

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**FLORIDA'S REFUGEE MEDICAL
ASSISTANCE PAYMENTS WERE
GENERALLY ALLOWABLE**

*Inquiries about this report may be addressed to the Office of Public Affairs at
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Amy J. Frontz
Deputy Inspector General for
Audit Services

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A-04-18-02010

Office of Inspector General

<https://oig.hhs.gov>

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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.

Report in Brief

Date: January 2020

Report No. A-04-18-02010

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Audit

The Refugee Act of 1980 created the Refugee Resettlement Program (RRP) to provide for the effective resettlement of refugees and to assist them in achieving economic self-sufficiency after arriving in the United States. The Act provides Federal grants to States for cash and medical assistance, social services, and targeted assistance to help qualified refugees. Within HHS, the Administration for Children and Families, Office of Refugee Resettlement (ORR) runs the RRP program. In 2015 and 2016, ORR obligated \$286 million and \$417 million, respectively, to States for the RRP.

We selected for audit Florida's Department of Children and Families (DCF) because a previous OAS audit, as well as an ORR monitoring report, identified errors. DCF coordinates and oversees many of the services provided to refugees and entrants in Florida to help them become economically self-sufficient.

Our objective was to determine whether Florida's refugee medical assistance (RMA) payments were allowable in accordance with Federal and State regulations.

How OIG Did This Audit

Our audit covered 693,982 RMA capitation payments totaling \$76.7 million, and 303,926 RMA fee-for-service (FFS) payments totaling \$15.7 million that Florida made to beneficiaries from October 1, 2015, through September 30, 2017. From these payments, we selected for review two random samples of 100 capitation payments totaling \$27,172 and 110 FFS payments totaling \$532,952.

Florida's Refugee Medical Assistance Payments Were Generally Allowable

What OIG Found

Florida's RMA payments made on behalf of beneficiaries were generally allowable in accordance with Federal and State regulations; however, Florida made some unallowable payments. Of our 2 samples of 100 capitation payments and 110 FFS payments totaling \$27,172 and \$532,952, respectively, 208 were correct, but 2 FFS payments were not. For those two FFS payments, the RMA benefits were outside of the beneficiaries' eligibility periods. As a result, Florida made unallowable payments totaling \$8,772.

These unallowable payments occurred because workers did not perform the required eligibility reviews in accordance with department procedures. The errors were not determined to be systemic in nature; therefore, we are not making any procedural recommendations.

What OIG Recommends and Florida Comments

We recommend that Florida refund \$8,772 to the Federal Government. In response to our draft report, Florida stated that it would refund \$8,772 to the Federal Government.

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INTRODUCTION

WHY WE DID THIS AUDIT

The Refugee Act of 1980¹ created the Refugee Resettlement Program (RRP) to provide for the effective resettlement of refugees² and to assist them in achieving economic self-sufficiency after arriving in the United States. The Act provides Federal grants to States for cash and medical assistance, social services, and targeted assistance to help qualified refugees. Within HHS, the Administration for Children and Families, Office of Refugee Resettlement (ORR) runs the RRP program. In 2015 and 2016, ORR obligated \$286 million and \$417 million, respectively, to States for the RRP.

We selected for audit Florida's Department of Children and Families (DCF) because our previous audit,³ as well as an ORR monitoring report,⁴ identified errors. DCF coordinates and oversees many of the services provided to refugees and entrants in Florida to help them become economically self-sufficient. This audit is similar to two others that we conducted of refugee cash and medical assistance payments.⁵

OBJECTIVE

Our objective was to determine whether Florida's refugee medical assistance (RMA) payments were allowable in accordance with Federal and State regulations.

¹ Title IV, chapter 2 of the Immigration and Nationality Act (8 U.S.C. § 1101, et al.) contains the provisions of the Refugee Act.

² As defined in the Immigration and Nationality Act (8 U.S.C. § 1101(a)(42)(A)), a refugee is any person who is outside any country of such person's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion.

³ *Review of Refugee Medical Assistance Payments in Florida for the Period July 1, 2002, Through June 30, 2005* (A-04-06-03509).

⁴ Office of Refugee Resettlement FY 2017 Florida State Refugee Program Monitoring Report.

⁵ *The Florida Department of Children and Families Made Some Unallowable Refugee Cash Assistance Payments* (A-04-18-02011) and *99 of 100 California Department of Social Services Refugee Cash Assistance Payments Reviewed Were Allowable* (A-04-18-02017).

BACKGROUND

Office of Refugee Resettlement

Within HHS, ORR provides benefits and services to assist the resettlement and local integration of eligible populations such as refugees, asylees, Cuban and Haitian entrants, Special Immigrant Visa holders, Amerasians,⁶ and victims of trafficking. ORR provides time-limited benefits and services to this eligible populations through Cash and Medical Assistance (CMA) grants to States. CMA grants provide cash assistance, health coverage, and domestic medical screenings to refugees.

ORR-served populations are eligible to qualify for the same Federal benefits as U.S. citizens, with some limits, such as Temporary Assistance for Needy Families (TANF), Medicaid, Children's Health Insurance Program, and Supplemental Security Income (SSI). However, when the ORR-served population⁷ does not meet the eligibility requirements for these Federal benefit programs, CMA provides cash assistance and health coverage through refugee cash assistance (RCA) and RMA. RCA provides cash assistance to those refugees who are ineligible for other Federal cash assistance programs such as TANF or SSI. RMA provides health coverage to those refugees who are ineligible for Medicaid. Eligibility for RCA and RMA is restricted to the first 8 months after refugees arrive in the United States, or after their date of eligibility.

Florida Department of Children and Families

DCF's mission is to partner with local communities to protect the vulnerable, promote strong and economically self-sufficient families, and advance personal and family recovery and resiliency. The Secretary of DCF is designated as the State Refugee Coordinator. Within DCF, the Refugee Services Program assists refugees to achieve economic self-sufficiency and social adjustment once they arrive in the United States. The Refugee Services Program is a publicly administered, state-wide program and the single point of contact for all refugee issues in the State. Refugee Services directly administers contract services state-wide for programs for refugees and maintains a collaborative relationship with the Agency for Healthcare Administration (AHCA). AHCA manages and administers Florida's healthcare programs, including RMA, and arranges payment of RMA services to healthcare providers for services provided to eligible RMA recipients.

⁶ Amerasians are persons fathered by a U.S. citizen and born in Vietnam after January 1, 1962, and before January 1, 1976, as defined in the Administration for Children & Families, Office of Refugee Resettlement, Fiscal Year 2016, *Annual Report to Congress*.

⁷ Throughout this report, we will refer to the ORR-served population as refugees.

The State of Florida's refugee program is the largest in the nation, resettling more than 25,000 refugees and Cuban or Haitian entrants each year, as well as more than 2,000 asylees⁸ eligible for services each year.⁹ The majority of refugees receiving services in Florida are Cuban or Haitian entrants. In FY 2016, Florida received approximately 82 percent of all Cuban/Haitian Program funding. During the period of our audit, many policy changes and anticipated policy changes created fluctuations in the number of refugees entering Florida. Around December 2014, the United States announced a policy change regarding its relationship with Cuba. As a result, Florida began to see an increase in the number of refugees. During 2015 and 2016, the ceiling for refugees entering the United States was raised from 70,000 per year to 85,000 per year. In December 2016, prior to the change in the United States' administration, Florida saw a spike in refugee entrants. In addition to these fluctuations occurring during that time, Florida was hit by Hurricane Irma in September 2017.

HOW WE CONDUCTED THIS AUDIT

Our audit covered 693,982 RMA capitation payments, totaling \$76,672,070, and 303,926 RMA fee-for-service (FFS) payments, totaling \$15,667,898, that Florida made to beneficiaries from October 1, 2015, through September 30, 2017 (audit period). From these payments, we selected for review a random sample¹⁰ of 100 capitation payments, totaling \$27,172, and a random sample of 110 FFS payments, totaling \$532,952.

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 A contains the details of our audit scope and methodology, and Appendix B contains our detailed criteria.

⁸ As outlined in the Immigration and Nationality Act (8 U.S.C. § 1158), asylees do not enter the United States as refugees, but may enter on their own as students, tourists, business professionals, or as unauthorized individuals. Once in the United States, or at a land border or port of entry, they apply for asylum. Asylees are eligible for ORR refugee benefits and services beginning on the date of the final grant of asylum.

⁹ Florida Department of Children and Families, "Eligibility Determination Training for Refugee Services Providers." Available online at <https://www.myflfamilies.com/service-programs/refugee-services/training.shtml>. Accessed on March 4, 2019.

¹⁰ The sample was restricted to the 131,237 RMA FFS payments, totaling \$14,641,566, that were \$15 or greater and the 299,713 RMA capitation payments, totaling \$76,097,212, that were greater than \$100.

FINDINGS

Florida's RMA payments were generally allowable in accordance with Federal and State regulations; however, Florida made some unallowable payments. Of our 2 samples of 100 capitation payments and 110 FFS payments, totaling \$27,172 and \$532,952, respectively, 208 payments were correct, but 2 FFS payments were not. For those two FFS payments, Florida made unallowable payments totaling \$8,772.

These unallowable payments occurred because workers did not perform the required eligibility reviews in accordance with DCF procedures.

FEDERAL REQUIREMENTS

According to 45 CFR § 400.100, eligibility for RMA is limited to refugees who:

- are ineligible for Medicaid or SCHIP but meet the financial eligibility standards under § 400.101;
- meet immigration status and identification requirements in subpart D . . . or are the dependent children of, and part of the same assistance unit as, individuals who meet the requirements in subpart D;
- meet eligibility requirements and conditions in this subpart;
- provide the name of the resettlement agency which resettled them; and
- are not full-time students in institutions of higher education.

Additionally, a refugee may be eligible for RMA during the 8-month eligibility period determined by the ORR Director in accordance with § 400.211.

208 OF 210 REFUGEE MEDICAL ASSISTANCE PAYMENTS REVIEWED WERE ALLOWABLE

Of our 2 samples of 100 capitation payments and 110 FFS payments, totaling \$27,172 and \$532,952, respectively, 208 were correct, but 2 FFS payments were not.

Two Recipients Were Not Eligible for Benefits Received

Of the 210 RMA payments reviewed, 2 FFS payments, totaling \$8,772, were related to recipients who were not eligible because the dates of service for the RMA payments were beyond the beneficiaries' 8-month eligibility period. Florida agreed that, for both errors, the RMA benefits were outside of the 8-month eligibility period.

For one error, totaling \$4,899, the eligibility worker failed to determine that the beneficiary was associated with another account within Florida's eligibility system. Florida's system automatically links multiple accounts when the same social security number (SSN) is used; however, when the beneficiary was granted entry into the United States and initially applied for benefits in April 2015, the beneficiary did not have an SSN. When the beneficiary applied for additional benefits in November 2015, the eligibility worker entered the beneficiary's SSN into the system, and, because the initial application did not have an SSN associated with it, Florida's system did not automatically link the accounts together. However, Florida's system identifies similar account demographics¹¹ and prompts eligibility workers to review the applications to determine whether similar accounts should be linked. Because the beneficiary was under two separate accounts in Florida's system, the system prompted the eligibility worker to review the accounts, but the worker did not perform the review. AHCA processed the payment for a December 2015 date of service, even though the beneficiary was outside of the 8-month eligibility period.

For the second error, totaling \$3,873, the beneficiary applied for RMA in November 2016 and requested emergency medical assistance for services that occurred in September 2016. However, since the beneficiary was not granted asylum until October 2016, the beneficiary was not eligible to receive RMA benefits prior to her asylum date; therefore, the RMA payment for services rendered in September 2016 was ineligible.

Workers Did Not Perform the Required Eligibility Reviews

These unallowable payments occurred because workers did not perform the required eligibility reviews in accordance with DCF procedures. We did not determine the errors to be systemic in nature; therefore, we are not making any procedural recommendations.

RECOMMENDATIONS

We recommend that Florida refund \$8,772 to the Federal Government.

DEPARTMENT OF CHILDREN AND FAMILIES COMMENTS

In response to our draft report, DCF stated that it would refund \$8,772 to the Federal Government.

DCF's written comments are included as Appendix C.

¹¹ Some similar demographics include name, date of birth, place of birth, country of citizenship, and familial relationships.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

Our audit covered 693,982 RMA capitation payments, totaling \$76,672,070, and 303,926 RMA FFS payments, totaling \$15,667,898, that Florida made to beneficiaries from October 1, 2015, through September 30, 2017 (audit period). From these payments, we selected two random samples of 100 capitation payments, totaling \$27,172, and 110 FFS payments, totaling \$532,952, for review.

We performed our fieldwork at DCF in Tallahassee, Florida, from March 2018 through August 2019.

Our objective did not require an understanding of all of Florida's internal controls. We limited our assessment to controls pertaining to the selected RMA transactions that we reviewed.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, regulations, and guidance;
- reviewed DCF's State Refugee Assistance Plans for the audit period;
- reviewed grant documents, DCF policies and procedures, and DCF organizational structure;
- interviewed Florida officials;
- selected a random sample of 100 out of 299,713 RMA capitation payments, totaling \$76,097,212, that were greater than \$100 and were made to beneficiaries from October 1, 2015, through September 30, 2017;
- selected a random sample of 110 out of 131,237 RMA FFS payments, totaling \$14,641,566, that were \$15 or greater and were made to beneficiaries from October 1, 2015, through September 30, 2017;
- reviewed supporting documentation for each sampled transaction and documented any deficiencies; and
- discussed our findings with Florida 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 B: FEDERAL AND STATE REQUIREMENTS

Federal Requirements:

45 CFR Part 75

- § 75.2 “Improper payment: (1) means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements (2) Improper payment includes . . . any duplicate payment”
- § 75.410

Payments made for costs determined to be unallowable by either the HHS awarding agency, cognizant agency for indirect costs, or pass-through entity, either as direct or indirect costs, must be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable unless Federal statute or regulation directs otherwise. See also subpart D of this part, § 75.300 through 75.309.

45 CFR Part 400

- § 400.28 “(a) A State must provide for the maintenance of such operational records as are necessary for Federal monitoring of the State’s refugee resettlement program in accordance with part 74, Subpart D, of this title. This recordkeeping must include: (1) Documentation of services and assistance provided, including identification of individuals receiving those services”

- § 400.43

(a) An applicant for assistance under title IV of the Act must provide proof, in the form of documentation issued by the Immigration and Naturalization Service (INS), of one of the following statuses under the Act as a condition of eligibility: (1) Paroled as a refugee or asylee under section 212(d)(5) of the Act; (2) Admitted as a refugee under section 207 of the Act; (3) Granted asylum under section 208 of the Act; (4) Cuban and Haitian entrants, in accordance with requirements in 45 CFR part 401.

State Requirements:

State of Florida Refugee Assistance Plan, Section II, K:

In compliance with Federal regulations and State Letter #12-08, pertaining to Direct and Administrative Costs, services to clients for actual costs of RCA and RMA provided to eligible clients in the first 8 months after entry or date of asylum status will be charged to the Cash and Medical Assistance Grant.

APPENDIX C: DEPARTMENT OF CHILDREN AND FAMILIES COMMENTS



State of Florida
Department of Children and Families

Ron DeSantis
Governor

Chad Poppell
Secretary

November 15, 2019

Lori S. Pilcher
Regional Inspector General
Department of Health and Human Services
Office of Audit Services, Region IV
61 Forsyth Street W.W. Suite 3T41
Atlanta, GA 30303

Dear Ms. Pilcher:

Thank you for the October 16, 2019, letter providing the Department of Health and Human Services (HHS), Office of Inspector General draft report entitled "Florida's Refugee Medical Assistance Payments Were Generally Allowable," Report Number A-04-18-02010. We appreciate the opportunity to respond.

Below is our response to the finding and recommendation.

HHS Recommendation

We recommend that Florida refund \$8,772 to the Federal Government.

Department of Children and Families Response:

The Department will refund \$8,772 to the Federal Government.

The Department remains committed to being conservative fiscal stewards of the taxpayer's dollars and providing the highest level of customer service.

Should you have questions, please contact Bridget Royster, Deputy Director of the Office of Audits & Compliance, at (850) 717- 4101.

Sincerely,



Maggie Mickler
Deputy Assistant Secretary
Economic Self-Sufficiency

1317 Winewood Boulevard, Tallahassee, Florida 32399-0700

Mission: Work in Partnership with Local Communities to Protect the Vulnerable, Promote Strong and Economically Self-Sufficient Families, and Advance Personal and Family Recovery and Resiliency