

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**THE OHIO ASSOCIATION OF
FOODBANKS GENERALLY
COMPLIED WITH THE
NAVIGATOR REQUIREMENTS
RELATED TO THE
AFFORDABLE CARE ACT**

*Inquiries about this report may be addressed to the Office of Public Affairs at
Public.Affairs@oig.hhs.gov.*



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Deputy Inspector General
for Audit Services

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A-05-15-00013

Office of Inspector General

<http://oig.hhs.gov>

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OFFICE OF AUDIT SERVICES FINDINGS AND OPINIONS

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

EXECUTIVE SUMMARY

The Ohio Association of Foodbanks generally complied with the navigator eligibility and grant requirements related to the Affordable Care Act. However, it claimed unallowable costs totaling \$10,512.

WHY WE DID THIS REVIEW

The Patient Protection and Affordable Care Act (ACA) requires the establishment of a health insurance exchange (marketplace) in each State and the District of Columbia. A marketplace is designed to serve as a “one-stop shop” at which individuals can get information about their health insurance options; are evaluated for eligibility for a qualified health plan (QHP) and, when applicable, eligibility for insurance affordability programs; and enroll in the QHP of their choice. The U.S. Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), may award grants to organizations that provide in-person assistance to consumers who are shopping for and enrolling in health insurance coverage through the Federally-facilitated marketplace and State-partnership marketplaces (section 1311(i) of the ACA). These organizations are known as navigator grantees.

We conducted this review of the navigator grantee Ohio Association of Foodbanks (Ohio Foodbanks), located in Columbus, Ohio, as part of our ACA oversight activities.

Our objectives were to determine whether Ohio Foodbanks met navigator eligibility requirements and whether costs claimed were allowable under the terms of the CMS grant and applicable Federal and State regulations.

BACKGROUND

Federally-Facilitated Marketplace Navigators

Federally-facilitated marketplace navigator grantees, such as Ohio Foodbanks, assist consumers with obtaining healthcare coverage through the marketplaces and provide consumers with information about insurance affordability programs. Navigator assistance personnel (navigators) also work to raise awareness about the marketplaces and refer consumers to health insurance ombudsmen and consumer assistance programs when necessary. Navigators must complete comprehensive Federal training and (when applicable under State law) State training, registration, and criminal background checks, before assisting consumers. CMS issues certifications to navigators upon successful completion of a federally approved certification examination administered by CMS. In addition to obtaining CMS certification, Federal navigators may be required by State law to obtain State certification.

At least two types of entities will serve as navigators in each marketplace service area, and at least one navigator must be a community- and consumer-focused nonprofit, such as Ohio Foodbanks. Other entities may include, but are not limited to, unions, chambers of commerce,

licensed insurance agents and brokers, tribal organizations, and State or local human services agencies.

Federal Funding for Navigators

CMS developed funding opportunities for cooperative agreements to enable recipients to operate navigator programs that serve consumers in States that use the Federally-facilitated marketplace or a State-partnership marketplace. On August 15, 2013, CMS awarded approximately \$67 million to 105 navigator grant applicants for the grant period ended August 14, 2014. On September 16, 2014, CMS awarded approximately \$60 million to 92 navigator grant applicants for the grant period ended September 15, 2015. In addition, CMS expects to award up to \$201 million over a 3-year project period anticipated to end in September 2018.

Ohio Association of Foodbanks

Ohio Foodbanks is a nonprofit organization established in 1991 with the mission of assisting foodbanks in Ohio by providing food and other resources to people in need. Ohio Foodbanks has served as a navigator grantee since 2013 and will continue to provide outreach and support through 2018. Ohio Foodbanks helps consumers enroll in QHPs available through the Federally-facilitated marketplace. Ohio Foodbanks and a consortium of social service agencies and health care organizations (subgrantees) carry out the navigator program in Ohio. For the initial grant award, Ohio Foodbanks received approximately \$2 million in Federal funds for the grant period ended August 14, 2014, of which \$1.6 million was provided to 11 subgrantees.

WHAT WE FOUND

Ohio Foodbanks' navigators generally met the navigator eligibility requirements, and its expenditures were generally allowable under the terms of the ACA navigator grant and applicable Federal and State regulations. However, of the \$1,608,397 claimed by the subgrantees, we determined \$10,512 to be unallowable, which included (1) \$1,678 previously reimbursed during the grant period, (2) \$4,911 that was not incurred during the grant period, (3) \$1,249 in grant funds paid to a subgrantee for services that were never provided, (4) \$1,087 in expenditures inappropriately charged to the grant, and (5) \$1,587 in costs not adequately supported. The unallowable costs were due to Ohio Foodbanks' insufficient monitoring of the subgrantees' expenditures, which resulted in a limited number of inappropriate or inadequately supported costs.

WHAT WE RECOMMEND

We recommend that CMS:

- require Ohio Foodbanks to refund \$1,678 to the Federal Government for costs previously reimbursed within the grant period,
- require Ohio Foodbanks to refund \$4,911 to the Federal Government for costs not incurred during the grant period,

- require Ohio Foodbanks to refund \$1,249 to the Federal Government for grant funds paid to a subgrantee for services that were never provided,
- require Ohio Foodbanks to refund \$1,087 to the Federal Government for expenditures inappropriately charged to the grant,
- require Ohio Foodbanks to refund \$1,587 to the Federal Government for costs not adequately supported, and
- work with Ohio Foodbanks to strengthen its procedures for monitoring subgrantee costs to ensure that claimed costs adhere to applicable Federal requirements.

OHIO FOODBANKS COMMENTS AND OUR RESPONSE

In written comments on our draft report, Ohio Foodbanks generally agreed with our findings and all but two of our recommendations. Ohio Foodbanks described actions it had taken or planned to take to address our recommendations. We maintain that all of our findings and recommendations are valid.

CMS COMMENTS

In written comments on our draft report, CMS concurred with our recommendations. CMS provided technical comments on our draft report, which we addressed as appropriate.

TABLE OF CONTENTS

INTRODUCTION	1
Why We Did This Review.....	1
Objectives	1
Background.....	1
Federally-Facilitated Marketplace Navigators.....	1
Federal Funding for Navigators	2
Ohio Association of Foodbanks.....	2
How We Conducted This Review.....	3
FINDINGS	3
Ohio Foodbanks Claimed Unallowable Grant Costs	4
Duplicate Claims.....	4
Expenditures Not Incurred During Grant Period	4
Grant Funds Claimed for Services Not Provided	4
Subgrantee Claimed Inappropriate Grant Charges	4
Subgrantee Claimed Costs Without Sufficient Documentation.....	5
RECOMMENDATIONS	5
OHIO FOODBANKS COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE	5
CMS COMMENTS	6
APPENDIXES	
A: Federal and State Requirements for Navigator Grantees.....	7
B: Audit Scope and Methodology.....	9
C: Ohio Foodbanks Comments	11
D: CMS Comments.....	14

INTRODUCTION

WHY WE DID THIS REVIEW

The Patient Protection and Affordable Care Act (ACA)¹ requires the establishment of a health insurance exchange (marketplace) in each State and the District of Columbia. A marketplace is designed to serve as a “one-stop shop” at which individuals can get information about their health insurance options; are evaluated for eligibility for a qualified health plan (QHP) and, when applicable, eligibility for insurance affordability programs; and enroll in the QHP of their choice. The U.S. Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS), may award grants to organizations that provide in-person assistance to consumers who are shopping for and enrolling in health insurance coverage through the Federally-facilitated marketplace and State-partnership marketplaces (section 1311(i) of the ACA). These organizations are known as navigator grantees.

We conducted this review of the navigator grantee Ohio Association of Foodbanks (Ohio Foodbanks), located in Columbus, Ohio, as part of our ACA oversight activities. Ohio Foodbanks received \$2,014,750 and \$2,188,846 in Federal funds for the grant periods ended August 14, 2014 and September 15, 2015, respectively.

OBJECTIVES

The objectives of our audit were to determine whether Ohio Foodbanks met navigator eligibility requirements and whether costs claimed were allowable under the terms of the CMS grant and applicable Federal and State regulations.

BACKGROUND

Federally-Facilitated Marketplace Navigators

Federally-facilitated marketplace navigator grantees, such as Ohio Foodbanks, assist consumers with obtaining healthcare coverage through the marketplaces and provide consumers with information about insurance affordability programs. Navigator assistance personnel (navigators) also work to raise awareness about the marketplaces and refer consumers to health insurance ombudsmen² and consumer assistance programs³ when necessary. Navigators must complete comprehensive Federal training and (when applicable under State law) State training, registration, and criminal background checks, before assisting consumers.⁴ CMS issues certifications to navigators upon successful completion of a federally approved certification

¹ P.L. No. 111-148 (Mar. 23, 2010), as amended by the Health Care and Education Reconciliation Act of 2010, P.L. No. 111-152 (Mar. 30, 2010).

² An ombudsman is a neutral party who works with enrollees to resolve problems with their health plans.

³ Many states offer help to consumers with health insurance problems through consumer assistance programs.

⁴ 45 CFR §§ 155.210 and 215.

examination administered by CMS. In addition to obtaining CMS certification, Federal navigators may be required by State law to obtain State certification.

At least two types of entities will serve as navigators in each marketplace service area, and at least one navigator must be a community- and consumer-focused nonprofit, such as Ohio Foodbanks. Other entities may include, but are not limited to, unions, chambers of commerce, licensed insurance agents and brokers, tribal organizations, and State or local human services agencies.⁵

Federal Funding for Navigators

Section 1311(i) of the ACA requires marketplaces to establish grant funding for the navigator program. CMS developed funding opportunities for cooperative agreements to enable recipients to operate navigator programs that serve consumers in States that use the Federally-facilitated marketplace⁶ or a State-partnership marketplace.⁷ State-based marketplaces fund and administer their own navigator programs, including awarding and overseeing grants, developing standards, and ensuring adherence to programmatic requirements.

On August 15, 2013, CMS awarded approximately \$67 million to 105 navigator grant applicants for the grant period ended August 14, 2014. On September 16, 2014, CMS awarded approximately \$60 million to 92 navigator grant applicants for the grant period ended September 15, 2015. In addition, CMS expects to award up to \$201 million over a 3-year project period anticipated to end in September 2018.

Ohio Association of Foodbanks

Ohio Foodbanks is a nonprofit organization established in 1991 with the mission of assisting foodbanks in Ohio by providing food and other resources to people in need. Ohio Foodbanks has served as a navigator grantee since 2013 and will continue to provide outreach and support through 2018. Ohio Foodbanks helps consumers enroll in QHPs available through the Federally-facilitated marketplace. Ohio Foodbanks and a consortium of social service agencies and health care organizations (subgrantees) carry out the navigator program in Ohio. For the initial grant award, Ohio Foodbanks received approximately \$2 million in Federal funds for the grant period ended August 14, 2014, of which \$1.6 million was provided to 11 subgrantees.

See Appendix A for details on the Federal and State requirements related to grants awarded to navigator grantees.

⁵ 45 CFR § 155.210(c)(2).

⁶ HHS operates the Federally-facilitated marketplace in States that did not establish their own marketplaces. Ohio uses the Federally-facilitated marketplace.

⁷ A State-partnership marketplace is a type of Federally-facilitated marketplace in which a State engages actively with the Federal Government in the operation of certain aspects of the Federally-facilitated marketplace.

HOW WE CONDUCTED THIS REVIEW

We reviewed Federal and State certifications issued to Ohio Foodbanks' navigators from August 15, 2013, through August 14, 2014, to determine whether navigators met the eligibility requirements to assist consumers and whether duties were performed in accordance with Federal and State regulations. In addition, we reviewed the navigator grant expenditures that Ohio Foodbanks claimed from August 15, 2013, through August 14, 2014. Of the \$2,014,750 awarded to Ohio Foodbanks, 11 subgrantees⁸ claimed \$1,608,397; Ohio Foodbanks incurred the remaining \$406,353 internally. We reviewed all of the expenditures claimed by the subgrantees and selected 30 expenditures totaling \$96,474 that represented the main cost categories⁹ claimed by Ohio Foodbanks.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B contains the details of our audit scope and methodology.

FINDINGS

Ohio Foodbanks' navigators generally met the eligibility requirements, and its expenditures were generally allowable under the terms of the ACA navigator grant and applicable Federal and State regulations. However, of the \$1,608,397 claimed by the subgrantees, we determined \$10,512 to be unallowable, which included (1) \$1,678 previously reimbursed during the grant period, (2) \$4,911 that was not incurred during the grant period, (3) \$1,249 in grant funds paid to a subgrantee for services that were never provided, (4) \$1,087 in expenditures inappropriately charged to the grant, and (5) \$1,587 in costs not adequately supported. The unallowable costs were due to Ohio Foodbanks' insufficient monitoring of the subgrantees' expenditures, which resulted in a limited number of inappropriate or inadequately supported costs. The 30 expenditures totaling \$96,474 that represented the main cost categories claimed by Ohio Foodbanks were all allowable.

⁸ Access Health Mahoning Valley, Asian Service Action, Carmella Rose Health Foundation, Community Action Program of Washington and Morgan Counties, Cuyahoga Health Access Partnership, Disability Rights Ohio, Freestore Foodbank, Health Care Access Now, Ohio Association of Free Clinics, The Community Action Committee of Pike County, and Toledo/Lucas County CareNet.

⁹ Salaries and wages, travel, equipment, supplies, contractual, advertising, training, and conference expenditures.

OHIO FOODBANKS CLAIMED UNALLOWABLE GRANT COSTS

Duplicate Claims

For three navigator subgrantees, we found costs totaling \$1,678¹⁰ that had previously been claimed and reimbursed during the grant period. These duplicate claims were unallowable and did not adhere to Federal cost principles.¹¹ The unallowable costs were charged to the grant under a previous invoice and included claims for travel and equipment ranging from \$131 to \$938.

Expenditures Not Incurred During Grant Period

Three navigator subgrantees claimed costs totaling \$4,911¹² for charges that were incurred after the grant period ended August 14, 2014. These costs were unallowable because they were inappropriately allocated to the grant in violation of Federal requirements.¹³ The unallowable costs for employee health benefits, a Web redesign, and rent ranged from \$125 to \$2,075.

Grant Funds Claimed for Services Not Provided

Navigator subgrantee Carmella Rose Health Foundation received advanced funding from Ohio Foodbanks to provide services. However, the advanced funds were not expended. As a result, \$1,249 charged by Ohio Foodbanks to the grant was unallowable. Claims for services not provided are a violation of the Federal cost principles.¹⁴

Subgrantee Claimed Inappropriate Grant Charges

Navigator subgrantee Ohio Association of Free Clinics (Free Clinics) claimed personnel costs totaling \$7,689 to the grant for the pay period that ended January 17, 2014. However, Free Clinics' supporting documentation for the personnel charges for the pay period totaled \$6,602. As a result, \$1,087 was inappropriately charged to the grant. Free Clinics indicated that this overcharge was the result of a miscalculation. These costs are unallowable because they were inappropriately allocated to the grant in violation of Federal cost principles.¹⁵

¹⁰ Carmella Rose Health Foundation claimed \$1,407, The Community Action Committee of Pike County claimed \$140, and Toledo/Lucas County CareNet claimed \$131.

¹¹ 2 CFR pt. 230, Appendix A, § A.4.

¹² Access Health Mahoning Valley claimed \$125, Carmella Rose Health Foundation claimed \$3,575, and Ohio Disability Rights Law and Policy Center claimed \$1,211.

¹³ 2 CFR pt. 230, Appendix A, § A.4; 45 CFR § 74.28.

¹⁴ 2 CFR pt. 230, Appendix A, § A.4.

¹⁵ 2 CFR pt. 230, Appendix A, § A.4.

Subgrantee Claimed Costs Without Sufficient Documentation

Navigator subgrantee Disability Rights claimed costs for health insurance and information technology services totaling \$1,587. For costs to be allowable under a Federal grant, they must be adequately documented.¹⁶ Although Disability Rights provided accounting transactions to support the dollar amount charged, it did not provide invoices or other source documentation to support these costs.

RECOMMENDATIONS

We recommend that CMS:

- require Ohio Foodbanks to refund \$1,678 to the Federal Government for costs previously reimbursed within the grant period,
- require Ohio Foodbanks to refund \$4,911 to the Federal Government for costs not incurred during the grant period,
- require Ohio Foodbanks to refund \$1,249 to the Federal Government for grant funds paid to a subgrantee for services that were never provided,
- require Ohio Foodbanks to refund \$1,087 to the Federal Government for expenditures inappropriately charged to the grant,
- require Ohio Foodbanks to refund \$1,587 to the Federal Government for costs not adequately supported, and
- work with Ohio Foodbanks to strengthen its procedures for monitoring subgrantee costs to ensure that claimed costs adhere to applicable Federal requirements.

OHIO FOODBANKS COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, Ohio Foodbanks generally agreed with our findings and all but two of our recommendations. Ohio Foodbanks disagreed with our recommendation to refund \$4,911 to the Federal Government for costs not incurred during the grant period. Ohio Foodbanks officials stated these costs and expenses were incurred by subgrantees in the performance of carrying out and providing services through this cooperative agreement for navigator services to consumers enrolled through the Federally-facilitated marketplace.

We agree that the expenditures were for the performance of navigator services; however, the costs were incurred after the grant period ended and should have been charged to the subsequent grant period.

¹⁶ 2 CFR pt. 230, Appendix A, § A.2.g.

Ohio Foodbanks disagreed with our recommendation to refund \$1,587 to the Federal Government for costs that were not adequately supported. Ohio Foodbanks officials stated that "...the Association and subgrantee incurred additional expenses in the performance of this cooperative agreement for Navigator services to consumers enrolled through the Federally-facilitated marketplace that were not covered through this grant." Ohio Foodbanks should work with CMS to determine whether additional expenses incurred during the performance of this grant, but not previously submitted, could be claimed to replace the \$1,587 in costs that were not adequately supported.

We maintain that all of our findings and recommendations are valid and recognize Ohio Foodbanks' efforts to strengthen its procedures for monitoring subgrantee costs by implementing a second-level review for all invoices submitted by the subgrantees.

Ohio Foodbanks' comments are included in their entirety as Appendix C.

CMS COMMENTS

In written comments on our draft report, CMS concurred with our recommendations. CMS stated it will continue to work with Ohio Foodbanks to address the findings in our report. CMS's comments are included in their entirety as Appendix D. CMS also provided technical comments on our draft report, which we addressed as appropriate.

APPENDIX A: FEDERAL AND STATE REQUIREMENTS FOR NAVIGATOR GRANTEES

ESTABLISHMENT AND FUNDING OF MARKETPLACES AND THE NAVIGATOR PROGRAM

Section 1311(i) of the ACA established the navigator program under which marketplaces award grants to facilitate education and enrollment in qualified health plans through marketplaces.

A nonprofit organization in receipt of HHS grant funds must comply with the Uniform Administrative Requirements in the Federal regulations (45 Code of Federal Regulations (CFR) part 74). The organization also must comply with Federal cost principles (2 CFR part 230, made applicable by 45 CFR § 74.27(a)). These cost principles require that grant expenditures submitted for Federal reimbursement be reasonable, allocable, and otherwise allowable. A CMS navigator grantee in Ohio must also comply with the Federal requirements in 45 CFR §§ 155.210 and 155.215 and State requirements in the Ohio Revised Code (ORC) 3905.471(D).

To be eligible to be a navigator and to receive grant funds, entities and individuals must meet licensing, certification, or other standards prescribed by the State or marketplace (45 CFR § 155.210(c)(1)(iii)). In addition, to carry out consumer assistance functions, Federal navigators must obtain certification by the marketplace, complete an HHS-approved training, and obtain recertification on an annual basis (45 CFR § 155.215(b)).

The marketplace must include two types of entities to serve as navigators. At least one navigator must be a community- and consumer-focused nonprofit. Other entities may include, but are not limited to, trade, industry, and professional associations; commercial fishing industry organizations; ranching and farming organizations; chambers of commerce; unions; resource partners of the Small Business Administration; licensed insurance agents and brokers; or other public or private entities or individuals that meet navigator program requirements, including, but not limited to, Indian Tribes, tribal organizations, urban Indian organizations, and State or local human services agencies (45 CFR § 155.210(c)(2)).

An individual shall not act in the capacity of a navigator or perform navigator duties unless the individual has applied for certification and met specific requirements, including successfully completing a criminal records check and certification and training requirements adopted by HHS (ORC 3905.471(D)).

FEDERAL ADMINISTRATIVE REQUIREMENT AND COST PRINCIPLES

Federal administrative requirements (45 CFR § 74.28) state that where a funding period is specified, a recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period and any preaward costs authorized by the HHS awarding agency pursuant to § 74.25(d)(1).

Federal cost principles (2 CFR part 230, Appendix A, §§ A.2.a. and g) state that a cost is allowable under an award if it is reasonable for the performance of the award, allocable to it, and

adequately documented. A cost is allocable (2 CFR part 230, Appendix A, §§ A.4.a(1)-(3)) if the cost is in accordance with the relative benefits received and if it is treated consistently with other costs incurred for the same purpose, in like circumstances, if it is incurred specifically for the award, benefits the award and other work, and is necessary to overall operation of the organization.

APPENDIX B: AUDIT SCOPE AND METHODOLOGY

SCOPE

We reviewed Federal and State certifications issued to Ohio Foodbanks' navigators from August 15, 2013, through August 14, 2014, to determine whether the navigators met eligibility requirements to assist consumers and whether duties were performed in accordance with Federal and State regulations. In addition, we reviewed the navigator grant expenditures that Ohio Foodbanks claimed from August 15, 2013, through August 14, 2014. Of the \$2,014,750 awarded to Ohio Foodbanks, 11 subgrantees¹⁷ claimed \$1,608,397; Ohio Foodbanks incurred the remaining \$406,353 internally. We reviewed all of the expenditures the subgrantees claimed and selected 30 expenditures totaling \$96,474 that represented the main cost categories¹⁸ claimed by Ohio Foodbanks.

We did not perform an overall assessment of Ohio Foodbanks' internal control structure. Rather, we reviewed only the internal controls that pertained to our objectives.

We conducted our audit work from December 2014 to July 2015.

METHODOLOGY

To accomplish our audit objectives, we:

- reviewed Federal regulations, State requirements, terms and conditions of the Notice of Award, and Ohio Foodbanks' policies and procedures;
- reviewed audited financial statements;
- reviewed Ohio Foodbanks' organizational chart and bylaws;
- reviewed budget allocations that Ohio Foodbanks submitted to CMS on the Federal budget information form;
- analyzed the amounts that CMS awarded to Ohio Foodbanks and that Ohio Foodbanks awarded to the subgrantees;
- reviewed Ohio Foodbanks' policies and procedures to ensure that navigators obtained and retained the documentation authorizing navigators to obtain the consumers' personally identifiable information;

¹⁷ Access Health Mahoning Valley, Asian Service Action, Carmella Rose Health Foundation, Community Action Program of Washington and Morgan Counties, Cuyahoga Health Access Partnership, Disability Rights Ohio, Freestore Foodbank, Health Care Access Now, Ohio Association of Free Clinics, The Community Action Committee of Pike County, and Toledo/Lucas County CareNet.

¹⁸ Salaries and wages, travel, equipment, supplies, contractual, advertising, training, and conference expenditures.

- compared budgeted and actual expenditures;
- reconciled grant drawdowns reported on the quarterly Federal financial reports to Ohio Foodbanks' accounting records;
- reconciled subgrantees' grant expenditures to Ohio Foodbanks' accounting records;
- reviewed documentation provided by CMS and Ohio Foodbanks to determine whether individual navigators completed the required training, criminal background checks, State training, and registration before assisting consumers;
- compared expenditures reported by Ohio Foodbanks during the grant period to supporting documentation to determine whether the costs were allowable under the terms of the grant and Federal regulations. Specifically, for the subgrantees we looked at supporting documentation for all reported expenditures, and for Ohio Foodbanks we looked at supporting documentation for 30 selected expenditures; and
- discussed the results of our audit with CMS and Ohio Foodbanks officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C: OHIO FOODBANKS COMMENTS



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December 11, 2015

Ms. Sheri L. Fulcher
United States Department of Health and Human Services
Office of the Inspector General
Office of Audit Services, Region V
233 North Michigan Ave., Suite 1360
Chicago, IL 60601

Dear Ms. Fulcher,
On behalf of the board, staff and consortium partners of the Ohio Association of Foodbanks, thank you for an opportunity to comment on the draft report entitled "The Ohio Association of Foodbanks Generally Complied with the Navigator Requirements Related to the Affordable Care Act" (A-05-15-00013).

After reviewing the draft report, we did, in fact, find several items worthy of commentary and response. The attached document outlines the items of note.

We appreciate this opportunity to provide feedback and want to thank the staffs of the Centers for Medicare & Medicaid Services (CMS) and the United States Department of Health and Human Services, Office of the Inspector General, Office of Audit Services, Region V for their support, guidance and review of the federal Navigator Grant for the Affordable Care Act.

Should you have any questions regarding this response, please don't hesitate to contact me at 614/221-4336 ext. 222

Best regards,

Lisa Hamler-Fugitt
Executive Director

Ohio's LARGEST charitable response to hunger
A Partner State Association of Feeding America

Ohio Association of Foodbanks'
Comments on the
Department of Health and Human Services – Office of Inspector General's
Draft Audit Report A-05-15-00013
"The Ohio Association of Foodbanks Generally Complied with the Navigator Requirements
Related to the Affordable Care Act"

The following are the comments from the Ohio Association of Foodbanks (Ohio Foodbanks) in response to the Department of Health and Human Services, Office of Inspector General's (OIG) draft audit A-05-00013 entitled "The Ohio Association of Foodbanks Generally Complied with the Navigator Requirements Related to the Affordable Care Act."

Recommendation 1:

Centers for Medicare & Medicaid Services (CMS) require Ohio Foodbanks to refund \$1,678 to the Federal Government for the cost previously reimbursed within the grant period.

Response 1:

The Ohio Association of Foodbanks agrees with the Office of Inspector General's finding and will refund \$1,678 that resulted from reimbursements to sub-grantees for expenditures that had previously been reimbursed in the grant.

Recommendation 2:

Centers for Medicare & Medicaid Services (CMS) require Ohio Foodbanks to refund \$4,911 to the Federal Government for the cost not incurred during the grant period.

Response 2:

The Ohio Association of Foodbanks does not agree with OIG's recommendation as these actual costs and expenses were incurred by sub-grantees in the performance of carrying out and providing services through this cooperative agreement for Navigator services to consumers enrolled through the federal Marketplace.

Recommendation 3:

Centers for Medicare & Medicaid Services (CMS) require Ohio Foodbanks to refund \$1,249 to the Federal Government for grant funds paid to a subgrantee for services that were never provided.

Response 3:

The Ohio Association of Foodbanks agrees with the Office of Inspector General's finding and will refund \$1,249 that resulted from the overpayment of the grant.

Draft Audit Report A-05-15-00013
“The Ohio Association of Foodbanks Generally Complied with the
Navigator Requirements Related to the Affordable Care Act”

Recommendation 4:

Centers for Medicare & Medicaid Services (CMS) require Ohio Foodbanks to refund \$1,087 to the Federal Government for expenditures inappropriately charged to the grant.

Response 4:

The Ohio Association of Foodbanks agrees with the Office of Inspector General’s finding and will refund \$1,087 that resulted from a miscalculation by the subgrantee of payroll cost thus resulting in the inappropriate charge to the grant.

Recommendation 5:

Centers for Medicare & Medicaid Services (CMS) require Ohio Foodbanks to refund \$1,587 to the Federal Government for costs not adequately support.

Response 5:

The Ohio Association of Foodbanks does not agree with OIG’s recommendation as the Association and subgrantee incurred additional expenses in the performance of this cooperative agreement for Navigator services to consumers enrolled through the federal Marketplace that were not covered through this grant.

Recommendation 6:

Centers for Medicare & Medicaid Services (CMS) will work with the Ohio Foodbanks to strengthen its procedures for monitoring subgrantee costs to ensure that claimed costs adhere to applicable Federal requirements.

Response 6:

The Ohio Association of Foodbanks will continue to work with and consult our CMS program officers when questions arise concerning allowable federal and/or administrative cost relative to the grant. The Ohio Association of Foodbanks has implemented a second level of fiscal review for all invoices submitted by subgrantees to ensure all documentation, receipts and expenditures are allowable under the terms and conditions of the cooperative agreement for Navigator services.

In closing the Ohio Association of Foodbanks conducts an annual independent audit of the financial statements in compliance with the requirements of OMB circular A-133 and other audit requirements in accordance with auditing standards to ensure compliance of all major programs and on internal controls over compliance as required for all expenditures of federal awards.

APPENDIX D: CMS COMMENTS



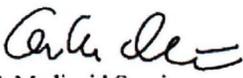
DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

MAR - 4 2016

200 Independence Avenue SW
Washington, DC 20201

To: Daniel R. Levinson
Inspector General
Office of Inspector General

From: Andrew M. Slavitt 
Acting Administrator
Centers for Medicare & Medicaid Services

Subject: The Ohio Association of Foodbanks Generally Complied With the Navigator Requirements Related to the Affordable Care Act (A-05-15-00013)

The Centers for Medicare & Medicaid Services (CMS) appreciates the opportunity to review and comment on this draft report. CMS takes seriously its responsibility for the accountability, fiscal integrity, and oversight of its grant programs, including the Navigator program.

CMS is committed to engaging and empowering consumers with the resources they need to understand how to use their coverage. Established as part of the Affordable Care Act (ACA), the Navigator program plays a vital role in helping consumers understand their coverage options and find the most affordable coverage that meets their health care needs. Navigators are trained specialists who provide consumers in their communities with in-person help, answering their questions about their health insurance and financial assistance options and assisting them as they complete their applications. CMS Navigator grantees help consumers prepare electronic and paper applications to establish eligibility and enroll in coverage through the Federally-facilitated Marketplaces. This includes steps to help consumers find out if they qualify for insurance affordability programs (including premium tax credits, cost sharing reductions, Medicaid, or the Children's Health Insurance Program). In addition, Navigators also provide outreach and education to consumers to raise awareness about the Marketplace, and refer consumers to ombudsmen and other consumer assistance programs when necessary. In Federally-facilitated Marketplaces (including State Partnership Marketplaces), Navigators are funded through federal grant funds and must complete comprehensive federal Navigator training. When applicable under state law, Navigators must complete criminal background checks and state training and registration prior to assisting consumers.

As indicated in the OIG's report, CMS developed funding opportunities for cooperative agreements to enable grant recipients to operate Navigator programs in states with a Federally-facilitated Marketplace, including states with a State Partnership Marketplace. As a federal grantee, the Ohio Association of Foodbanks (Ohio Foodbanks) is subject to federal administrative requirements which states that where a funding period is specified, a recipient may charge to the award only allowable costs resulting from obligations incurred during the funding period. Ohio Foodbanks has served as a Navigator grantee since 2013 and will continue

to receive funding through 2018, contingent on their ability to continue meeting all Navigator program requirements and funding availability.

As a federal grantee, Ohio Foodbanks is subject to post award monitoring of grant funds and other oversight activities. Post-award monitoring by CMS includes activities such as: tracking receipt of required quarterly financial reports and weekly, monthly, and quarterly programmatic progress reports, participating in weekly monitoring calls with CMS project officers, conducting site visits to follow up on potential problems identified through analysis of reports, and maintaining records of communications regarding the grant award and recipient performance.

CMS will continue to work with Ohio Foodbanks to address the findings in the OIG's report.

OIG Recommendation

The OIG recommends that CMS require Ohio Foodbanks to refund \$1,678 to the Federal Government for costs previously reimbursed within the grant period.

CMS Response

CMS concurs with this recommendation. CMS will work with Ohio Foodbanks to facilitate the return of these funds.

OIG Recommendation

The OIG recommends that CMS require Ohio Foodbanks to refund \$4,911 to the Federal Government for costs not incurred during the grant period.

CMS Response

CMS concurs with this recommendation. CMS will work with Ohio Foodbanks to facilitate the return of these funds.

OIG Recommendation

The OIG recommends that CMS require Ohio Foodbanks to refund \$1,249 to the Federal Government for grant funds paid to a subgrantee for services that were never provided.

CMS Response

CMS concurs with this recommendation. CMS will work with Ohio Foodbanks to facilitate the return of these unspent funds.

OIG Recommendation

The OIG recommends that CMS require Ohio Foodbanks to refund \$1,087 to the Federal Government for expenditures inappropriately charged to the grant.

CMS Response

CMS concurs with this recommendation. CMS will work with Ohio Foodbanks to facilitate the return of these funds.

OIG Recommendation

The OIG recommends that CMS require Ohio Foodbanks to refund \$1,587 to the Federal Government for costs not adequately supported.

CMS Response

CMS concurs with this recommendation. CMS will work with Ohio Foodbanks to facilitate the return of these funds and review additional expenses not previously claimed to potentially account for these funds.

OIG Recommendation

The OIG recommends that CMS work with Ohio Foodbanks to strengthen its procedures for monitoring subgrantee costs to ensure that claimed costs adhere to applicable Federal requirements.

CMS Response

CMS concurs with this recommendation. CMS will work with Ohio Foodbanks to evaluate and strengthen its procedures for monitoring subgrantee costs. CMS already provides ongoing training for Navigator grantees, such as webinars and technical calls, on selected topic areas, however, CMS is also working to create education and training specific to the monitoring of Navigator subgrantees.