

Special Review

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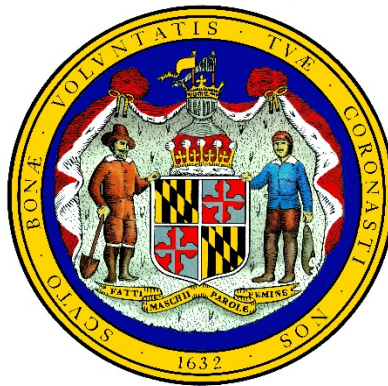
**Maryland Department of Health  
Medical Care Programs Administration  
Follow-up Review**

April 2025

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**Public Notice**

**In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.**



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DEPARTMENT OF LEGISLATIVE SERVICES  
MARYLAND GENERAL ASSEMBLY**

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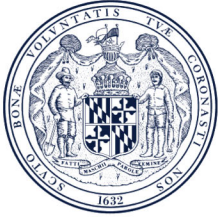
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, Maryland 21201  
Phone: 410-946-5900  
Maryland Relay: 711  
TTY: 410-946-5401 · 301-970-5401  
E-mail: [webmaster@ola.state.md.us](mailto:webmaster@ola.state.md.us)  
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Victoria L. Gruber  
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Brian S. Tanen, CPA, CFE  
Legislative Auditor

April 23, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a follow-up review of actions taken by the Maryland Department of Health (MDH) – Medical Care Programs Administration (MCPA) to address the findings in our November 2, 2023 audit report. In that report, we concluded that MCPA's accountability and compliance rating was unsatisfactory.

In March 2024, we requested an implementation status from MDH for the findings included in the report. In response to our request, MDH provided a status report, as of April 12, 2024, which indicated that MCPA had made minimal progress in addressing the findings. Accordingly, we determined that we would delay our follow up review and request an updated status report from MDH in August 2024.

MDH, on behalf of MCPA, provided a status report, as of September 30, 2024, indicating the implementation status of each of the 10 findings as well as its corrective action plan, including timelines and processes to monitor the implementation of the plan. In summary, MCPA's status report indicated that, for the 8 non-cybersecurity-related findings, 3 findings had been corrected (all recommendations fully implemented) and additional corrective actions were required to fully implement the recommendations for the remaining 5 findings.

Based on our assessment of the relative significance of the 10 findings, we performed certain procedures to evaluate the appropriateness of actions taken by MCPA for 4 non-cybersecurity-related findings. Our review, which was performed during the period from December 2024 to February 2025, disclosed that MCPA had implemented the recommendations for 2 of the 4 non-cybersecurity-related findings and had made progress, but had not resolved some

or all of the recommendations in the 2 remaining findings. For the 2 that had been corrected, this outcome was due to MCPA either meeting its established deadline for implementation of its corrective action or implementing actions more timely than planned.

Exhibit 1 identifies MCPA's assessed implementation status for the 8 non-cybersecurity-related findings, according to the status report, as well as the results of our review for the 4 non-cybersecurity-related findings. Exhibit 2 describes, in detail, the results of our review of the status of MCPA's efforts to implement the recommendations for the 2 findings that we determined MDH had not resolved (fully corrected). To obtain a thorough understanding of the audit findings, recommendations, and the follow-up status described in Exhibit 2, the original November 2, 2023 audit report should be consulted due to the technical nature of some of these findings.

MDH's status report and response to this report, provided on behalf of MCPA, are included as Appendix A and Appendix B, respectively. Consistent with State law, we have redacted any cybersecurity elements in these appendices. MCPA's response, as presented in Appendix B, only addresses the recommendations that we determined to be in progress. We have reviewed MCPA's response to our assessment of the status of those recommendations and determined that MCPA generally agreed with our assessment.

To improve its accountability and compliance rating, MCPA should continue to implement its corrective action plan for all findings and related recommendations, and ensure that other areas do not deteriorate. The status of all of the audit findings will be subject to review during our next audit of MCPA. We wish to acknowledge the cooperation extended to us during the review by MCPA.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor

**Exhibit 1**  
**Implementation Status of Findings in the November 2023**  
**MCPA Audit Report**

| Prior Finding   | Status as Determined by MCPA as of September 2024 <sup>1</sup>            | Status Based on Auditor's Review  |
|---|---|---|
| <p><b>Third-Party Liability</b></p> <p>1. The Medical Care Programs Administration (MCPA) did not ensure that all referrals of potential third-party health insurance information were investigated and recorded in the Medicaid Management Information System (MMIS II), which could result in MCPA improperly paying claims that should have been paid by a third party</p> <p><b>Review of Questionable Activity</b></p> <p>2. MCPA did not have effective processes to identify, prevent, and recover questionable Medicaid payments, including \$7.1 million in payments on behalf of incarcerated and deceased recipients</p> <p><b>Recipient Eligibility</b></p> <p>3. MCPA did not ensure that changes to recipient Medicaid eligibility information were processed timely and accurately.</p> <p><b>Program Oversight</b></p> <p>4. MCPA had not established adequate oversight to ensure that all Community First Choice program recipients received personal assistance services in accordance with their plans of services.</p> | <p>In Progress</p> <p>In Progress</p> <p>In Progress</p> <p>Corrected</p> | <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>In Progress<br/>(See Exhibit 2)</p> |
|   |   | Page 1 of 2   |

N/A – Not applicable since we did not review the implementation status of this finding.

<sup>1</sup> MCPA's detailed implementation status for each finding is based upon MDH's status report, as of September 30, 2024, as shown in Appendix A.

**Exhibit 1**  
**Implementation Status of Findings in the November 2023**  
**MCPA Audit Report**

| Prior Finding  | Status as Determined by MCPA as of September 2024 <sup>2</sup> | Status Based on Auditor's Review |
|--|--|----------------------------------|
| 5. MCPA did not monitor the utilization control agent contractor to ensure continued stay reviews of Medicaid recipients receiving services from nursing facilities were performed timely. | Corrected  | In Progress<br>(See Exhibit 2)   |
| 6. MCPA did not have an established process to ensure costly recipient ventilator care claims submitted by nursing facilities were valid, as required by State regulations.                | In Progress  | N/A                              |
| 7. MCPA did not conduct the required audits of Medical Day Care and Supports Planning providers, and the related audit policy and procedures were not sufficiently comprehensive.          | In Progress  | Corrected                        |
| 8. MCPA did not adequately monitor the hospital claims audit contractor and had not collected or recovered improper claims identified by the contractor totaling \$6.9 million.            | Corrected  | Corrected                        |
| <b>Information Systems Security and Control<sup>3</sup></b>  |  |                                  |
| 9. Redacted cybersecurity-related finding.   | Status Redacted  | Status Redacted                  |
| 10. Redacted cybersecurity-related finding.  | Status Redacted  | Status Redacted                  |
|  |  | Page 2 of 2                      |

N/A – Not applicable since we did not review the implementation status of this finding.

<sup>2</sup> MCPA's detailed implementation status for each finding is based upon MDH's status report, as of September 30, 2024, as shown in Appendix A.

<sup>3</sup> Specific information related to cybersecurity-related findings 9 and 10 have been redacted for the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

**Exhibit 2**  
**Detailed Comments on the November 2023 Audit Report Findings**  
**for Which the Office of Legislative Audits Deemed the**  
**Implementation Status to be “In Progress”**

**Program Oversight**

**Prior Finding 4**

**Medical Care Programs Administration (MCPA) had not established adequate oversight to ensure that all Community First Choice (CFC) program recipients received personal assistance services in accordance with their plans of services.**

**Prior Report Recommendation 4**

We recommend that MCPA

- a. establish a process to ensure that all CFC recipients are monitored by nurses (repeat), and
- b. develop a plan to address the longstanding instances of non-compliance for the aforementioned Local Health Department (LHD).

**Status as Determined by the Maryland Department of Health (MDH) – Corrected**

**Office of Legislative Audits (OLA) Assessment of Status – In Progress**

MCPA did not fully implement recommendation a and did not make any progress on recommendation b.

In regard to recommendation a, MCPA developed, but had not yet implemented, a process to ensure that all CFC recipients received nurse monitoring visits. Specifically, MCPA management advised that the new process would not be implemented until July 2025.

In regard to recommendation b, while MCPA indicated that it would require LHDs to submit corrective action plans based on the results of the aforementioned review process, it did not develop a plan to address the longstanding instances of non-compliance at Baltimore City LHD. Our analysis of MCPA records as of February 2025 disclosed that a significant number of CFC recipients at Baltimore City LHD were overdue for a nurse monitoring visit, including 1,143 CFC recipients who were more than one year overdue.

**Prior Finding 5**

**MCPA did not monitor the utilization control agent (UCA) contractor to ensure continued stay reviews (CSRs) of Medicaid recipients receiving services from nursing facilities were performed timely.**

**Prior Report Recommendation 5**

We recommend that MCPA monitor the UCA vendor to ensure CSRs are performed timely and assess liquidated damages as permitted by the contract (repeat).

**Status as Determined by MDH – Corrected****OLA Assessment of Status – In Progress**

MCPA did not fully implement the recommendation. Specifically, as of February 2025, MCPA was still developing a procedure to independently verify that the UCA vendor conducted CSRs timely. Accordingly, MCPA also could not readily determine whether liquidated damages should be assessed.



## **Scope, Objectives, and Methodology**

We conducted a follow-up review of the actions taken by the Maryland Department of Health (MDH) – Medical Care Programs Administration (MCPA) to address the findings in our November 2, 2023 audit report. In that report, we concluded that MCPA’s accountability and compliance rating was unsatisfactory.

The purpose of our review was to determine the status of MCPA’s corrective actions to address certain of our audit findings and recommendations. As customary, our review did not include all prior report findings and recommendations, but a number judgmentally selected based on our assessment of significance. This review was conducted under the authority of Section 2-1220(a)(4) of the State Government Article of the Annotated Code of Maryland and was based on our long-standing practice of performing a follow-up review whenever an agency receives an unsatisfactory rating in its fiscal compliance audit report. The rating system was established, in accordance with State Government Article, Section 2-1221, of the Annotated Code of Maryland, for the purpose of determining an overall evaluation of an agency’s fiscal accountability and compliance with State laws and regulations.

Our review consisted of obtaining a status report from MDH, on behalf of MCPA as of September 30, 2024, which described the level of implementation of each prior audit report finding, as well as obtaining additional clarifications from MCPA of the actions taken to resolve the selected findings. Our review also consisted of performing tests and analyses of certain information and holding discussions with MCPA personnel, as we deemed necessary, to determine the status of MCPA’s corrective actions to address the selected findings, including the related recommendations, from our November 2, 2023 audit report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of a report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3A-301(b), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation”. Based on that definition, and in our professional judgment, we concluded that findings in this report fall under that definition. Consequently, for the publicly available report all specifics as to

the nature of the cybersecurity findings and required corrective actions have been redacted. We have determined that such aforementioned practices support the redaction of this information from the public report. The specifics of the cybersecurity findings have been communicated to MCPA and those parties responsible for acting on our recommendations in an unredacted report.

This review did not constitute an audit conducted in accordance with generally accepted government auditing standards. Had we conducted an audit in accordance with generally accepted government auditing standards, other matters may have come to our attention that would have been reported.

Our review was conducted primarily during the period from December 2024 to February 2025, and our assessment of the status of MCPA's corrective actions was performed at the time of our review.

MDH's response, on behalf of MCPA, to our follow-up review is included as an appendix to this report. Depending on the version of the report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MDH regarding the results of our review of its response.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024  |                |  |                           |  |
|--|----------------|--|---------------------------|--|
| Finding / Recommendation   | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| <b>Third Party Liability</b>   |                |  |                           |  |
| Finding 1 – The Medical Care Programs Administration (MCPA) did not ensure that all referrals of potential third-party health insurance information were investigated and recorded in the Medicaid Management Information System (MMIS II), which could result in MCPA improperly paying claims that should have been paid by a third party. |                |  |                           |  |
| We recommend that MCPA ensure that   |                |  |                           |  |
| a. all third-party health insurance information provided by its third-party liability vendor are interfaced with MMIS II, and  | In Process     | <p>MCPA is actively working on a plan of correction with a third party liability vendor and information technology staff to address the carrier text file interface. MCPA staff have also requested a master file of codes that the vendor utilizes to have them added to the system.</p> <p>MCPA will soon be testing the carrier file interface with a pilot MCO to ensure success. Upon successful use of the carrier file, the automation will be activated among all MCOs. While working to automate this process, MCPA continues to enter data manually and increase staffing support to address backlogs of data entry. All 2022 files and 2023 files through September 2023 that were associated with the audit finding have been updated.</p> | 12/31/2024                |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024  |                |  |                           |  |
|--|----------------|--|---------------------------|--|
| Finding / Recommendation   | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| b. all MCO insurance referrals are recorded into MMIS II timely (repeat).  | In Process     | While working to automate this process as outlined above, MCPA continues to enter data manually and increase staffing support to address backlogs of data entry. All 2019, 2020, 2021, 2022 and 2023 files through September 2023 that were associated with the audit finding have been updated. MCPA continues to recruit for vacant positions to support manual entry. | 12/31/2024                |  |
| <b>Review of Questionable Activity</b>   |                |  |                           |  |
| Finding 2 – MCPA did not have effective processes to identify, prevent, and recover questionable Medicaid payments, including \$7.1 million in payments on behalf of incarcerated and deceased recipients. |                |  |                           |  |
| We recommend that MCPA establish effective processes over questionable Medicaid payments. Specifically, MCPA should  |                |  |                           |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024  |                |  |  |  |
|--|----------------|--|--|--|
| Finding / Recommendation   | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date  | Primary Contact Information <sup>6</sup> |
| a. ensure that instances of recipients with missing SSNs are referred to DHS and the LHDs for investigation; | In Process     | <p>MCPA continues to review cases monthly in partnership with local health departments and the Maryland Department of Human Services (DHS) for corrective action. MCPA has developed written procedures for documenting supervisory reviews of missing SSNs and is in the process of issuing updated guidance.</p> <p>Through this review process, MCPA has also identified opportunities to make system modifications to its enrollment and eligibility system. These system modifications will support more timely entry of SSN, and MCPA is working to effectuate system changes.</p> | <p>Written procedures<br/>9/30/24</p> <p>Review Cases<br/>03/31/2025</p> <p>System modifications<br/>04/2025</p> |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024   |                |   |   |  |
|---|----------------|---|---|--|
| Finding / Recommendation  | Current Status | Actions Taken / To Be Taken to Address the Recommendation   | Estimated Completion Date                               | Primary Contact Information <sup>6</sup> |
| b. sufficiently document its reviews of investigations of questionable recipient eligibility (including instances of recipients missing SSNs or receiving Medicaid benefits in other states) to support that proper corrective action was taken (repeat); | In Process     | MCPA continues to conduct reviews of customers with questionable recipient eligibility as with missing SSNs or Public Assistance Reporting Information System (PARIS) cases in partnership with the local departments of health and DHS. MCPA has developed the written procedures for documenting program integrity and supervisory reviews of Missing SSNs and PARIS Matches and is in the process of issuing updated guidance to local health department (LHD) and local department of social services (LDSS) Medical Assistance staff. MCPA is working to systematically integrate Maryland's Surveillance and Utilization Review Subsystem (SURS) fraud surveillance system as part of audit procedures by mid 2025. | Ongoing Monitoring<br><br>System modification<br>7/2025 |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### **Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024**

| <b>MDH – MCPA Status Report as of September 30, 2024</b>   |                       |   |                                  |  |
|--|-----------------------|---|----------------------------------|--|
| <b>Finding / Recommendation</b>  | <b>Current Status</b> | <b>Actions Taken / To Be Taken to Address the Recommendation</b>  | <b>Estimated Completion Date</b> | <b>Primary Contact Information<sup>6</sup></b> |
| c. establish a process to identify, prevent, and recover improper fee-for-service payments related to incarcerated recipients; and | Complete              | <p>MCPA continues to improve efforts to identify and prevent questionable Medicaid payments on behalf of incarcerated recipients by adding a weekly manual review process of near-matches for DOB and SSN. Moreover, MCPA is actively working with DPSCS to receive comprehensive incarceration data to accurately identify all incarcerated recipients. The ability to prevent improper fee-for-service payments related to incarcerated recipients remains challenging for the current MMIS infrastructure. MCPA is committed to enabling these requirements/functionality within the replacement MMIS system under development.</p> <p>MCPA has reviewed the more than 19,000 claims, totaling \$3.5 million in payments for 1,954 recipients as identified in the audit. 253 recipients were exact matches, and 31 were near exact matches. All recipients were disenrolled from the MCO.</p> | Complete                         |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024   |                |   |                           |  |
|---|----------------|---|---------------------------|--|
| Finding / Recommendation  | Current Status | Actions Taken / To Be Taken to Address the Recommendation   | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| d. document its efforts to identify and remove deceased recipients from Medicaid and to investigate and pursue the recovery of improper payments after the recipients' dates of death, including those noted in the analysis. | In Process     | <p>MCPA continues to conduct reviews of customers with improper closures of recipient death cases and has referred findings to have improper payments recovered.</p> <p>MCPA has developed standard operating procedures for death matches and is in the process of generating operational procedures for reviewing investigations of questionable recipient eligibility related to death match reviews. The total number of cases identified by OLA that needed to be corrected was 5,616. 4,570 were closed correctly but no payments were automatically recovered. All of these reviews have been completed and in process for recoveries to be completed by April 2025.</p> | 04/01/2025                |  |
| <b>Recipient Eligibility</b>  |                |   |                           |  |
| Finding 3 – MCPA did not ensure that changes to recipient Medicaid eligibility information were processed timely and accurately.  |                |   |                           |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.



## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024   |                |  |                           |  |
|---|----------------|--|---------------------------|--|
| Finding / Recommendation  | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| We recommend that MCPA ensure recipient eligibility information is updated timely and accurately, and that errors to recipient eligibility information in MMIS II are corrected.    | In Process     | <p>MCPA has developed comprehensive processes to ensure errors to recipient eligibility information in MMIS are corrected despite the backlog of CTADs. Additionally, MCPA has developed remote working protocols that will allow staff to continue conducting Medicaid services and reviews during adverse working conditions. MCPA continues to work under Standard Operating Procedure #18-07, Revised 7/16/2021, to detail the process for reporting and processing CTADs. To determine that CTADs are completed</p> <p>accurately, management is responsible for reviewing and evaluating a minimum of 20 case samples each month. Additionally, reports are used in the Division of Recipient Eligibility Programs (DREP) to track the number of CTAD documents sent to the unit and processed on a monthly basis.</p> | 01/31/2025                |  |
| <b>Program Oversight</b>  |                |  |                           |  |
| Finding 4 – MCPA had not established adequate oversight to ensure that all CFC program recipients received personal assistance services in accordance with their plans of services. |                |  |                           |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### **Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024**

| <b>MDH – MCPA Status Report as of September 30, 2024</b>                                       |                       |   |                                  |  |
|--|-----------------------|---|----------------------------------|--|
| <b>Finding / Recommendation</b>  | <b>Current Status</b> | <b>Actions Taken / To Be Taken to Address the Recommendation</b>  | <b>Estimated Completion Date</b> | <b>Primary Contact Information<sup>6</sup></b> |
| We recommend that MCPA   |                       |   |                                  |  |
| a. establish a process to ensure that all CFC recipients are monitored by nurses (repeat), and | Complete              | MCPA developed a Nurse Monitoring Agreement, which establishes clear standards for the service, its delivery, and its continuous monitoring by both the Local Health Departments (LHDs) providing nurse monitoring and MCPA. Medicaid leadership met with the Health Officers on January 10, 2024 to review the Nursing Monitor Agreement. Nurse Monitoring Agreements were executed with every LHD as of May 15, 2024. | Complete                         |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024   |                |  |                           |  |
|---|----------------|--|---------------------------|--|
| Finding / Recommendation  | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| b. develop a plan to address the longstanding instances of non-compliance for the aforementioned LHD.   | Complete       | MCPA developed and included six core performance measures within the Nurse Monitoring Agreement. MCPA met with LHD staff responsible for the provision of Nurse Monitoring to review the requirements of the agreement on May 17, 2024. MCPA will evaluate six core performance measures annually. The minimum benchmark for each performance measure is 86 percent, in alignment with the minimum benchmark established by the Centers for Medicare and Medicaid Services (CMS). The first annual evaluation period will be July 1, 2024 - June 30, 2025. | Complete                  |  |
| Finding 5 – MCPA did not monitor the utilization control agent contractor to ensure continued stay reviews of Medicaid recipients receiving services from nursing facilities were performed timely. |                |  |                           |  |
| We recommend that MCPA monitor the UCA vendor to ensure CSRs are performed timely and assess liquidated damages as permitted by the contract (repeat).  | Complete       | MCPA begins operations with a new UCA contract starting 9/3/2024. With the new contract, protocols will be in place to ensure CSRs are performed timely. MCPA will continue to assess liquidated damages as permitted by the contract.   | Complete                  |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024  |                |  |                           |  |
|--|----------------|--|---------------------------|--|
| Finding / Recommendation   | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| Finding 6 – MCPA did not have an established process to ensure costly recipient ventilator care claims submitted by nursing facilities were valid, as required by State regulations.   |                |  |                           |  |
| We recommend that MCPA establish procedures to periodically validate ventilator care claims submitted by nursing facilities, as required by State regulations, and recoup any claim payments that are determined to be unsupported or improper (repeat). | In Process     | MCPA began operations with a new UCA contract starting 9/3/2024. The UCA will take on the task of completing ventilator care validations using a process developed in collaboration with MCPA. The UCA will complete any outstanding validations from MCPA's current list and, after completing them, move to the next year.                             | 04/01/2025                |  |
| Finding 7 – MCPA did not conduct the required audits of Medical Day Care (MDC) and Supports Planning providers, and the related audit policy and procedures were not sufficiently comprehensive.   |                |  |                           |  |
| We recommend that MCPA   |                |  |                           |  |
| a. audit MDC providers (repeat) and Supports Planning providers in accordance with its policy;   | In Process     | Annual Supports Planning Agency audits commenced in February 2024 and are on pace to be completed by the end of calendar year 2024 in alignment with MCPA's policy.<br><br>MCPA developed an MDC audit schedule in alignment with its policy. MDC audits are ongoing utilizing the revised standard operating procedure recommended by the OLA auditors. | 12/31/2024                |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### **Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024**

| <b>MDH – MCPA Status Report as of September 30, 2024</b>  |                       |   |                                  |  |
|---|-----------------------|---|----------------------------------|--|
| <b>Finding / Recommendation</b>   | <b>Current Status</b> | <b>Actions Taken / To Be Taken to Address the Recommendation</b>  | <b>Estimated Completion Date</b> | <b>Primary Contact Information<sup>6</sup></b> |
| b. ensure that all MDC provider claims since the previous audit are subject to testing (repeat); and  | In Process            | The MDC program has updated its auditing tool to require all auditing staff document the time period of the previous attendance audit and resume attendance auditing from that period to ensure no time periods are skipped or missed while auditing each provider. The standard operating procedure (SOP) was also updated. The MDC team has received updated training and will continue to engage in monthly audit meetings to ensure competency and employ standardization among staff, reinforce best practices, discuss findings, auditing progress, and technical assistance. | 12/31/2024                       |  |
| c. enhance its MDC audit policy to establish audit scope requirements and testing methodology, including a requirement to expand audit testing when significant deficiencies are identified (repeat). | Complete              | The MDC program established a SOP that directs an expansion of audits based on specific deficiencies. Findings, risk controls, mitigation strategies, and best practices are discussed with MDC providers at the conclusion of the audit. MDC providers must provide a corrective action plan (CAP) to MCPA when deficiencies are discovered. The CAP must outline the remediation the MDC provider will take to ensure compliance.   | Complete                         |  |

<sup>6</sup>Auditor's Comment – Contact Information has been removed.

## APPENDIX A

### Maryland Department of Health (MDH) – Medical Care Programs Administration – Report Dated November 2, 2023 Status as of September 30, 2024

| MDH – MCPA Status Report as of September 30, 2024   |                |  |                           |  |
|---|----------------|--|---------------------------|--|
| Finding / Recommendation  | Current Status | Actions Taken / To Be Taken to Address the Recommendation  | Estimated Completion Date | Primary Contact Information <sup>6</sup> |
| Finding 8 – MCPA did not adequately monitor the hospital claims audit contractor and had not collected or recovered improper claims identified by the contractor totaling \$6.9 million.  |                |  |                           |  |
| We recommend that MCPA  |                |  |                           |  |
| a. adequately monitor the hospital claims audit contractor, including obtaining all deliverables as required by the contract; and   | Complete       | Deliverables have been obtained as required, and overpayments have been recovered. Increased monitoring is demonstrated by regular monthly meetings held by MDH and contractors. Ongoing review of contract deliverables is being conducted. | Complete                  |  |
| b. pursue recovery of overpaid claims identified by the audit contractor in a timely manner.  | Complete       | Overpayments have been recouped in full.   | Complete                  |  |
| <b>Information Systems Security and Control</b><br>The Office of Legislative Audits (OLA) has determined that the Information Systems Security and Control section, including Findings 9 and 10 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). |                |  |                           |  |
| Finding 9<br>Redacted cybersecurity-related finding.  |                |  |                           |  |
| Finding 10<br>Redacted cybersecurity-related finding.   |                |  |                           |  |

<sup>6</sup>Auditor’s Comment – Contact Information has been removed.

## APPENDIX B



Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

April 22, 2025

Mr. Brian S. Tanen, CPA, CFE  
Legislative Auditor  
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore, MD 21201

Dear Mr. Tanen:

Enclosed, please find the responses to the draft audit report on the Maryland Department of Health – Medical Care Programs Administration Audit Follow-up.

If you have any questions, please contact Frederick D. Doggett at 410-767-0885 or email at [frederick.doggett@maryland.gov](mailto:frederick.doggett@maryland.gov).

Sincerely,

A blue ink signature of Meena Seshamani, consisting of stylized, overlapping loops and lines.

Meena Seshamani, M.D., Ph.D.  
Secretary

cc: Erin K. McMullen, R.N., Chief of Staff, MDH  
Emily Berg, JD, MPH, Deputy Chief of Staff  
Ryan B. Moran, Dr.PH, MHSA, Deputy Secretary for Health Care Financing  
Clint Hackett, Deputy Secretary for Operations  
Tricia Roddy, Deputy Medicaid Director  
Frederick D. Doggett, Director, Internal Controls, Audit Compliance & Information Security, MDH  
Deneen Toney, Deputy Director, Internal Controls, Audit Compliance & Information Security, MDH  
Carlean Rhames-Jowers, Chief Auditor, Internal Controls, Audit Compliance & Information Security, MDH

**Maryland Department of Health  
Medical Care Programs Administration  
Follow-up Review  
Agency Response Form**

**Program Oversight**

**Prior Finding 4**

**Medical Care Programs Administration (MCPA) had not established adequate oversight to ensure that all Community First Choice (CFC) program recipients received personal assistance services in accordance with their plans of services.**

**Prior Report Recommendation 4**

We recommend that MCPA

- a. establish a process to ensure that all CFC recipients are monitored by nurses (repeat), and
- b. develop a plan to address the longstanding instances of non-compliance for the aforementioned Local Health Department (LHD).

**Office of Legislative Audits (OLA) Assessment of Status – In Progress**

| <b>Agency Response</b>  |   |
|---|---|
| <b>OLA Assessment of Status</b>                               | <b>Agree</b>  |
| <b>Please provide additional comments as deemed necessary</b> | <p><u>Recommendation A.</u> MCPA developed a Nurse Monitoring Agreement, which establishes clear standards for the service, its delivery, and its continuous monitoring by both the Local Health Departments (LHDs) providing nurse monitoring and MCPA. Medicaid leadership met with the Health Officers on January 10, 2024 to review the Nursing Monitor Agreement. Nurse Monitoring Agreements were executed with every LHD as of May 15, 2024.</p> <p><u>Recommendation B.</u> MCPA developed and included six core performance measures within the Nurse Monitoring Agreement. MCPA met with LHD staff responsible for the provision of Nurse Monitoring to review the requirements of the agreement on May 17, 2024. MCPA will evaluate six core performance measures annually. The minimum benchmark for each performance measure is 86 percent, in alignment with the minimum benchmark established by the Centers for Medicare and Medicaid Services (CMS).</p> |



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|  |  |
|--|--|
|  | The first annual evaluation period will commence in July 2025 and evaluate services provided July 1, 2024 - June 30, 2025. |
|  |  |

**Maryland Department of Health  
Medical Care Programs Administration  
Follow-up Review  
Agency Response Form**

**Prior Finding 5**

**MCPA did not monitor the utilization control agent (UCA) contractor to ensure continued stay reviews (CSRs) of Medicaid recipients receiving services from nursing facilities were performed timely.**

**Prior Report Recommendation 5**

We recommend that MCPA monitor the UCA vendor to ensure CSRs are performed timely and assess liquidated damages as permitted by the contract (repeat).

**OLA Assessment of Status – In Progress**

| Agency Response   |  |
|---|--|
| OLA Assessment of Status                                | Agree  |
| Please provide additional comments as deemed necessary. | MCPA began operations with a new UCA contract starting 9/3/2024. With the new contract, protocols were included to ensure CSRs are performed timely.   |
|   | MCPA applied a liquidated damage (LD) to the December 2024 UCA invoice for failing to meet Service Level Agreement (SLA) #23 (first nursing facility census). The UCA expects to provide the nursing facility census by the end of May 2025, at which time the protocols will be in place to ensure CSRs are performed timely. |
|   | MCPA will continue to assess liquidated damages as permitted by the contract.  |

AUDIT TEAM

**Robert J. Smith, CPA**  
Audit Manager

**Anthony V. Calcagno**  
Senior Auditor

**Matthew P. Henry**  
**Etai D. Stern**  
Staff Auditors