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**Mississippi Division of Medicaid
(A Division of the State of Mississippi)**

**FINANCIAL STATEMENTS OF FUNDS SELECTED FOR AUDIT
SCHEDULE OF ANALYSIS OF CHANGES IN LONG-TERM OBLIGATIONS**

Year Ended June 30, 2015



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**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Table of Contents
June 30, 2015**

Independent Auditors' Report	1
Financial Statements of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000	
Balance Sheets of General Funds Selected for Audit	3
Statements of Revenues, Expenditures and Changes in Fund Balances of General Funds Selected for Audit	4
Notes to Financial Statements of Funds Selected for Audit	5
Independent Auditors' Report on Schedule of Analysis of Changes in Long-term Obligations	12
Schedule of Analysis of Changes in Long-term Obligations	14
Notes to Schedule of Analysis of Changes in Long-term Obligations	15
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16



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INDEPENDENT AUDITORS' REPORT

Mississippi Division of Medicaid
Jackson, Mississippi

Report on the Financial Statements of Selected Funds

We have audited the accompanying financial statements of the aggregate of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000 of the Mississippi Division of Medicaid ("MDOM") as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents. These financial statements will be consolidated into the State of Mississippi's Comprehensive Annual Financial Report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements of the aggregate of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000 present fairly, in all material respects, the financial position of the aggregate of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000 as of June 30, 2015 and the changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000 of MDOM present only the financial position and changes in financial position of that portion of the governmental activities of the MDOM and of the State of Mississippi that is attributable to the transactions of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000. They do not purport to, and do not, present fairly the financial position of the MDOM or the State of Mississippi as of June 30, 2015, or the changes in financial position of each entity for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2016, on our consideration of the MDOM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDOM's internal control over financial reporting and compliance.

Management has omitted the Management Discussion and Analysis and the Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 17, 2016

Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Balance Sheets of General Funds Selected for Audit

<i>June 30, 2015</i>	General Funds								Total	
	2232800000	3332300000	3332700000	3332800000	5332100000	5332800000	6232600000	6432A00000		
Assets										
Equity in State treasury funds	\$ 50,553,931	\$ 18,633,975	\$ 10,366,722	\$ 21,306,920	\$ 9,425,143	\$ (25,137,623)	\$ -	\$ -	\$ -	\$ 85,149,068
Accounts receivable, net	11,019,789	-	7,690,076	42,200	-	30,690,238	-	-	-	49,442,303
Due from Federal Government	-	-	-	-	1,921,643	243,814,792	-	-	-	245,736,435
Due from other State agencies	5,684,085	2,702	1,043,662	14,807,994	4,566	42,656	-	-	-	21,585,665
Total assets	\$ 67,257,805	\$ 18,636,677	\$ 19,100,460	\$ 36,157,114	\$ 11,351,352	\$ 249,410,063	\$ -	\$ -	\$ -	\$ 401,913,471
Liabilities, Deferred Inflows of Resources, and Fund Balance										
Liabilities:										
Unpaid claims	\$ 53,999,384	\$ -	\$ -	\$ -	\$ 8,493,997	\$ 174,044,776	\$ -	\$ -	\$ -	\$ 236,538,157
Accounts payable	4,583,916	-	-	3,997,789	1,131,928	13,865,294	-	-	-	23,578,927
Warrants payable	11,061,014	9,909,170	-	-	30,293	27,535,968	-	-	-	48,536,445
Due to other State agencies	15,041,292	-	-	61,405,826	1,397,387	44,260,811	-	-	-	122,105,316
Total liabilities	84,685,606	9,909,170	-	65,403,615	11,053,605	259,706,849	-	-	-	430,758,845
Deferred inflows of resources:										
Deferred revenues	-	-	-	-	-	412,650	-	-	-	412,650
Contingencies (Note 5)										
Fund balance (deficit):										
Unassigned	(17,427,801)	-	-	(29,246,501)	-	(10,709,436)	-	-	-	(57,383,738)
Restricted - health services	-	8,727,507	19,100,460	-	297,747	-	-	-	-	28,125,714
Total fund balances (deficit)	(17,427,801)	8,727,507	19,100,460	(29,246,501)	297,747	(10,709,436)	-	-	-	(29,258,024)
Total liabilities, deferred inflows of resources, and fund balance	\$ 67,257,805	\$ 18,636,677	\$ 19,100,460	\$ 36,157,114	\$ 11,351,352	\$ 249,410,063	\$ -	\$ -	\$ -	\$ 401,913,471

See independent auditors' report and accompanying notes to financial statements.

Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Statements of Revenues, Expenditures and Changes
in Fund Balances of General Funds Selected For Audit

Year ended June 30, 2015	General Funds								Total
	2232800000	3332300000	3332700000	3332800000	5332100000	5332800000	6232600000	6432A00000	
Revenues:									
State appropriations	\$ 820,447,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,046,422	\$ 89,606,805	\$ 978,100,583
Federal grants and awards	-	-	-	-	37,246,096	4,025,264,919	-	-	4,062,511,015
Assessments to providers	21,419	177	409,560,120	107,884,152	-	-	-	-	517,465,868
Interest income	-	44,284	131,819	11,895	100,647	-	-	-	288,645
Refunds and contractual settlements	-	6,940,572	-	7,750,637	-	-	-	-	14,691,209
Other income	-	-	38,657	27,161	-	-	-	-	65,818
Total revenues	820,468,775	6,985,033	409,730,596	115,673,845	37,346,743	4,025,264,919	68,046,422	89,606,805	5,573,123,138
Expenditures:									
Salaries and benefits	22,565,861	-	-	-	45,846	25,039,927	-	-	47,651,634
Travel	504,846	-	-	-	8,154	115,660	-	-	628,660
Contractuals	27,195,087	-	-	3,532,652	10,982,691	67,899,571	-	-	109,610,001
Commodities	391,320	-	-	-	37,750	370,147	-	-	799,217
Capital outlay	114,495	-	-	-	-	-	-	-	114,495
Subsidies, loans and grants	704,483,300	-	397,944,348	138,860,256	26,171,654	3,973,868,723	66,046,422	89,606,805	5,396,981,508
Total expenditures	755,254,909	-	397,944,348	142,392,908	37,246,095	4,067,294,028	66,046,422	89,606,805	5,555,785,515
Excess of revenues over expenditures	65,213,866	6,985,033	11,786,248	(26,719,063)	100,648	(42,029,109)	2,000,000	-	17,337,623
Other financing sources (uses):									
Transfers in	-	-	-	49,682,536	-	37,459,540	-	-	87,142,076
Transfers out	(81,991,393)	-	(5,150,683)	-	-	(6,139,867)	(2,000,000)	-	(95,281,943)
Net other financial sources (uses)	(81,991,393)	-	(5,150,683)	49,682,536	-	31,319,673	(2,000,000)	-	(8,139,867)
Net change in fund balance	(16,777,527)	6,985,033	6,635,565	22,963,473	100,648	(10,709,436)	-	-	9,197,756
Fund balance (deficit):									
Beginning of year	(650,274)	1,742,474	12,464,895	(52,209,974)	197,099	-	-	-	(38,455,780)
End of year	\$ (17,427,801)	\$ 8,727,507	\$ 19,100,460	\$ (29,246,501)	\$ 297,747	\$ (10,709,436)	\$ -	\$ -	\$ (29,258,024)

See independent auditors' report and accompanying notes to financial statements.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Background Information

The Mississippi Division of Medicaid (MDOM) is a division of the State of Mississippi. The main function of MDOM is to administer the Medicaid Program that pays for medical assistance for certain individuals and families with low-incomes and limited resources. The Medicaid Program is outlined within the provisions of Title XIX and Title XXI of the Social Security Act that became law in 1965. In Mississippi, the Medicaid Program began on January 1, 1970. The Medicaid Program is administered by MDOM by authority of Section 43-13-101 et seq. of the Mississippi Code Ann. (1972). The Medicaid Program offers Federal funds to states for costs incurred in paying health-care providers for serving covered individuals. State participation is voluntary but necessary to receive the federal funding.

Basis of Presentation

The accompanying general fund financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). MDOM applies all applicable GASB pronouncements. MDOM funds presented in these financial statements (funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000) utilize the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available, and expenses are generally recognized when they are incurred.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made that are particularly susceptible to significant change in the near term relate the allowance for uncollectible accounts and the liability for unpaid claims.

In preparing the financial statements, management of MDOM evaluated subsequent events through March 17, 2016, the date the financial statements were available to be issued.

Fund Accounting

The financial activities of MDOM are recorded in individual funds and account groups used to report financial position and results of operations. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity, segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations, restrictions or limitations. The MDOM funds presented herein utilize the general fund category, which is further subdivided into separate "fund types." General funds are used to account for the proceeds of revenue sources that are not legally restricted to expenditures for

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

specified purposes. MDOM's general funds utilize the governmental fund type. The governmental fund type is accounted for on a flow of current financial resources measurement focus. This focus measures financial resources available to the entity in the near future as a result of transactions and events of the fiscal period reported.

The individual funds included in the accompanying financial statements are described as follows:

Fund 2232800000 – The Medicaid Division of General Services Account Fund records state funding of Medicaid programs, personal services, contractual services, commodities, capital outlay, and subsidies, loans and grants payments.

Fund 3332300000 – The Medicaid Refund Account Fund records provider claim refunds and subsidies, loans and grants payments.

Fund 3332700000 – The Medical Care Donations Fund records provider and hospital assessments, gross revenue assessments, and subsidies, loans and grants payments.

Fund 3332800000 – The Medicaid General Fund records state funding funds from other state agencies and other miscellaneous revenue of Medicaid programs, contractual services, and subsidies, loans and grants payments.

Fund 5332100000 – The Medicaid Balancing Incentive Program Fund records revenue from the Federal Government for the Balancing Incentive Program and related expenditures.

Fund 5332800000 – The Medicaid Grant Fund records federal funding of Medicaid programs, personal services, contractual services, and subsidies, loans and grants payments.

Fund 6232600000 – The Medicaid Health Care Expendable Fund records state funding from settlements of Medicaid programs, subsidies, loans and grants payments.

Fund 6432A00000 – The Medicaid Capital Expense Fund records state funding of Medicaid programs, subsidies, loans and grants payments.

Equity in State Treasury Funds

Equity in State Treasury Funds consists of pooled cash held by the Treasurer of the State of Mississippi.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable, net

Receivables are reported net of an allowance for uncollectible accounts, where applicable. Management determines the allowance by reviewing all outstanding amounts, identifying troubled accounts and using historical experience applied to an aging of accounts. Accounts receivable are reported net of an allowance for uncollectible accounts in Fund 2232800000 of \$2,323,891 and Fund 533280000 of \$6,472,063 as of June 30, 2015.

Interfund Transactions and Transfers

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are reported as due from and to other funds.

Unpaid Claims

Unpaid claims represent the estimated liabilities on claims reported and an undiscounted provision for claims incurred but not yet reported. The liability for unpaid claims is determined using both evaluations of each claim and historical analyses and represents the estimated ultimate net cost of all claims incurred through the end of the reporting period. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in operations currently.

Deferred Inflows of Resources

In addition to liabilities, the governmental funds' balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents items that are deferred revenues that will not be recognized as an inflow of resources until future period(s) when they become available. Deferred inflows of resources consist of cumulative receipts of federal funding in excess of cumulative expenditures on specific grant awards that will not be recognized as an inflow of resources until future periods when they become available.

Fund Balances

MDOM presents defined fund balance categories to demonstrate the nature and extent of the constraint placed on a government's fund balance.

The classification used in the selected governmental fund financial statements presented in this report is as follows:

Unassigned – This classification includes negative amounts occurring when there is a deficiency in the fund.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources by law through constitutional provisions or enabling legislation.

Risk Management

MDOM is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The State of Mississippi has elected to finance most exposures to risk through the retention of risk. The State utilizes the internal service Risk Management Fund to account for these activities.

Future Accounting Pronouncements

GASB Statement No. 72, Fair Value Measurement and Application, was issued in February 2015 and addresses accounting and financial reporting issues related to fair value measurements. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value and requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015.

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, was issued in June 2015 to improve the usefulness of information about pensions included in the general purpose financial statements of state and local governments and establishes requirements for defined benefit and defined contribution pensions that are not within the scope of GASB No. 68. It also establishes requirements for the assets accumulated for purposes of providing pensions. The requirements of this Statement that address accounting and financial reporting for pensions not within the scope of GASB No. 68 are effective for financial statements for periods beginning after June 15, 2016. The requirements addressing financial reporting of assets accumulated for purposes of providing pension benefits are effective for fiscal years beginning after June 15, 2015.

Management has not completed its evaluation to determine the effect, if any, the adoption of these statements will have on the MDOM's financial statements.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 2: EQUITY IN STATE TREASURY FUNDS

The collateral for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 of the Mississippi Code Ann. (1972). Under this program, the entities' funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

NOTE 3: ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following:

<i>June 30, 2015</i>	General Funds			
	2232800000	3332700000	3332800000	5332800000
Receivable from providers	\$ 4,522,314	\$ 7,690,076	\$ -	\$ 12,594,696
Drug rebates receivable	8,821,366	-	-	24,567,605
Other receivable	-	-	42,200	-
	13,343,680	7,690,076	42,200	37,162,301
Allowance for uncollectible accounts receivable	(2,323,891)	-	-	(6,472,063)
	\$ 11,019,789	\$ 7,690,076	\$ 42,200	\$ 30,690,238

NOTE 4: TRANSFERS BETWEEN FUNDS AND FROM OTHER STATE AGENCIES

Due from other internal funds and other State agencies consisted of the following:

<i>June 30, 2015</i>	General Funds					
	2232800000	3332300000	3332700000	3332800000	5332100000	5332800000
Receivable from other state healthcare providers	\$ -	\$ -	\$ 1,043,662	\$ 14,807,994	\$ -	\$ -
Mississippi Division of Medicaid -						
General Fund 2232800000	-	-	-	-	-	42,656
General Fund 3332800000	5,684,085	-	-	-	-	-
Other State agencies	-	2,702	-	-	4,566	-
	\$ 5,684,085	\$ 2,702	\$ 1,043,662	\$ 14,807,994	\$ 4,566	\$ 42,656

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 4: TRANSFERS BETWEEN FUNDS AND FROM OTHER STATE AGENCIES (Continued)

Due to other State agencies consisted of the following:

<i>June 30, 2015</i>	General Funds			
	2232800000	3332800000	5332100000	5332800000
University of Mississippi Medical Center	\$ 6,472,907	\$ -	\$ -	\$ 18,027,120
Mississippi Department of Health	2,301,258	-	-	6,433,171
Payable to other state healthcare providers	6,224,471	2,721,741	1,397,387	19,800,520
Mississippi Division of Medicaid:				
General Fund 2232800000	-	5,684,085	-	-
General Fund 5332800000	42,656	-	-	-
Treasury Fund 3399500000	-	53,000,000	-	-
	<u>\$ 15,041,292</u>	<u>\$ 61,405,826</u>	<u>\$ 1,397,387</u>	<u>\$ 44,260,811</u>

Transfers between other internal funds and other State agency funds are as follows:

<i>Year ended June 30, 2015</i>	General Funds				
	2232800000	3332700000	3332800000	5332800000	6232600000
<i>Transfers in</i>					
Mississippi Division of Medicaid:					
Fund 2232800000	\$ -	\$ -	\$ 44,531,853	\$ 37,459,540	\$ -
Fund 3332700000	-	-	5,150,683	-	-
Total transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,682,536</u>	<u>\$ 37,459,540</u>	<u>\$ -</u>
<i>Transfers out</i>					
Mississippi Division of Medicaid:					
Fund 3332800000	\$ 37,459,540	\$ 5,150,683	\$ -	\$ -	\$ -
Fund 5332800000	44,531,853	-	-	-	-
Department of Education	-	-	-	6,139,867	-
Department of Human Services	-	-	-	-	1,000,000
Department of Rehabilitation Services	-	-	-	-	1,000,000
Total transfers out	<u>\$ 81,991,393</u>	<u>\$ 5,150,683</u>	<u>\$ -</u>	<u>\$ 6,139,867</u>	<u>\$ 2,000,000</u>



**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes of Financial Statements**

NOTE 5: CONTINGENCIES

MDOM is involved in litigation arising out of the normal course of operations and, in management's opinion, the outcome of these matters is not expected to have a material adverse effect on MDOM's financial position.

MDOM has been notified by the Centers for Medicare and Medicaid Services (CMS) of a potential claim relative to potential overpayments by CMS under Medical Assistance Program grants that may have been made between 1981 and 2009 to a number of states, including Mississippi. CMS is working with MDOM, as well as various other states, to resolve the discrepancies. The amount questioned by CMS approximates \$28 million for MDOM.



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INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF ANALYSIS OF CHANGES IN LONG-TERM OBLIGATIONS

Mississippi Division of Medicaid
Jackson, Mississippi

Report on the Schedule of Analysis of Changes in Long-term Obligations

We have audited the accompanying schedule of analysis of changes in long-term obligations of the Mississippi Division of Medicaid ("MDOM") as of and for the year ended June 30, 2015. This schedule is presented for the purpose of assisting the State of Mississippi in preparation of its annual financial report and is not a required part of the fund financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinion on this schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of analysis of changes in long-term obligations referred to above presents fairly, in all material respects, the balance of and the changes in long-term obligations of MDOM as of and for the year ended June 30, 2015, in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2016, on our consideration of MDOM's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDOM's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi

March 17, 2016

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Schedule of Analysis of Changes in Long-term Obligations
Year Ended June 30, 2015**

Governmental Activities Liability Category	Balance as of June 30, 2014	Additions	Deletions	Balance as of June 30, 2015
Accrued compensated absences	\$ 3,248,432	\$ 2,177,971	\$ 2,173,458	\$ 3,252,945
	\$ 3,248,432	\$ 2,177,971	\$ 2,173,458	\$ 3,252,945

See notes to schedule of analysis of changes in long-term obligations.



**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes to Schedule of Analysis of Changes
in Long-term Obligations**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accrued Compensated Absences

State law authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave, unless employees present medical evidence that their physical condition is such that they can no longer work in a capacity of state government. The state's obligation for accumulated unpaid personal leave, up to the maximum of 30 days per employee, is reported as accrued compensated absences in the accompanying schedule of analysis of changes in long-term obligations. The state uses the last-in, first-out method of recognizing use of compensated absences. The reported liability applicable to all funds includes the related fringe benefits that the state, as employer, is required to pay when the accrued compensated absences are liquidated. Accumulated unpaid major medical leave is not accrued, because it is not probable that the compensation will be paid in a lump sum other than in the event of severe illness.

NOTE 2: OTHER LONG-TERM LIABILITIES

Compensated Absences

MDOM's liability for compensated absences at June 30, 2015, is \$3,252,945 for governmental activities. The reported liability includes related fringe benefits and excludes any obligations related to leave accumulations in excess of 30 days per employee.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

Mississippi Division of Medicaid
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the aggregate of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000 of the Mississippi Division of Medicaid ("MDOM") as of and for the year ended June 30, 2015, and the related notes to the financial statements and have issued our report thereon dated March 17, 2016. We have also audited the schedule of analysis of changes in long-term obligations (the Schedule) as of and for the year ended June 30, 2015, and issued our report thereon dated March 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the MDOM's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MDOM's internal control. Accordingly, we do not express an opinion on the effectiveness of the MDOM's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of MDOM's financial statements and the Schedule will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in the internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MDOM's financial statements of the aggregate of General Funds 2232800000, 3332300000, 3332700000, 3332800000, 5332100000, 5332800000, 6232600000 and 6432A00000 and the Schedule are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of these financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the MDOM's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the MDOM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 17, 2016

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)**

**FINANCIAL SCHEDULES AND INDEPENDENT AUDITOR'S REPORTS ON
PROGRAM-SPECIFIC AUDIT UNDER OMB CIRCULAR A-133
Year Ended June 30, 2015**



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**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Table of Contents
June 30, 2015**

REPORT

Independent Auditors' Report on the Financial Statement of a Federal Program in Accordance With the Program-Specific Audit Option Under OMB Circular A-133	1
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FINANCIAL STATEMENTS

Schedule of Expenditures of Federal Awards	3
Notes to Schedule of Expenditures of Federal Awards	4
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
Independent Auditors' Report on Compliance for a Federal Program and Report on Internal Control Over Compliance When Using the Program-Specific Audit Option to Satisfy OMB Circular A-133 Requirements	7
Schedule of Findings and Questioned Costs	10
Summary Schedule of Prior Audit Findings	13



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**INDEPENDENT AUDITORS' REPORT
ON THE FINANCIAL STATEMENT OF A FEDERAL
PROGRAM IN ACCORDANCE WITH THE PROGRAM-
SPECIFIC AUDIT OPTION UNDER OMB CIRCULAR A-133**

Mississippi Division of Medicaid
Jackson, Mississippi

Report on Schedule of Expenditures of Federal Awards

We have audited the State Children's Insurance Program and the Medicaid Cluster programs included in the accompanying schedule of federal grant expenditures of the Mississippi Division of Medicaid ("MDOM") for the year ended June 30, 2015.

MDOM's Schedule of Expenditures of Federal Awards includes expenditures of Federal awards of approximately \$4,840,000 (CFDA 93.779, 93.789 and 93.791) that were not included within the scope of our program audit. We have not audited these programs.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the financial statement of the programs in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement of the State Children's Insurance Program and the Medicaid Cluster programs based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule of federal grant expenditures referred to above presents fairly, in all material respects, the expenditures of federal awards under the State Children's Insurance Program and the Medicaid Cluster programs in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2016 on our consideration of the Mississippi Division of Medicaid's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Mississippi Division of Medicaid's internal control over financial reporting and compliance.

This report is intended solely for the information and use of management, members of the Legislature and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 17, 2016

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Schedule of Expenditures of Federal Awards
for Year Ended June 30, 2015**

<u>Federal Grantor / Pass Through Agency / Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services		
State Children's Insurance Program	93.767	\$ 189,696,049
Medicaid Cluster:		
State Survey and Certification of Health Care Providers and Suppliers	93.777	2,304,058
Medical Assistance Program - ARRA	93.778	26,894,074
Medical Assistance Program	93.778	3,838,776,825
<hr/>		
Total Medicaid Cluster		3,867,974,957
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	58,805
Alternative to Psychiatric Residential Treatment Facilities for Children	93.789	106,564
Money Follows the Person	93.791	4,674,640
<hr/>		
Total Federal Expenditures		\$ 4,062,511,015

See accompanying notes to financial statements.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Notes to Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2015**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule includes all federal programs administered by the Mississippi Division of Medicaid. Federal programs included in the accompanying schedule are accounted for by using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*.

NOTE 2: CONTINGENCIES

MDOM is involved in litigation arising out of the normal course of operations and, in management's opinion, the outcome of these matters is not expected to have a material adverse effect on MDOM's financial position.

MDOM has been notified by the Centers for Medicare and Medicaid Services (CMS) of a potential claim relative to potential overpayments by CMS under Medical Assistance Program grants that may have been made between 1981 and 2009 to a number of states, including Mississippi. CMS is working with MDOM, as well as various other states, to resolve the discrepancies. The amount questioned by CMS approximates \$28 million for MDOM.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

Mississippi Division of Medicaid
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the Schedule of Expenditures of Federal Awards for the State Children's Insurance Program and the Medicaid Cluster of Programs funded to the Mississippi Division of Medicaid ("MDOM"), as of June 30, 2015, and have issued our report thereon dated March 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MDOM's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MDOM's internal control. Accordingly, we do not express an opinion on the effectiveness of MDOM's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements referred to in the first paragraph are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MDOM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 17, 2016



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR A FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE WHEN USING THE PROGRAM-SPECIFIC AUDIT OPTION TO SATISFY OMB CIRCULAR A-133 REQUIREMENTS

Mississippi Division of Medicaid
Jackson, Mississippi

Report on Compliance for the State Children's Insurance Program and the Medicaid Cluster programs

We have audited the Mississippi Division of Medicaid ("MDOM") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its State Children's Insurance Program and the Medicaid Cluster programs ("the Programs") for the year ended June 30, 2015.

MDOM's Schedule of Expenditures of Federal Awards includes expenditures of Federal awards of approximately \$4,840,000 (CFDA 93.779, 93.789 and 93.791) that were not included within the scope of our program audit. We have not audited these programs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the Programs occurred. An audit includes examining, on a test basis, evidence about MDOM's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the Programs. However, our audit does not provide a legal determination of MDOM's compliance with those requirements.

Opinion on Compliance for the State Children's Insurance Program and the Medicaid Cluster Programs

In our opinion, MDOM complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Section 3 of the accompanying Schedule of Findings and Questioned Costs. Our opinion on MDOM's State Children's Insurance Program and the Medicaid Cluster program is not modified with respect to these matters.

MDOM's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. MDOM's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

The management of MDOM is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements of referred to above. In planning and performing our audit of compliance, we considered MDOM's internal control over compliance with the types of requirements that could have a direct and material effect on the selected federal Programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the selected federal Programs and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MDOM's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. Our consideration of internal control over compliance was for the limited purpose described

in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance in the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Ridgeland, Mississippi
March 17, 2016

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Schedule of Findings and Questioned Costs**

For the year ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting: Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs: Material weakness identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditors' report issued on compliance for programs audited:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 (section .510 (a))?	Yes

Identification of program(s) audited:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster Number</i>
93.767	State Children's Insurance Program
93.777, 93.778	Medicaid Cluster

Section II – Financial Statement Findings

No items were reported.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Schedule of Findings and Questioned Costs**

Section III – Federal Award Findings and Questioned Costs

001: Reporting

Finding Type: Noncompliance/Significant Deficiency

Program Tested: CFDA #93.767 State Children’s Insurance Program and CFA #93.777, 93.778 Medicaid Cluster

Questioned Cost: None

Criteria:

The CMS-21, Quarterly Children’s Health Insurance Program Statement of Expenditures for Title XXI (OMB No. 0938-0731) is required to be prepared quarterly, and submitted electronically to CMS within 30 days after the end of the quarter. The CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program (OMB No. 0938-0067) is required to be used in lieu of the SF-425, Federal Financial Report, prepared quarterly, and submitted electronically to CMS within 30 days after the end of the quarter.

Condition and Cause:

During our testing, we noted two instances where the CMS-21, Quarterly Children’s Health Insurance Program Statement of Expenditures for Title XXI and the CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program were not submitted electronically to CMS within 30 days after the end of the quarter.

Effect:

Failure to fully comply with the requirements outlined could result in action by CMS.

Recommendation:

Internal control policies and procedures should be adopted and followed to ensure that all CMS-21, Quarterly Children’s Health Insurance Program Statement of Expenditures for Title XXI and all CMS-64, Quarterly Statement of Expenditures for the Medical Assistance Program are submitted electronically to CMS within 30 days after the end of the quarter.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Schedule of Findings and Questioned Costs**

Auditee's Corrective Action Plan

001: Reporting

Program Tested: CFDA #93.767 State Children's Insurance Program and CFDA #93.777, 93.778 Medicaid Cluster

Name(s) of Contact Person Responsible for Corrective Action: Margaret King, Deputy Administrator for Finance

Management Response and Corrective Action Planned:

The management of MDOM concurs with the finding and have endeavor to adopt and implement internal control policies and procedures to provide for the timely submission of all CMS-21, Quarterly Children's Health Insurance Program Statement of Expenditures for Title XXI and all CMS-64, Quarterly Statement of Expenditures, for the Medical Assistance Program within the 30 day required timeframe after the end of each quarter. In this case, MDOM chose accuracy over timeliness on the noted reports, because the reports drove the federal financial participation. During the noted time period, the State of Mississippi implemented a new statewide accounting system. The noted delays were directly related to the learning curve and technical issues associated with that new system. Despite internal control policies and procedures in place at MDOM, submitting the CMS-21 Report and CMS-64 Report within 30 days after the end of the quarter may be delayed due to the reliance on outside third parties for required information. Medical service expenditure amounts are obtained from MDOM's fiscal agent, administrative expenditures are obtained from the statewide accounting system, and indirect costs are allocated using a contractor's software system. If any of these systems are unable to supply MDOM with timely, reliable information, MDOM may not be able to meet the 30 day deadline.

MDOM submitted the CMS-21 Reports and CMS-64 Reports for March 31, 2015 and June 30, 2015 in a timely manner.

Anticipated Completion Date:

The anticipated completion date of the corrective action is March 31, 2015.

**Mississippi Division of Medicaid
(A Division of the State of Mississippi)
Summary Schedule of Prior Audit Findings**

For the year ended June 30, 2015

Schedule of Prior Findings and Questioned Costs

<i>Finding Title:</i>	Reporting
<i>Reference Number:</i>	2014-01
<i>Initial Year of Finding:</i>	Year Ended June 30, 2014
<i>Amount of Questioned Costs in Finding:</i>	\$0
<i>Status of Questioned Costs:</i>	N/A
<i>Program Name:</i>	Medicaid Cluster
<i>Federal Grantor Agency:</i>	U.S. Department of Health and Human Services
<i>CFDA Numbers:</i>	93.777, 93.778
<i>Status of Finding:</i>	Corrected as of March 31, 2015