of the Albuquerque chapter of the Association of Government Accountants (AGA). The office will also be presenting to the National State Auditor's Association about our work this June.

This unique capability is enabling us to progress from seeing simply what happened to identifying root causes and more holistic solutions so that we can foster collaboration between agencies and programs to make government work better.



*OSA's Assistant Director of Data Analytics, Brian Scheetz, was one of three staff members invited to lead a presentation on the OSA's data analytics capabilities at the Comptroller's Leadership Conference last month.*

# OSA's Work Makes Headlines

## [State Audit finds Northampton dentist improperly billed MassHealth](#)

The OSA used advanced data analytics to identify a dentist with practices in Northampton and Springfield who was inappropriately billing MassHealth. The audit, which was covered by the Daily Hampshire Gazette, called on Dr. Samer Takhoun, owner of both practices, to repay MassHealth for the claims.



*Auditor Bump recently met with members of the Tri-Town Chamber of Commerce to discuss the work of the office, particularly as it relates to legislation impacting local governments.*

## [Protecting Municipalities from Fiscal Impacts](#)

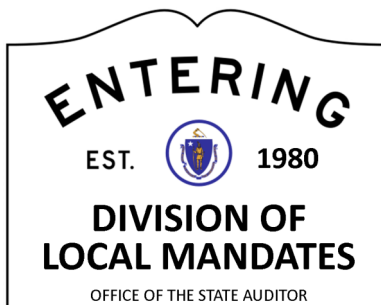
The Berkshire Eagle calls upon the Legislature to act favorably on two OSA proposals that will allow the Division of Local Mandates to better work with the Legislature and state agencies to protect municipalities from fiscal impacts.

## [State Audit Faults MassBay Community College for Failure to Track Property](#)

The Boston Globe covered our audit of Massachusetts Bay Community College which found that the higher education institution needs to strengthen its internal controls because the college did not have complete records for all of its capital assets, such as office furniture and computers, and did not file required reports on unaccounted-for losses.

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

## State Senate approves DLM amendment



The Massachusetts Senate voted May 26 to accept an amendment to the budget requiring state agencies to provide DLM with copies of municipal impact reports that state agencies develop when drafting or amending regulations.

Senator Kathleen O'Connor-Ives of Newburyport, who sponsored the amendment, and Senator Bruce Tarr of Gloucester both spoke on the floor in support of the amendment. It was passed unanimously on a roll call vote.

This is an important step in ensuring DLM's ability to help hold municipalities harmless from fiscal impact by the state. This language was not included in the House budget, and will therefore be subject to conference committee negotiations, which will begin in the coming weeks.

# Accountability in Action: An Award-Winning Value

Since taking office in 2011, Auditor Bump has focused on making government work better and with greater accountability. To achieve this, she has championed innovative uses of technology to enhance the abilities of her office. These technologies have not only led to more impactful audit findings, but have been integrated throughout the agency, including efforts to combat public benefits fraud.

The national recognition that our audit of MassHealth's Managed Care Organization (MCO) program has received demonstrates the incredible efforts of our staff to bring that vision to life. We're combining technology and human expertise to help make government work better for all residents of the Commonwealth.



*Auditor Bump presented members of the MCO Audit Team, whose work on MassHealth's Managed Care Organizations (MCOs) received the NSAA Excellence in Accountability Award, with the OSA's 2016 Impactful Audit Award. The audit findings were the largest single monetary finding by the office in 27 years.*

During this audit, the team (*pictured above*) analyzed 22.5 million fee-for-service claims submitted to MassHealth over a five-year period. The analysis identified \$521 million in improper payments and potential savings. Following the audit, MassHealth began recouping the \$233 million in questionable payments, and the state was able to reduce its annual funding by \$11 million. We estimate MassHealth's annual cost savings to be approximately \$50 million in perpetuity. Without data analytics, this type of in-depth analysis and the resulting recommendations would have taken much longer, delaying MassHealth's ability to address the issue and recoup funding.

Beyond the accolades, [this award](#) is encouragement to continue our efforts to push onward—and develop new and even more innovative ways to help with the challenges facing the Commonwealth.



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Massachusetts State House, Room 230, Boston, MA 02133

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