



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
STATE AUDITOR

December 16, 2019

Financial Audit Management Report

Drew L. Snyder, Executive Director
Mississippi Division of Medicaid
550 High Street, Suite 1000
Jackson, MS 39201

Dear Mr. Snyder:

The Office of the State Auditor has completed its audit of selected accounts included on the financial statements of the Mississippi Division of Medicaid for the year ended June 30, 2019. These financial statements are consolidated into the State of Mississippi's *Comprehensive Annual Financial Report*. 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. The Office of the State Auditor's staff members participating in this engagement included Michael Torres, CPA; Ashley Jolly, CPA; Richard Aultman, CPA; Allen Case, CPA; Veronica Funchess; and LaSabre Charleston.

Our procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been met. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Internal Control over Financial Reporting

In planning and performing our audit of selected accounts included on the financial statements, we considered the Mississippi Division of Medicaid'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 these accounts, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the Mississippi Division of Medicaid'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether selected accounts included on the financial statements of the Mississippi Division of Medicaid 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 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 result of that testing, and not to provide an opinion on the effectiveness of the Mississippi Division of Medicaid'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 Mississippi Division of Medicaid'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.

I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Division of Medicaid throughout the audit.

If you have any questions or need more information, please contact me.

Sincerely,



Stephanie C. Palmertree, CPA CGMA
Director, Financial Audit and Compliance Division



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

April 21, 2020

Single Audit Management Report

Drew L. Snyder, Executive Director
Mississippi Division of Medicaid
550 High Street, Suite 1000
Jackson, MS 39201

Dear Mr. Snyder:

Enclosed for your review are the single audit findings for the Mississippi Division of Medicaid for Fiscal Year 2019. In these findings, the Auditor's Office recommends the Mississippi Division of Medicaid:

1. Strengthen controls to ensure compliance with eligibility requirements;
2. Strengthen controls to ensure compliance with Automated Data Processing (ADP) risk analysis and system security requirements; and
3. Strengthen controls to ensure compliance with provider health and safety standards requirements.

Please review the recommendations and submit a plan to implement them by April 29, 2020. The enclosed findings contain more information about our recommendations.

During future engagements, we may review the findings in this management report to ensure procedures have been initiated to address these findings.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

I hope you find our recommendations enable the Mississippi Division of Medicaid to carry out its mission more efficiently. I appreciate the cooperation and courtesy extended by the officials and employees of the Mississippi Division of Medicaid throughout the audit. If you have any questions or need more information, please contact me.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie C. Palmertree".

Stephanie Palmertree, CPA, CGMA
Director, Financial and Compliance Audit Division

Enclosures

SINGLE AUDIT FINDINGS

In conjunction with our audit of federal assistance received by the State of Mississippi, the Office of the State Auditor has completed its audit of the State's major federal programs administered by the Mississippi Division of Medicaid for the year ended June 30, 2019. The Office of the State Auditor's staff members participating in this engagement included Michael Torres, CPA, Ashley Jolly, CPA, Richard Aultman, CPA, Jeremy Miller, CPA, Allen Case, CPA, Veronica Ratliff, and LaSabre Charleston.

Our procedures and tests cannot and do not provide absolute assurance that all federal legal requirements have been met. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

Report on Compliance for Each Major Federal Program

We have audited the Mississippi Division of Medicaid's compliance with the types of compliance requirements described in the *OMB Uniform Guidance Compliance Supplement* that could have a direct and material effect on the federal programs selected for audit that are administered by the Mississippi Division of Medicaid for the year ended June 30, 2019.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the State of Mississippi's major federal 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 Office of Management and Budget (OMB) *Uniform Administrative Requirement, Cost Principles and Audit Requirements* (Uniform Guidance). Those standards and OMB Uniform Guidance 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the Mississippi Division of Medicaid's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. However, our audit does not provide a legal determination of the Mississippi Division of Medicaid's compliance.

Results of Compliance Audit Procedures

The results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Uniform Guidance and which are identified in this letter as items 2019-027, 2019-028 and 2019-029.

Internal Control over Compliance

Management of the Mississippi Division of Medicaid is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Mississippi Division of Medicaid's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal controls over compliance in accordance with OMB Uniform Guidance, 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 Mississippi Division of Medicaid's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses and therefore, material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance identified in this letter as items 2019-027, 2019-028 and 2019-029 to be material weaknesses.

Findings and Recommendations

ELIGIBILITY

Material Weakness

Material Noncompliance

2019-027 Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements of the Medical Assistance Program and the Children's Health Insurance Program (CHIP).

CFDA Number(s) 93.767 – Children's Health Insurance Program (CHIP)
93.778 – Medical Assistance Program (Medicaid; Title XIX)

Federal Award No.	1805MS5021	2018	1905MS5021	2019
	1805MS5ADM	2018	1905MS5ADM	2019
	1805MS5MAP	2018	1905MS5MAP	2019
	1805MSIMPL	2018	1905MSIMPL	2019
	1805MSINCT	2018	1905MSINCT	2019

Federal Agency U.S. Department of Health and Human Services

Pass-Through Entity N/A

Questioned Costs \$23,628

Criteria The *Code of Federal Regulations* (42 CFR Part 435.949(b)) states, "To the extent that information related to eligibility for Medicaid is available through the electronic service established by the Secretary, States must obtain the information through such service, subject to the requirements in subpart C of part 433 of this chapter, except as provided for in §435.945(k) of this subpart."

CMCS Informational Bulletin: MAGI-Based Eligibility Verification Plans states, "To the extent that information related to Medicaid or CHIP eligibility is available through the electronic data services hub established by the Secretary, states must obtain the information through this data services hub. Subject to Secretarial

approval and the conditions described in §435.945(k) and 457.380(i), states can obtain information through a mechanism other than the data services hub.”

The *Mississippi Division of Medicaid (MAGI) based Eligibility Verification Plan* states, “Income information from the federal data services Hub is available first and serves as the primary data source.”

The *Mississippi Division of Medicaid Eligibility Policy and Procedures Manual* Section 201.03.04A requires the use of the individual’s most recent tax return to verify income for individuals considered self-employed, a shareholder in an S Corporation, a partner in a business or one who has income from a partnership, LLP, LLC or S Corporation.

Condition

During testwork performed over eligibility requirements for the Medical Assistance Program and the Children’s Health Insurance Program (CHIP) as of June 30, 2019, the auditor tested 180 Modified Adjusted Gross Income (MAGI) recipients. The sample selection was proportioned equally (60 each) in three categories; Fee for Service (FFS), Managed Care, and Children’s Health Insurance Program (CHIP) and noted the following:

- Mississippi Division of Medicaid (MDOM) did not use federal tax and/or state tax data to verify income, including self-employment income, out-of-state income, and various unearned income.
- In 18 instances of the 180 MAGI recipients, or 10 percent, self-employment income was reported on the 2018 Mississippi tax return and not on the application. Of the 18 instances, the following was noted:
 - Managed Care – of the 60 recipients sampled 12, or 20 percent, reported self-employment income on their 2018 Mississippi income tax return and did not include the self-employment on their application. Four instances, or 6.67 percent, in which the total income per the 2018 Mississippi tax return exceeded the applicable income limit for the recipient’s category of eligibility.

Due to MDOM’s failure to verify self-employment income on the applicant’s 2018 tax return, MDOM was not aware income exceeded eligibility limits, and did not request any additional information that might have explained why income was not self-reported; therefore, auditor could not determine with certainty that individuals are, in fact, ineligible. However, information that MDOM used at the time of the eligibility determination did not support eligibility.

The fiscal year capitation payments for these four recipients that would not have been eligible to receive the benefits totaled approximately \$23,628. Based on the error rate calculated using the capitation payments of our sample, the projected amount of capitation payments made to ineligible recipients would be approximately \$64,488,951.

- CHIP – of the 60 recipients sampled six, or 10 percent, reported self-employment income on their 2018 Mississippi income tax

return and did not include the self-employment on their application.

Cause	MDOM did not have policies in place to verify certain types of income on applicant's tax returns, as required for eligibility determinations.
Effect	As noted in the <i>Mississippi Division of Medicaid Eligibility Policy and Procedures Manual</i> , the electronic data sources utilized by MDOM cannot verify self-employment income, income from partnerships or S Corporations, rental income, or farm income. Without the use of federal tax and/or state tax data, the agency cannot determine if self-attested income is complete and accurate. Failure to properly verify income and maintain complete case records could result in ineligible applicants being deemed eligible resulting in questioned costs and the possible recoupment of funds by the federal granting agency.
Recommendation	We recommend the Mississippi Division of Medicaid strengthen controls related to income verification to ensure compliance with eligibility requirements.
Repeat Finding	No.
Statistically Valid	The sample is considered statistically valid.

SECIAL TEST & PROVISIONS

Material Weakness

Material Noncompliance

2019-028	<u>Controls Should Be Strengthened to Ensure Compliance with Automatic Data Processing (ADP) Risk Analysis and System Security Review Requirements.</u>		
CFDA Number(s)	93.778 – Medical Assistance Program (Medicaid; Title XIX)		
Federal Award No.	1805MS5ADM 2018	1905MS5ADM 2019	
	1805MS5MAP 2018	1905MS5MAP 2019	
	1805MSIMPL 2018	1905MSIMPL 2019	
	1805MSINCT 2018	1905MSINCT 2019	
Federal Agency	U.S. Department of Health and Human Services		
Pass-Through Entity	N/A		
Questioned Costs	None.		
Criteria	The <i>Code of Federal Regulations</i> (45 CFR 95.621) states, "State agencies must establish and maintain a program for conducting periodic risk analyses to ensure that appropriate, cost effective safeguards are incorporated into new and existing systems. State agencies must perform risk analyses whenever significant system changes occur. State agencies shall review the ADP system security of installations involved in the administration of HHS programs on a biennial basis. At a minimum, the reviews shall include an evaluation of physical and data		

security operating procedures, and personnel practices. ...The State agency shall maintain reports of their biennial ADP system security reviews, together with pertinent supporting documentation, for HHS on-site review.”

The Mississippi Division of Medicaid (MDOM)’s Risk Analysis Policy states, “In the case of ADP systems involved in the administration of Health and Human Services (HHS) programs, MDOM will follow the MARS-E 2.0 Risk Assessment (RA-3) Control which requires the Administering Entities (AEs) to conduct, document, annually review, and disseminate a Risk Assessment of the security and privacy of the systems, and review the Service Organization Control (SOC) reports annually or whenever provided by fiscal agent.”

Condition	The Mississippi Division of Medicaid (MDOM) is not in compliance with 45 CFR 95.621 and its own Risk Analysis Policy; each requires a Risk Analysis Report be produced every 2 years. MDOM provided no evidence of a biennial risk analysis of all ADP Systems involved in the administration of HHS programs. The agency did submit a risk analysis for Mod MEDS, a subsystem of Medicaid Management Information System (MMIS) in compliance with MARS-E v.2 Security and Privacy Controls framework; however, a risk analysis was not performed on the MMIS.
Cause	Due to the loss of personnel, the agency has not implemented the corrective action plan for the prior year finding.
Effect	Failure to properly establish and maintain a process for conducting periodic risk analyses could result in the compromise of the confidentiality, integrity and reliability of the data associated with HHS programs.
Recommendation	We recommend Mississippi Division of Medicaid strengthen internal controls to ensure compliance with the Automatic Data Processing (ADP) risk analysis and system security review requirements.
Repeat Finding	Yes – 2018-060 in 2018; 2017-034 in 2017; and 2016-033 in 2016
Statistically Valid	The sample is not considered statistically valid.

SPECIAL TEST & PROVISIONS

Material Weakness

Material Noncompliance

2019-029	<u>Controls Should Be Strengthened to Ensure Compliance with Provider Health and Safety Standards Requirements.</u>
CFDA Number(s)	93.796 – State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid
Federal Award No.	1705MS50001 2017 1805MS50001 2018 1905MS50001 2019

Federal Agency U.S. Department of Health and Human Services

Pass-Through Entity N/A

Questioned Costs None.

Criteria The *Code of Federal Regulations* (42 CFR 488.308) requires the State Survey Agency to conduct a standard survey of each Skilled Nursing Facility (SNF) and Nursing Facility (NF) no later than 15 months after the last day of the previous standard survey and the statewide average interval between standard surveys of skilled nursing facilities and nursing facilities must be 12 months or less. The statewide average interval is computed at the end of each Federal fiscal year by comparing the last day of the most recent standard survey for each participating facility to the last day of each facility's previous standard survey.

The *Code of Federal Regulations* (42 CFR 442.109) requires the State Survey Agency to conduct a survey of each Intermediate Care Facilities for Individuals with Intellectual Disability (ICF/IID) no later than 15 months after the last day of the previous survey and the statewide average interval between surveys must be 12 months or less. The statewide average interval is computed at the end of each Federal fiscal year by comparing the last day of the most recent survey for each participating facility to the last day of each facility's previous survey.

Condition During testwork performed over the provider health and safety standard requirements, we noted the following:

- 109 of the 203 nursing facilities, or 54 percent, did not have a mandatory health and safety survey performed within 15 months after the last day of the previous survey.
- One of the 14 ICF/IID facilities, or 7 percent, did not have a mandatory health and safety survey performed within 15 months after the last day of the previous survey.
- The statewide average survey interval for nursing facilities was 15.9, which exceeds the 12-month statewide average survey interval requirement.
- The statewide average survey interval for ICF/IID facilities was 12.8, which exceeds the 12-month statewide average survey interval requirement.

Cause Loss of qualified surveyors at the State Survey Agency.

Effect If surveys are not conducted timely, health and safety violations may go undetected. Failure to ensure the 12-month statewide average interval requirement is met could result in sanctions and impact funding determinations.

Recommendation We recommend the Mississippi Division of Medicaid strengthen controls to ensure compliance with provider health and safety standards requirements.

Repeat Finding Yes – 2018-059 in 2018

Statistically Valid Yes.

End of Report



MISSISSIPPI DIVISION OF
MEDICAID

SINGLE AUDIT FINDINGS

The Honorable Shad White
Mississippi Office of the State Auditor
P. O. Box 956
Jackson, MS 39205-0956

April 29, 2020

Dear Mr. White:

We have reviewed the single audit findings below in reference to our fiscal year 2019 audit. Listed below are our individual responses and plans for corrective action:

AUDIT FINDING:

CFDA Number 93.767 – Children’s Health Insurance Program (CHIP)
93.778 – Medical Assistance Program (Medicaid; Title XIX)

Compliance Requirement: Eligibility

2019-027 Controls Should Be Strengthened to Ensure Compliance with Eligibility Requirements of the Medical Assistance Program and the Children’s Health Insurance Program (CHIP).

Response:

The Division of Medicaid (DOM) does not fully concur with the audit finding. Using tax data more extensively would help inform eligibility decisions, and a more complete picture of each Medicaid applicant’s past financial condition could help advance DOM’s ongoing effort to ensure everyone receiving benefits is actually eligible for them.

But DOM does not believe the State Auditor’s (OSA’s) testing supports a finding of a material weakness in internal control during the audit period. Of the 180 samples reviewed, 176 of them – or approximately 98% – did not identify self-employment income on a 2018 income tax return that could have elevated income above the eligibility threshold. And in the four outlier cases, the 2018 tax return data would not have impacted the recipient’s Medicaid eligibility during State Fiscal Year 2019.

Eligibility determinations for three of the four questioned recipients were completed on September 24, 2018; September 25, 2018; and January 25, 2019. An eligibility determination for the fourth recipient was ongoing during the June 2019 sample month. The 2018 tax return covers the period of January 1, 2018 to December 31, 2018. The IRS began processing 2018 tax returns on January 28, 2019.¹ As such, 2018 tax return data would not have been available to DOM for the State Fiscal Year 2019 eligibility determinations for three of the four recipients. The fourth recipient, a low-income

¹ <https://www.irs.gov/newsroom/irs-confirms-tax-filing-season-to-begin-january-28>

parent caretaker in category of eligibility 075, may have been pregnant during the sample month. If DOM had access to that recipient's 2018 state tax return, and if the mandatory follow-up with that recipient confirmed the recipient's income now exceeded the 27% federal poverty level threshold for a low-income parent caretaker, then the recipient almost certainly would have remained Medicaid-eligible. This recipient would have transitioned from category of eligibility 075 to category of eligibility 088, the eligibility category for pregnant women earning up to 185% of the federal poverty level. Transitioning the recipient from the low-income parent caretaker category of eligibility to the pregnant woman category of eligibility would have cost the state an additional \$100 per month in capitation payments to the recipient's coordinated care organization. Alternatively, if the recipient was not pregnant during the determination period, the recipient still likely would have been eligible for transitional medical assistance, an extended Medicaid eligibility category mandated by Section 1925 of the Social Security Act.

The OSA's management letter asserted that "[t]he fiscal year capitation payments for these four recipients that would not have been eligible to receive the benefits totaled approximately \$23,628." But the use of tax data only indicates that further information should have been requested from the recipient. This information was not requested from the recipient for review, so the OSA does not know the recipients were actually ineligible.

Given the inapplicability of the 2018 tax returns and the fact that the OSA review did not determine that any recipient was actually ineligible, a report of any known questioned costs in State Fiscal Year 2019 appears to be unwarranted. But if there are known questioned costs, and if it is reasonable to report known questioned costs that fall below the \$25,000 reporting threshold in 2 CFR § 200.516, then those known questioned costs should have been reduced to under \$2,000. Known questioned costs should have been limited to the sample month rather than being annualized, particularly given that at least one of the four recipients at issue was not enrolled in Medicaid for all twelve months of the State Fiscal Year 2019 audit period.

Furthermore, the extrapolation of known costs for the four questioned recipients is overinflated. DOM believes the OSA projection is inflated by at least 110%. The member months for the SSI disabled, foster care, disabled child living at home, and other non-MAGI categories of eligibility should be excluded since the entire sample consists of MAGI cases. Additionally, the \$80 per member per month (PMPM) allowance to the monthly capitation rate for hospital supplemental payments should be excluded. The supplemental payment add-on is not enrollment-based and would be redistributed to the capitation payments of remaining eligible recipients if a recipient lost Medicaid eligibility. Applying the OSA's existing extrapolation methodology to the adjusted MAGI-only member months and an adjusted blended PMPM reduces the projection substantially.

The OSA management letter indicates that without federal tax and/or state tax data, the agency cannot determine if self-attested income is complete and accurate. But with tax data, the agency cannot necessarily determine income eligibility conclusively. Because of its nature as a prior year reporting of income, tax records cannot and do not provide a complete and accurate picture of income for Medicaid eligibility determinations, nor do these records ensure an appropriate eligibility determination. The circumstances for the applicant may have changed in many ways since the end of the prior calendar year. The tax data may indicate other income, but that simply means that DOM would ask the applicant for further information which would then be used for the final eligibility determination. The presence of self-employment or any other income on a prior year tax return exceeding the applicable income limit does not mean the applicant is ineligible. Financial

eligibility is based on current monthly household income and family size with reasonably predictable changes considered in future income and/or family size. This certainly does not mean that tax data should be ignored or its value minimized. Tax data may not be a panacea, but it is a potentially helpful tool.

Corrective Action Plan:

- A. In April 2020, the DOM entered into a contract amendment with its fiscal agent to include use of the Federal Data Services Hub for asset and income data. The system modifications may be completed as early as December 29, 2020. Proper use of this data will be incorporated into the *Mississippi Division of Medicaid Eligibility Policy and Procedures Manual*.
- B. Janis Bond
- C. As early as December 29, 2020

AUDIT FINDING:

CFDA Number – 93.778 – Medical Assistance Program (Medicaid: Title XIX)

Compliance Requirement – Special Test & Provisions

2019-028 Controls Should be Strengthened to Ensure Compliance with ADP Risk Analysis and System Security Review Requirements.

Response: The Mississippi Division of Medicaid (DOM) acknowledges the need to strengthen internal controls to ensure compliance with the ADP risk analysis and system security review requirements. Further, DOM acknowledges that Service Organization Control (SOC) reports are not sufficient to meet the ADP Risk Analysis requirement.

Corrective Action Plan

- A. Because DOM lacks sufficient resources with the appropriate skill sets to establish and maintain a program for conducting periodic risk analyses, we are actively pursuing the procurement of managed security services. DOM will procure managed security services through Information Technology Services' Managed Service Provider, Knowledge Services, dba GuideSoft. The managed security services vendor will assist DOM in strengthening controls necessary to achieve and maintain compliance with ADP risk analysis and system security review requirements.

While DOM was targeting to award and onboard a managed security services vendor by the end of calendar year 2019, this was delayed due to the unfortunate deaths of our Procurement Resource and subsequently our Security Officer. We have hired another Procurement Resource who has drafted a Managed Security Services Statement of Work.

We will be extending an offer of employment to our selected Security Officer candidate within the next two weeks.

We are planning to have our new Security Officer begin work at DOM as soon as possible, which we anticipate will be mid-to-late June 2020. The new Security Officer will review the Managed Security Services Statement of Work and assist IT procurement with the necessary modifications to finalize the procurement document. We understand that time is of the essence and will work diligently to pull these timeframes in wherever possible.

- B. iTECH Procurement Staff (Patti Igrens, Grant Banks) and iTECH Technical and Oversight Staff (Brad Estess, new Security Officer, Sheila Kearney)
- C. DOM is targeting to award and onboard a managed security services vendor by the end of calendar year 2020.

AUDIT FINDING:

CFDA Number – 93.796 – State Survey and Certification of Health Care Providers and Suppliers (Title XIX) Medicaid

Compliance Requirement: Special Test & Provisions

2019-029 Controls Should be Strengthened to Ensure Compliance with Provider Health and Safety Standards Requirements.

Response: The Mississippi Division of Medicaid (DOM) does concur with this finding. The Long-Term Care (LTC) facilities did not have the mandatory health and safety survey performed within the required 15 months of the survey period.

Corrective Action Plan:

- A. Mississippi State Department of Health will provide to DOM a “Health Care Provider and Suppliers-State Survey Certification” form on a monthly basis.
- B. LaShunda Woods
- C. July 1, 2019

Sincerely,



Drew L. Snyder
Executive Director