



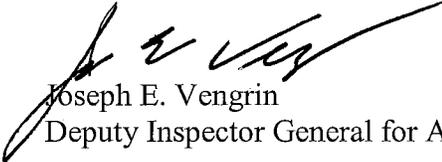
DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

DEC - 6 2007

**TO:** Kerry Weems  
Acting Administrator  
Centers for Medicare & Medicaid Services

**FROM:**   
Joseph E. Vengrin  
Deputy Inspector General for Audit Services

**SUBJECT:** Review of Medicaid Targeted Case Management Services Rendered by the Georgia Department of Juvenile Justice During Federal Fiscal Years 2003 and 2004 (A-04-06-00022)

Attached is an advance copy of our final report on targeted case management (TCM) services claimed by the Department of Community Health (DCH) for services to Medicaid beneficiaries during Federal fiscal years (FY) 2003 and 2004. We will issue this report to DCH within 5 business days.

During Federal FYs 2003 and 2004, the Georgia Department of Juvenile Justice (DJJ) provided TCM services for Medicaid-eligible, emotionally disturbed, or substance-abusing children under the age of 21 who were deemed at risk of incarceration. The Georgia Department of Community Health (the Medicaid agency) made Medicaid payments on a fee-for-service basis for TCM services provided by DJJ. The Medicaid agency claimed these payments as costs for Federal financial participation (FFP) on its Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64). For Federal FYs 2003 and 2004, the Medicaid agency claimed \$14,624,372 (\$8,908,196 Federal share) in TCM costs relating to services for individuals deemed at risk of incarceration.

Our objective was to determine whether the Medicaid agency claimed costs for TCM services for individuals deemed at risk of incarceration, in compliance with Federal and State requirements.

Based on our sample results, we estimate that during Federal FYs 2003 and 2004 the Medicaid agency claimed \$4,654,984 (Federal share \$2,835,507) in TCM costs for services not in compliance with Federal and State requirements. The Medicaid agency inappropriately claimed FFP for unallowable services provided by DJJ because neither the Medicaid agency nor DJJ had adequate controls to assure the services claimed were eligible for FFP.

We recommend that the Medicaid agency refund to the Federal Government the \$2,835,507 estimated overpayment for Federal FYs 2003 and 2004, examine claims made during the period subsequent to our audit for compliance with these requirements and refund any overpayments

identified, and establish monitoring procedures to provide reasonable assurance that DJJ complies with Federal and State requirements in submitting TCM claims.

In its comments to the draft report, the Medicaid agency addressed our first recommendation by submitting additional documentation for our review and stated that it would refund the Federal share once a final determination has been made as to the overpayment for Federal FYs 2003 and 2004. The Medicaid agency stated it will comply with our second and third recommendations.

The additional documentation provided by the Medicaid agency did not change our findings or recommendations.

If you have any questions or comments about this report, please do not hesitate to call me, or your staff may contact George M. Reeb, Assistant Inspector General for the Centers for Medicare and Medicaid Audits, at (410) 786-7104 or through e-mail at [George.Reeb@oig.hhs.gov](mailto:George.Reeb@oig.hhs.gov) or Peter Barbera, Regional Inspector General for Audit Services, Region IV, at (404) 562-7750 or through e-mail at [Peter.Barbera@oig.hhs.gov](mailto:Peter.Barbera@oig.hhs.gov). Please refer to report number A-04-06-00022.

Attachment

REGION IV  
61 Forsyth Street, S.W., Suite 3T41  
Atlanta, Georgia 30303

DEC 10 2007

Report Number: A-04-06-00022

Ms. Carie Summers  
Chief Financial Officer  
Georgia Department of Community Health  
Division of Medical Assistance  
2 Peachtree Street, NW.  
Atlanta, Georgia 30303-3159

Dear Ms. Summers:

Enclosed is the U.S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), final report entitled "Review of Medicaid Targeted Case Management Services Rendered by the Georgia Department of Juvenile Justice During Federal Fiscal Years 2003 and 2004." We will forward a copy of this report to the HHS action official noted on the following page for review and any action deemed necessary.

The HHS action official will make final determination as to actions taken on all matters reported. We request that you respond to this official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

Pursuant to the principles of the Freedom of Information Act, 5 U.S.C. § 552, as amended by Public Law 104-231, OIG reports generally are made available to the public to the extent the information is not subject to exemptions in the Act (45 CFR part 5). Accordingly, within 10 business days after the final report is issued, it will be posted on the Internet at <http://oig.hhs.gov>.

If you have any questions or comments about this report, please do not hesitate to call me, or contact Eric Bowen, Audit Manager, at (404) 562-7789 or through e-mail at [eric.bowen@oig.hhs.gov](mailto:eric.bowen@oig.hhs.gov). Please refer to report number A-04-06-00022 in all correspondence.

Sincerely,

Handwritten signature of Peter J. Barbera in cursive.

Peter J. Barbera  
Regional Inspector General  
for Audit Services, Region IV

Enclosure

**Direct Reply to HHS Action Official:**

Mr. Jay Gavens  
Acting Associate Regional Administrator  
Centers for Medicare & Medicaid Services, Region IV  
Department of Health and Human Services  
61 Forsyth Street SW., Suite 4T20  
Atlanta, Georgia 30303-8909

Department of Health and Human Services

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF MEDICAID  
TARGETED CASE MANAGEMENT  
SERVICES RENDERED BY THE  
GEORGIA DEPARTMENT OF  
JUVENILE JUSTICE DURING  
FEDERAL FISCAL YEARS 2003  
AND 2004**



Daniel R. Levinson  
Inspector General

December 2007  
A-04-06-00022

# ***Office of Inspector General***

<http://oig.hhs.gov>

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**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 the information 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 HHS divisions will make final determination on these matters.



## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Section 1905(a)(19) of the Social Security Act (the Act) authorizes State Medicaid agencies to provide case management services to Medicaid beneficiaries. Section 1915(g)(2) of the Act defines case management services as “services which will assist individuals eligible under the [State] plan in gaining access to needed medical, social, educational, and other services.” A 2001 Centers for Medicare & Medicaid Services (CMS) letter to State Medicaid directors refers to case management services as targeted case management (TCM) when the services are furnished to specific populations in a State. The letter provides that allowable TCM services for Medicaid-eligible beneficiaries include assessment of the beneficiary to determine service needs, development of a specific care plan, referral to needed services, and monitoring and followup. The letter specifies that allowable Medicaid case management services do not include direct medical, educational, or social services to which the Medicaid-eligible individual has been referred.

During Federal fiscal years (FY) 2003 and 2004, the Georgia Department of Juvenile Justice (DJJ) provided TCM services for Medicaid-eligible, emotionally disturbed, or substance-abusing children under the age of 21 who were deemed at risk of incarceration. The Georgia Department of Community Health (the Medicaid agency) made Medicaid payments on a fee-for-service basis for TCM services provided by DJJ. The Medicaid agency claimed these payments as costs for Federal financial participation (FFP) on its Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64).

For Federal FYs 2003 and 2004, the Medicaid agency claimed \$14,624,372 (\$8,908,196 Federal share) in TCM costs relating to services for individuals deemed at risk of incarceration.

### **OBJECTIVE**

Our objective was to determine whether the Medicaid agency claimed costs for TCM services for individuals deemed at risk of incarceration, in compliance with Federal and State requirements.

### **SUMMARY OF FINDINGS**

Based on our sample results, we estimate that during Federal FYs 2003 and 2004 the Medicaid agency claimed \$4,654,984 (Federal share \$2,835,507) in TCM costs for services not in compliance with Federal and State requirements.

Our sample of 100 claims found 40 errors:

- 21 claims were for services that were not supported as TCM by DJJ case records,
- 15 claims were for services that did not meet TCM requirements because the claims were for services to juveniles who were inmates of a public institution and who were not part of the targeted population, and

- 4 claims were for services that had no supporting documentation.

We did not find errors in the remaining 60 claims.

The Medicaid agency inappropriately claimed FFP for unallowable services provided by DJJ because neither the Medicaid agency nor DJJ had adequate controls to assure the services claimed were eligible for FFP.

## **RECOMMENDATIONS**

We recommend that the Medicaid agency:

- refund to the Federal Government the \$2,835,507 estimated overpayment for Federal FYs 2003 and 2004,
- examine claims made during the period subsequent to our audit for compliance with these requirements and refund any overpayments identified, and
- establish monitoring procedures to provide reasonable assurance that DJJ complies with Federal and State requirements in submitting TCM claims.

## **STATE'S COMMENTS**

In its comments to the draft report, the Medicaid agency addressed our first recommendation by submitting additional documentation for our review and stated that it would refund the Federal share once a final determination has been made as to the overpayment for Federal FYs 2003 and 2004. The Medicaid agency stated it will comply with our second and third recommendations. The State's comments are included as Appendix C. However, we did not include the additional documentation provided for our review because it contains personally identifiable information.

## **OFFICE OF INSPECTOR GENERAL'S RESPONSE**

The additional documentation provided by the Medicaid agency did not change our findings or recommendations.

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## **INTRODUCTION**

### **BACKGROUND**

Title XIX of the Social Security Act (the Act) authorizes Federal grants to States for Medicaid programs that provide medical assistance to low-income individuals and persons with disabilities. The Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program for the Federal Government. Each State administers its Medicaid program in accordance with a CMS-approved State plan. While the State has considerable flexibility in designing its State plan and operating its Medicaid program, it must comply with applicable Federal requirements.

#### **Medicaid Targeted Case Management Services**

Section 1905(a)(19) of the Act authorizes State Medicaid agencies to provide case management services to Medicaid beneficiaries. Section 1915(g)(2) of the Act defines Medicaid case management as “services which will assist individuals eligible under the [State] plan in gaining access to needed medical, social, educational, and other services.” CMS’s State Medicaid Director Letter 01-013, issued January 19, 2001, refers to case management services as targeted case management (TCM) when the services are furnished to specific populations in a State. Activities commonly understood to be allowable TCM for Medicaid-eligible beneficiaries include assessment to determine service needs, development of a specific care plan, referral to needed services, and monitoring and followup.

#### **Georgia Department of Community Health**

The Georgia Department of Community Health (the Medicaid agency) administers the Medicaid program in Georgia. It made Medicaid payments on a fee-for-service basis for TCM services rendered by the Georgia Department of Juvenile Justice (DJJ). The Medicaid agency claimed the resulting payments as costs for Federal financial participation (FFP) on its Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64). The Medicaid agency reimbursed DJJ \$173.16 per claim for up to one unit of TCM service provided per month, per beneficiary. The Medicaid agency and CMS negotiated this fee-for-service rate, which was based on expenses and random moment timestudies for three quarters.

#### **Georgia Department of Juvenile Justice**

The DJJ is authorized to provide probation and parole services to any child committed to DJJ by the juvenile court system. The child can receive these services at home, in a foster home, in a group home, in a Short Term Program,<sup>1</sup> in a Regional Youth Detention Center, or in a Youth Development Center.

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<sup>1</sup>Short Term Programs are programs for juveniles committed by juvenile court judges to serve up to a maximum of 90 days.

During Federal fiscal years (FY) 2003 and 2004, DJJ provided TCM services for Medicaid-eligible, emotionally disturbed, or substance-abusing children under the age of 21 who were deemed at risk of incarceration. DJJ billed the Medicaid agency \$173.16 on a fee-for-service basis for up to one unit of TCM service provided per month, per beneficiary. DJJ is the sole Medicaid provider of TCM services under this program. A DJJ employee, the juvenile probation parole specialist, provides the service.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **Objective**

Our objective was to determine whether the Medicaid agency claimed costs for TCM services for individuals deemed at risk of incarceration, in compliance with Federal and State requirements.

### **Scope**

We reviewed TCM services provided by DJJ from October 1, 2002, through September 30, 2004. The Medicaid agency claimed \$14,624,372 (\$8,908,196 Federal share) for 84,483 units of TCM service rendered by DJJ. We did not review the development of the Medicaid agency's fee-for-service rate as part of this review.

We limited consideration of the Medicaid agency and DJJ internal control structures to those controls concerning claims processing because the objective of our review did not require an understanding or assessment of the complete internal control structure. Further, we concluded that our review of the Medicaid agency's internal control structure could be conducted more efficiently by substantive testing.

We performed our fieldwork from August 2005 through May 2006 at the Medicaid agency and DJJ headquarters in Atlanta, Georgia. We also visited five regional DJJ offices throughout Georgia.

### **Methodology**

To accomplish our objective, we:

- reviewed Federal and State requirements regarding Medicaid reimbursement for TCM services;
- interviewed Medicaid agency and DJJ officials;
- reviewed the Medicaid agency's contract with the consultant involved in the calculation of the fee-for-service rate for TCM services;
- reviewed calculations supporting the fee-for-service rate for TCM services;

- compiled from the Medicaid agency’s billing system a population totaling \$14,624,372 in payments for TCM services provided;
- reconciled \$14,624,372 in payments to DJJ for TCM services provided to the costs claimed by the Medicaid agency on the Form CMS-64;
- selected a statistical random sample of 100 TCM claims for services totaling \$17,311 (Appendix A); and
- obtained case note records from DJJ’s electronic Juvenile Tracking System<sup>2</sup> and reviewed the beneficiaries’ case files at the regional DJJ offices throughout Georgia to determine whether:
  - services met the definition of TCM services,
  - services were provided to the targeted population specified in the State plan, and
  - case records fully disclosed the extent of the services provided.

We used an unrestricted variable appraisal program to estimate overpayments to the Medicaid agency (Appendix B).

We conducted our review in accordance with generally accepted government auditing standards.

### **FINDINGS AND RECOMMENDATIONS**

Based on our sample results, we estimate that during Federal FYs 2003 and 2004 the Medicaid agency claimed \$4,654,984 (\$2,835,507 Federal share) in TCM costs relating to services not in compliance with Federal and State requirements.

Our sample of 100 claims found 40 errors:

- 21 claims were for services that were not supported as TCM by DJJ case records,
- 15 claims were for services that did not meet TCM requirements because the claims were for services to juveniles who were inmates of a public institution and who were not part of the targeted population, and
- 4 claims were for services that had no supporting documentation.

We did not find errors in the remaining 60 claims.

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<sup>2</sup>The Juvenile Tracking System is an electronic system used by DJJ to record all pertinent information on juveniles committed to DJJ custody and to track juveniles until their release from custody.

The Medicaid agency inappropriately claimed FFP for unallowable services provided by DJJ because neither the State agency nor DJJ had adequate controls to assure the services claimed were eligible for FFP.

## **PROGRAM REQUIREMENTS**

Federal and State TCM requirements are contained in Federal law, a CMS program manual, CMS policy letters and notices to State Medicaid directors, and the State plan. TCM requirements specific to Georgia's At-Risk-of-Incarceration Program are contained in the State plan and the Medicaid agency's policy guide entitled "Policies and Procedures for At-Risk-of-Incarceration Case Management Services Program."

### **Federal Law**

Section 1905(a)(19) of the Act authorizes State Medicaid agencies to provide case management services to Medicaid beneficiaries. Section 1915(g)(2) defines Medicaid case management as services that assist beneficiaries in gaining access to needed medical, social, educational, and other services.

Clause (A) in the matter following section 1905(a)(28) of the Act specifically excludes FFP for services provided to inmates of a public institution, except patients in a medical institution.

### **Centers for Medicare & Medicaid Services Manual**

The CMS "State Medicaid Manual," section 4302.2(G)(1), specifically states:

- Although FFP may be available for case management activities that identify the specific services needed by an individual, assist recipients in gaining access to these services, and monitor to assure that needed services are received, FFP is not available for the cost of these specific services unless they are separately reimbursable under Medicaid. Also, FFP is not available for the cost of the administration of the services or programs to which recipients are referred.
- Payment for services is made following the receipt of a valid provider claim. Providers must maintain case records which indicate all contacts with and on behalf of recipients. The case records must document . . . the nature, extent, . . . units of service, and place of service delivery . . . .

Also, section 2500.2 (a) of the CMS "State Medicaid Manual," instructs States to:

Report only expenditures for which all supporting documentation, in readily reviewable form, has been compiled and which is immediately available when the claim is filed. Your supporting documentation includes as a minimum the following: date of service, name of recipient, Medicaid identification number,

name of provider agency and person providing the service, nature, extent or units of service, and the place of service. [Emphasis in the original.]

### **Centers for Medicare & Medicaid Services State Medicaid Director Letter**

CMS's State Medicaid Director Letter 01-013, issued January 19, 2001, (the letter) refers to case management services as TCM when the services are furnished to specific populations in a State. The letter provides that activities commonly understood to be allowable TCM services for Medicaid-eligible beneficiaries include assessment of the beneficiary to determine service needs, development of a specific care plan, referral to needed services, and monitoring and followup. The letter further states that Medicaid case management services do not include payment for the provision of direct services (medical, educational, or social) to which the Medicaid-eligible individual has been referred.

The letter then provides examples of direct foster care services that may not be claimed as Medicaid case management including gathering research and completing documentation required by the foster care program, assessing adoption placements, recruiting or interviewing potential foster care parents, serving legal papers, conducting home investigations, providing transportation, administering foster care subsidies, and making placement arrangements.

### **Centers for Medicare & Medicaid Services Medicaid Policy Notice**

On March 6, 1998, CMS issued a Program Issuance Transmittal Notice (Medicaid policy notice) to all States in Region IV, which included Georgia, to clarify Medicaid coverage policy for inmates of a public institution. This regional Medicaid policy notice replicates the statement of Medicaid coverage policy for inmates of a public institution issued by CMS to all Associate Regional Administrators on December 12, 1997. The Medicaid policy notice stated that, for purposes of excluding FFP for services provided to inmates of a public institution, there was no difference in application of the policy to juveniles or adults. It explained that an individual is an inmate when serving time for a criminal offense or confined involuntarily in State or Federal prisons, jails, detention facilities, or other penal facilities. It also noted that the exception to inmate status in which "other living arrangements appropriate to the individual's needs are being made" does not apply when an individual is involuntarily residing in a public institution awaiting criminal proceedings, penal dispositions, or other involuntary detainment determinations.

### **State Plan**

The State plan (amendment 93-04 as modified effective October 1, 2001, by amendment 01-43) identifies the target population for at-risk-of-incarceration TCM services as: "All Medicaid eligible emotionally disturbed or substance abusing beneficiaries under 21 years of age at risk of incarceration who have been referred to a Foster Home or a non-residential intensive supervision program as an alternative to a secure confinement facility." It also states that case management includes one or more of the following activities:

- establishing the comprehensive case file for development and implementation of an individualized service plan to meet the assessed service needs of the child;
- assisting the child in locating needed service providers and making the necessary linkages to assure the receipt of services identified in the service plan;
- monitoring the child and service provider to determine that the services received are adequate in meeting the child’s needs; and
- reassess[ing] the child to determine services needed to resolve any crisis . . . resulting from divorce, death, separation, changes in family structure or living conditions, or other events.

The State plan also requires that providers of TCM services “[d]ocument and maintain case records in accordance with state and federal requirements . . .” and “[m]aintain such records as are necessary to fully disclose the extent of services provided and to furnish the [Medicaid agency] with information as it may periodically request . . .”

## **UNALLOWABLE TARGETED CASE MANAGEMENT COSTS**

### **Unallowable Costs Claimed**

For 40 of the 100 claims in our sample, the services were not in compliance with Federal and State requirements and were, therefore, unallowable.

- For 21 claims totaling \$3,636, DJJ’s case records did not support the contact as TCM. For example, in May 2003, DJJ billed the Medicaid agency for one unit of TCM service provided to an eligible juvenile. The juvenile’s case record reflected only one contact for the month. The case manager’s documentation for the contact on May 21, 2003, stated: “Phone call with mother. Discussed the outstanding warrant for . . . . She does not know where he is. She will call police when he shows up.” The purpose of this contact was to locate the juvenile, who was under an outstanding warrant. The contact described does not meet the definition of a Medicaid TCM service intended to assist the eligible individual in gaining access to needed medical, educational, or social services.
- Fifteen claims totaling \$2,596 did not meet the requirements for TCM services for two reasons. First, the claims were for services to juveniles involuntarily residing in a Regional Youth Development Center and designated for placement in a Youth Development Center or a locked Short Term Program. Pursuant to CMS’s March 1998 Medicaid policy notice, juveniles awaiting criminal proceedings, penal dispositions, or other involuntary detainment determinations and residing in public secure confinement facilities are inmates of a public institution. Accordingly, FFP is not available in

expenditures for services to these individuals.<sup>3</sup> By contrast, FFP is available for services provided to juveniles who are eligible for FFP because they are voluntarily housed in public Regional Youth Development Centers pending other living arrangements. Second, these 15 claims involved juveniles who were not part of the targeted population for at-risk-of-incarceration TCM services. The State plan defines the target population as those “. . . who have been referred to a Foster home or a non-residential intensive supervision program as an alternative to a secure confinement facility.”

- The State was unable to produce any documentation to support the remaining four claims totaling \$692. The State plan requires that providers of TCM services “[d]ocument and maintain case records in accordance with state and federal requirements . . .” and “[m]aintain such records as are necessary to fully disclose the extent of services provided and to furnish the [State agency] with information as it may periodically request.”

### **Noncompliance With Program Requirements**

Neither the State agency nor DJJ had adequate controls to assure the services claimed were eligible for FFP. DJJ did not maintain adequate case records to document the extent of TCM services and did not properly identify individuals excluded from the targeted population. As a result, it erroneously billed the Medicaid agency for TCM services that were not in compliance with Federal and State requirements and were, therefore, unallowable. The Medicaid agency had no monitoring procedures in place to ensure that the DJJ billings were for allowable services.

### **Overpayments Related to Unallowable Costs Claimed**

The 100 claims in our sample were for \$17,311 in Medicaid payments. Of this amount, 40 claims for \$6,924 represented an overpayment related to services that were not in compliance with Federal and State requirements and were, therefore, unallowable. We did not find errors in the remaining 60 claims. By projecting these results onto the population of TCM units of service for FYs 2003 and 2004, we estimate that CMS overpaid the Medicaid agency by \$4,654,984 during that time for TCM services to individuals deemed at risk of incarceration.

### **RECOMMENDATIONS**

The Medicaid agency should:

- refund to the Federal Government the \$2,835,507 estimated overpayment for Federal FYs 2003 and 2004,
- examine claims made during the period subsequent to our audit for compliance with the Federal and State requirements and refund any overpayments identified, and
- establish monitoring procedures to provide reasonable assurance that DJJ complies with Federal and State requirements in submitting TCM claims.

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<sup>3</sup>Clause (A) in the matter following section 1905(a)(28) of the Act excludes FFP for services to inmates of public institutions, defined at 42 CFR § 435.1009 as “a person who is living in a public institution.”

## **STATE'S COMMENTS**

In its comments to the draft report, the Medicaid agency addressed our first recommendation by submitting additional documentation for our review and stated that it would refund the Federal share once a final determination has been made as to the overpayment for Federal FYs 2003 and 2004. The Medicaid agency stated it will comply with our second and third recommendations. The State's comments are included as Appendix C. However, we did not include the additional documentation provided for our review because it contains personally identifiable information.

## **OFFICE OF INSPECTOR GENERAL'S RESPONSE**

The additional documentation provided by the Medicaid agency did not change our findings or recommendations.

# **APPENDIXES**

## **SAMPLING METHODOLOGY**

### **OBJECTIVE**

Our objective was to determine whether the Medicaid agency claimed costs for targeted case management (TCM) services for individuals deemed at risk of incarceration, in compliance with Federal and State requirements.

### **POPULATION**

The population consisted of 84,483 units of TCM service rendered by the Georgia Department of Juvenile Justice. These units of TCM service totaled \$14,624,372 in payments for TCM services under the At-Risk-of-Incarceration Program claimed for reimbursement during Federal fiscal years 2003 and 2004.

### **SAMPLE UNIT**

The sample unit was one unit of TCM service provided and claimed by the Georgia Department of Juvenile Justice.<sup>1</sup>

### **SAMPLE DESIGN**

We used a simple random sample of units of service.

### **SAMPLE SIZE**

The sample size was 100 units of service.

### **ESTIMATION METHODOLOGY**

Using the Office of Inspector General, Office of Audit Services RAT-STATS variable appraisal program, we projected the excessive payments to the Georgia Department of Community Health resulting from claims that did not meet TCM program requirements.

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<sup>1</sup>For purposes of this report, the term “unit of TCM service” is synonymous with “claim.”

**SAMPLE RESULTS AND PROJECTION****SAMPLE RESULTS**

<b><u>Sample Size</u></b>	<b><u>Number of Errors</u></b>	<b><u>Value of Errors</u></b>
100	40	\$6,924

**VARIABLE PROJECTION**

	<b><u>Projected Value of Overpayments for Fiscal Years 2003 and 2004</u></b>
Point estimate	\$5,849,873
90-percent confidence interval:	
Lower limit	\$4,654,984
Upper limit	\$7,044,763



**GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH**

*Rhonda M. Meadows, MD, Commissioner*

*Sonny Perdue, Governor*

**APPENDIX C  
Page 1 of 2**

2 Peachtree Street, NW  
Atlanta, GA 30303-3159  
www.dch.georgia.gov

August 15, 2007

**RECEIVED**

AUG 16 2007

**Office of Audit Svcs.**

Mr. Peter J. Barbera  
Regional Inspector General for Audit Services, Region IV  
61 Forsyth Street, S.W., Suite 3T41  
Atlanta, GA 30303

Report Number: A-04-06-00022

Dear Mr. Barbera:

We have reviewed your letter dated June 29, 2007, and accompanying draft report (the report) entitled "Review of Medicaid Targeted Case Management Services Rendered by the Georgia Department of Juvenile Justice During Federal Fiscal Years 2003 and 2004."

As requested, our comments on the draft audit report follows:

Throughout this audit you have worked closely with the Georgia Department of Juvenile Justice (DJJ) and DJJ has given us some documentation (attached) that they would like you to consider.

As to the first recommendation, we will refund the federal share once a final determination has been made as to the overpayment for Federal FYs 2003 and 2004.

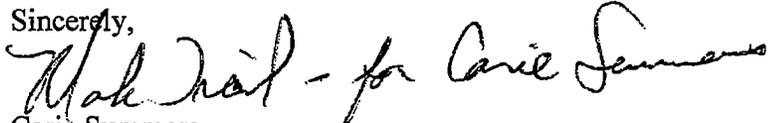
As to the second recommendation, the state will examine claims made during the period subsequent to this audit for compliance and refund any overpayments identified.

As to the third recommendation, the state will establish additional monitoring procedures and provide for reasonable assurance that DJJ complies with Federal and State requirements in submitting Targeted Case Management claims.

Mr. Peter J. Barbera  
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August 15, 2007

Thank you for the opportunity to respond to the draft report and for the extension granted until August 15, 2007, while further documentation was being gathered by DJJ for their comments. If you need additional information, please contact Alan Sacks, Audit Coordinator, at (404) 657-7113.

Sincerely,

A handwritten signature in black ink that reads "Mark Trail - for Carie Summers". The signature is written in a cursive style.

Carie Summers  
Chief Financial Officer

C: Mark Trail  
Alan Sacks  
Jeff Minor  
Sandra Deaton  
Robert Dorr