

# 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,

Budget season is in full swing at the State House as members of the House of Representatives last week worked on the state's financial priorities for the coming year.

To assist state entities adapting to technological changes, I included [in my budget request](#) a proposal to beef up our IT audit unit. Technology plays an ever-increasing role in the work of Massachusetts state government, however, too often, government policies do not keep up with the pace of technological innovation. By bolstering this unit, the Office of the State Auditor (OSA) will assist state agencies in protecting confidential data, strengthening their IT infrastructure, and ensuring there are processes in place to protect critical data in the event of failure or loss.

During my testimony [in support of our budget request](#), I also announced that we will conduct a multi-agency audit examining the "Internet of Things". Through this audit, the OSA will examine how internet-connected devices are protected both from physical loss, as well as unauthorized access of data, and will provide recommended steps to safeguard these systems.

Recent news of cyber-attacks and data breaches highlight the importance of government entities adapting to new ways of conducting business. These challenges also bring opportunities. As I told the budget committee during my testimony, "we have the opportunity to be at the forefront of using technology to improve government. It is crucial that we do it efficiently and securely so that we can continue to innovate without stumbling."

Thank you,

Suzanne M. Bump  
*Auditor of the Commonwealth*

## Recent Audits

[MassHealth—Review of Payments for Nursing-Facility Claims](#)

[Southeast Division of the Housing Court Department](#)

[Community Hospital Acceleration, Revitalization, and Transformation Program—Phase 1](#)

[MassHealth—Review of Evaluation and Management Claims Paid to Resil Medical Associates, P.C.](#)

[Review of Procurement Card Use by the AGO](#)

[Review of Procurement Card Use by the DPU](#)

[Nizhoni Community Care LLC](#)

[MassHealth—Claims for Durable Medical Equipment](#)

[Medical Community Services](#)

[Massachusetts Behavioral Health Partnership](#)

[Division of Banks](#)

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## Recent Press Releases

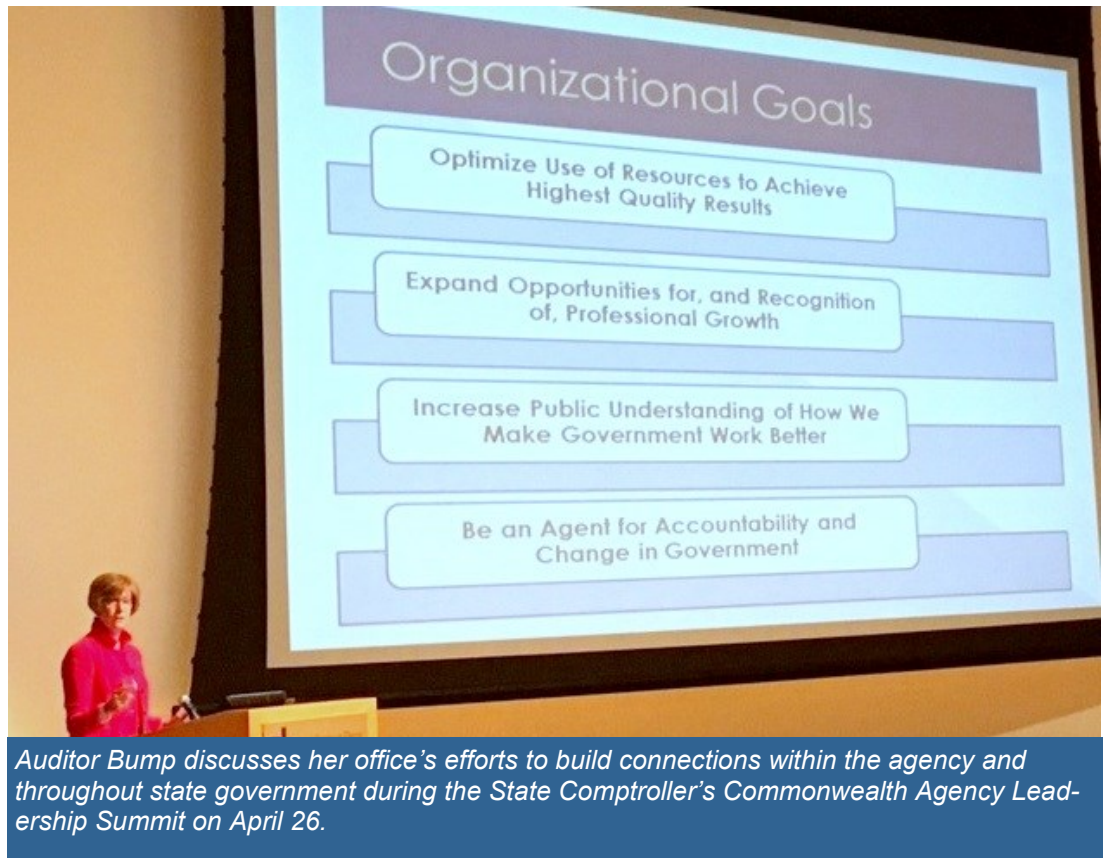
[Audit Finds Almost \\$193 Million in Improper or Questionable Behavioral Health Payments by MassHealth](#)

[Auditor's Annual Report on MassHealth Audits Shows More Than \\$17.6M in Inappropriate Payments to Providers](#)

[Auditor Bump Touts Her Office's Work to Modernize Government Services](#)

[Auditor Bump Statement on Governor Baker's Water Permit Proposal](#)

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## OSA Focus: Building Connections

When we think of connections, we often think of wires, cell phones, and tweets that allow us to quickly communicate with individuals who are far away. For the Office of the State Auditor (OSA) though, connection is about breaking down silos, ensuring our work addresses challenges facing the state, and providing the public with a clear understanding of how this work impacts their lives. It is a recognition that to improve how government functions, we must build connections at all levels—inside the OSA, with auditees, with policymakers, and with the residents of the Bay State.

Auditor Bump recently drove this point home in her presentation at State Comptroller Thomas Shack's Commonwealth Agency Leadership Summit in Boston. "I see our work as a way of fostering connections between agencies and programs so that we are all working in concert to deliver the quality of services taxpayers expect and deserve," she said.

This is an approach that seeks to replace the traditional view of auditors sitting in an ivory tower raining stones upon auditees. Instead, this approach positions the office as necessary partners in the effective delivery of services and use of public resources. The goal is to work in partnership with other state agencies by identifying root causes to issues within their organizations, and providing solutions, rather than assailing their efforts by simply pointing out deficiencies. By forging partnerships, we can make government work better.

## OSA's Work Makes Headlines

### [Our View: Audit puts behavioral health on a better track](#)

The New Bedford Standard-Times calls for MassHealth to find ways to strengthen policies and provide greater oversight to its behavioral health programs following the OSA audit of MassHealth.

### [Auditor Suzanne Bump's office ID's \\$4.2 million in welfare fraud in quarterly report](#)

The Springfield Republican looks at the Bureau of Special Investigations' work to strengthen the state's social safety net by identifying public benefits fraud.

### [Auditor Bump talks cyber security at UMass Amherst](#)

WWLP-22News covers Auditor Bump's discussion with students at the University of Massachusetts Amherst School of Public Policy about the work of the office and the OSA's focus on helping agencies modernize government services while protecting IT assets and confidential information.

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



*Auditor Bump recently appeared on Comcast Newsmakers with host Eric Clemons for a conversation about her office's priorities and efforts to bolster government accountability. Watch the full interview [here](#).*

## Upcoming Events

**Auditor Bump will be the featured speaker at the Lynn Chamber of Commerce Government Affairs Committee Meeting, Wednesday, May 10 at 8 a.m., 583 Chestnut St., Lynn**



# Accountability in Action: Prognosis for Accountability

State leaders are currently wrestling with how to manage the growing costs of MassHealth. While there are a number of proposals to address these costs, improving accountability in the program must be part of any solution.

Last month came yet another example of how MassHealth is improperly spending money, and increasing costs. Through an audit of the program's claims for members enrolled in the [Massachusetts Behavioral Health Partnership \(MBHP\)](#), the Office of the State Auditor (OSA) found approximately \$193 million in improper or questionable payments for behavioral health services that should have been covered by MBHP as part of its managed care contract.



*An audit recently found that because of poor claims and contract management, MassHealth made \$193 million in improper or questionable payments for behavioral health services.*

This audit was initiated after [a previous audit of MassHealth's administration of its Managed Care Organization](#) program found similar problems. In that audit, the OSA found approximately half-a-billion dollars in inappropriate spending and missed savings opportunities by the program.

These, and other audits, show MassHealth's deficiencies in identifying and rejecting healthcare claims that are duplicative of other payments, lack supporting documentation, or violate regulations governing which claims should be paid. These inappropriate payments are particularly troubling as the cost of the program continues to grow. Recognizing the need for significant improvements in MassHealth's claims processing, Auditor Bump recently announced [her intention to work with lawmakers](#) to develop solutions that provide greater accountability for this program's spending.

Massachusetts led the nation in expanding access to healthcare. By focusing on accountability in MassHealth spending, it can lead the nation in reducing costs as well.



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