

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF FEDERAL
REIMBURSEMENT FOR HEALTH
CARE COVERAGE UNDER THE STATE
CHILDREN'S HEALTH INSURANCE
PROGRAM AND MEDICAID PROGRAM**

**WISCONSIN DEPARTMENT OF
HEALTH AND FAMILY SERVICES
MADISON, WISCONSIN**



**OCTOBER 2003
A-05-03-00092**

Office of Inspector General

<http://oig.hhs.gov/>

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

Office of Audit Services

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

Office of Evaluation and Inspections

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in the inspections reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs.

Office of Investigations

The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil monetary penalties. The OI also oversees State Medicaid fraud control units, which investigate and prosecute fraud and patient abuse in the Medicaid program.

Office of Counsel to the Inspector General

The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. The OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within the Department. The OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops model compliance plans, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.

Notices

**THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov/>**

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, Office of Inspector General, Office of Audit Services, reports are made available to members of the public to the extent information contained therein is not subject to exemptions in the Act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in this report represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the awarding agency will make final determination on these matters.





DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF AUDIT SERVICES
233 NORTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60601

REGION V
OFFICE OF
INSPECTOR GENERAL

October 31, 2003

Report Number: A-05-03-00092

Mark Moody, Administrator
Wisconsin Department of Health and Family Services
Division of Health Care Financing
1 West Wilson Street, Room 350
Madison, WI 53701-0309

Dear Mr. Moody:

We have concluded our review of the Federal reimbursement for health care coverage provided under the State Children's Health Insurance Program (SCHIP) and Medicaid program. The primary objective of our review was to determine if the Wisconsin Department of Health and Family Services (State Agency) had adequate internal controls to ensure medical services provided and claimed for reimbursement under one of the programs could not be claimed for Federal financial participation under the other program.

Based on our survey work, we concluded that State Agency's internal controls were adequate to ensure appropriate reporting of expenditures under the SCHIP and Medicaid programs. The recipient's eligibility database file contains indicators used to segregate SCHIP and Medicaid eligibles. These indicators are used to identify and accumulate medical payments made on behalf of each recipient to the respective programs. Our review of the supporting documentation for the quarterly claims concluded that the expenditures were appropriately segregated between the SCHIP and Medicaid programs and that there was no evidence of any duplicate claims.

We appreciate the assistance provided to us during the survey. Should you have any questions or comments concerning our survey, please contact Donna Kern at (608) 264-5415 ext. 22. To facilitate identification, please refer to report number A-05-03-00092 in all correspondence relating to this review.

Sincerely,

A handwritten signature in black ink that reads "Paul Swanson".

Paul Swanson
Regional Inspector General
for Audit Services

ACKNOWLEDGMENTS

This report was prepared under the direction of Paul Swanson (RIGA). Other principal Office of Audit Services staff who contributed include:

Ross Anderson, *Audit Manager*

Donna Kern, *Senior Auditor*

Michael Carr, *Auditor*

Ken Joosse, *Auditor*

For information or copies of this report, please contact the Office of Inspector General's Public Affairs office at (202) 619-1343.