

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



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Dear Friend,

Arguably the most important task faced by the legislature is the development of a budget to fund the operations of state government. A budget is more than a fiscal plan; it is a statement of our values as a Commonwealth. It is a demonstration of how we want our tax dollars used.

This month, the House of Representatives fulfilled its role in the annual process of enacting the budget. The process is a long one that takes several months of effort, negotiation and thoughtful decision-making.

I've long said that if we want to bolster public trust in government, we must invest in government accountability. My office put before the House of Representatives a responsible budget proposal that ensures our ability to deliver government accountability for the people of Massachusetts, and by-in-large, the House has recognized the value of our work and recommended a level of funding for this office that reflects that.

As you may recall from our [previous newsletter](#), the Division of Local Mandates made two recommendations that would strengthen their abilities to protect cities and towns against unfunded mandates. I would like to extend my deep appreciation to State Rep. Ted Speliotis for seeing the value these recommendations would bring to communities across the Commonwealth, and bringing them forward in the House budget deliberations.

The House has now passed its budget recommendations, and while our amendments were ultimately not included, the Senate will be taking up the measure in the coming days. Here, we will work with Sen. Kathleen O'Connor Ives to [bring forward budget amendments](#) that will enhance our office's ability to evaluate costs imposed on cities and towns of the Commonwealth by legislation and regulation and allow us to provide our expertise on ways to mitigate these impacts. I'm hopeful the legislature will move forward on these common sense proposals.

The budget truly is the one piece of legislation that impacts all aspects of government. We'll be watching closely in the coming weeks, and I hope you will too.

Thank you,

Suzanne M. Bump
Auditor of the Commonwealth

Recent Audits

- [Mass. State Retirement Board](#)
- [Bristol Division of the Juvenile Court](#)
- [Mass. Developmental Disabilities Council](#)
- [Suffolk County DA's Office](#)
- [MassHealth Excluded Providers](#)
- [Hudson Home Health Care](#)

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Recent Press Releases

- [Audit Finds Retirement Board Made Payments to Deceased Individuals](#)
- [Auditor Calls on Malden Physician to repay \\$55K](#)
- [MassHealth Made \\$476K in Payments to Excluded Providers](#)
- [Audit Finds Franklin Vendor Overpaid by MassHealth](#)
- [Auditor Commends Suffolk DA's Office](#)

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OSA Focus: MassHealth Matters

The work of the Office of the State Auditor reviews aspects of every state department once every three years. One exception to this is the MassHealth program. We have a dedicated unit of auditors that specializes in that program—after all, MassHealth makes up more than 38 percent of the state's budget. At any given time, there are five or six audits of the program underway.



Since 2011, the OSA has identified over \$1 billion in waste, fraud and abuse, over \$624 million of that stemming from MassHealth. Through our audit work, we have identified areas where MassHealth has made progress as well as ways the program can strengthen oversight of its claims system to prevent instances of improper or overbilling. The OSA's ability to utilize its data analytics capabilities has also helped this unit, in particular, to quickly evaluate huge amounts of data to identify trends and patterns.

In the fiscal year 2016 budget, the legislature provided the OSA with an additional \$300,000 in funding for the Medicaid Audit Unit. As a result, new personnel were hired, and the unit was able to tackle more audit topics.

Recently, our audits have identified:

- MassHealth paid a total of **\$476,787 for medical services** or prescriptions from doctors who were disallowed by federal law from participating in the program due to patient abuse, poor medical practice, or healthcare fraud;
- Three medical providers - one dentist and **two doctors**—who were paid \$270,895 as a result of improperly billing MassHealth for services that are more costly than the services that were actually provided. This practice is called upcoding; and
- A vendor that submitted and was paid for **more than \$16 million** in wheelchair van rides for MassHealth clients that did not need them. In addition, the vendor also submitted claims for transporting members from their home to a medical appointment although records show the member was hospitalized, and transporting members to a medical appointment when records show the member never went to the appointment.

This is just a snapshot of the work the unit does. Our focus on MassHealth helps it work better for Massachusetts residents so they can trust that their tax dollars are spent effectively on programs and services that operate with integrity.

Wonky Word Wednesday

UPCODING:

(v) a fraudulent billing practice in which a physician or healthcare provider bills at a higher rate than appropriate for the services actually rendered

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Can you use it in a sentence, please?

Upcoding may not wind its way into everyday conversation, unless of course, you're in the healthcare industry or happen to be a staffer in the OSA Medicaid Audit Team. To help you better understand the findings in our MassHealth audits, upcoding was a recent entry in our recurring social media feature—Wonky Word Wednesday.

The content of our audits can sometimes be tough to understand, so we launched Wonky Word Wednesdays to shine a light on some of these phrases that regularly occur in our work products in an effort to make it easier for you to read our audit work and understand their impact.

You can find more of our Wonky Word Wednesday additions on [Twitter](#) and [Facebook](#) using the hashtag [#WonkyWordWednesday](#).

OSA's work makes headlines

[Suzanne Bump on point with MassHealth audit: Editorial](#)

This editorial from the Springfield Republican highlights how our MassHealth audit, which found that medical providers were paid by the state's Medicaid program despite being prohibited from participating in it by federal law, helps rebuild public trust in government.

[Editorial: Relief needed from 'unfunded mandate'](#)

Cities and towns are grappling with increasing state mandates and requirements, but shrinking financial resources from the Commonwealth to ensure these mandates are achieved. The Daily Hampshire Gazette expressed support for DLM's recent review of state laws that are imposing financial strain on municipal budgets.

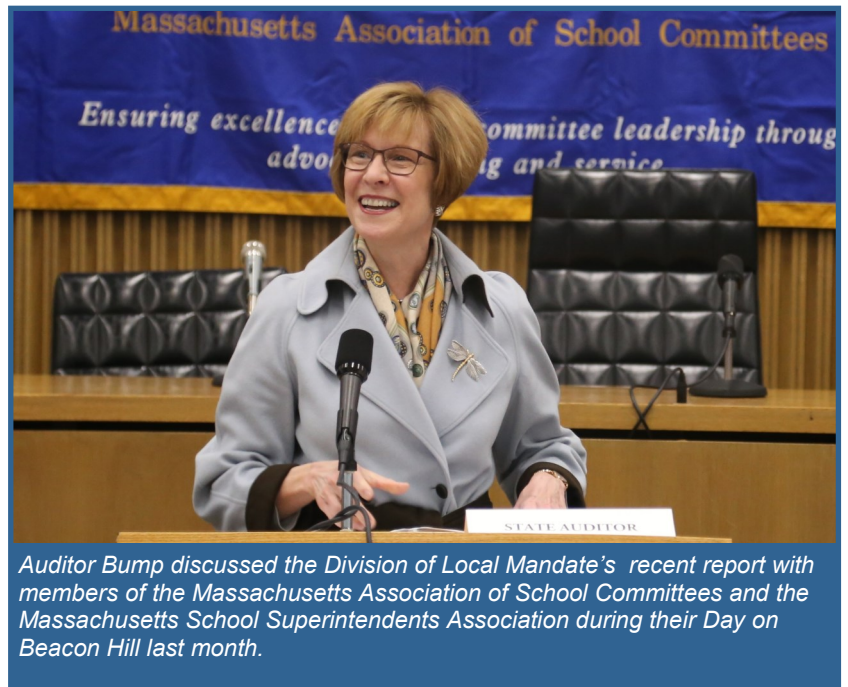
[Auditor's report highlights local effect of unfunded mandates](#)

The Amherst Bulletin followed up with local officials about the Division of Local Mandates' Five-year Statutory Review, which found that over the last five years, the legislature has passed nearly 100 laws with a significant fiscal impact on municipal governments.

[I-Team: Rhode Island Man Held on Welfare Fraud Charges](#)

WBZ's I-Team covers a case in which a Pawtucket, RI man received public benefits from Massachusetts. The fraud was identified by the Bureau of Special Investigations.

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



Auditor Bump discussed the Division of Local Mandates' recent report with members of the Massachusetts Association of School Committees and the Massachusetts School Superintendents Association during their Day on Beacon Hill last month.

Accountability in Action: Identifying Problems, Developing Solutions

While many of our audits that receive the most substantial attention involve large sums of money or particularly newsworthy findings, some of the most impactful audits we do never make the headlines. These audits focus on the nuts and bolts of government. They identify systemic deficiencies and trends across agencies, and piece them together to spawn solutions to widespread problems.

Our audits of agency's internal control plans fit this description ([click here for a refresher on what internal controls are](#)). Specifically, auditors looked at internal control questionnaires (ICQs), which are submitted to the Office of the State Comptroller annually and are designed to provide an indication of the agency's processes to protect themselves from waste, fraud or abuse.

In each of these 17 audits, we found agencies submitted ICQs with either incorrect or undocumented information. This indicates a larger, systemic problem at work. It demonstrates that agencies were either unaware of the requirements of these questionnaires, or unclear of their responsibilities.

Realizing this trend, we brought our information to the Comptroller's Office, and it is currently in the process of addressing the issue. It is examining its internal processes to improve the ICQ process and ensure agencies have a clear understanding of their responsibilities.

While these audits, and their resulting action will likely never make the headlines, they will ensure that taxpayer resources are used effectively and protected from fraud. That's accountability—recognizing a problem, and working to fix it.



Speaker's Corner

Did you know, you can invite Auditor Bump to speak to your group or attend your event using [our online form](#)? Fill one out today.



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The Auditor's Report*

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