
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**ADMINISTRATIVE COSTS
CLAIMED BY THE ARKANSAS
DISABILITY DETERMINATION
SERVICES**

October 2005 A-06-05-15077

AUDIT REPORT



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- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

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SOCIAL SECURITY

MEMORANDUM

Date: October 11, 2005

Refer To:

To: Ramona Schuenemeyer
Regional Commissioner
Dallas

From: Inspector General

Subject: Administrative Costs Claimed by the Arkansas Disability Determination Services
(A-06-05-15077)

OBJECTIVE

Our objectives were to (1) determine whether costs claimed on the *State Agency Report of Obligations for SSA Disability Programs* for the period October 1, 2001 through September 30, 2003, were allowable and properly allocated and funds were properly drawn; (2) evaluate the Arkansas Disability Determination Services' (AR-DDS) internal controls over the accounting and reporting of administrative costs; and (3) perform a limited review of the general security control environment.

BACKGROUND

The Disability Insurance (DI) program, established under Title II of the Social Security Act, provides benefits to wage earners and their families in the event the wage earner becomes disabled. The Supplemental Security Income (SSI) program, established under Title XVI of the Act, provides benefits to financially needy individuals who are aged, blind, and/or disabled.

The Social Security Administration (SSA) is responsible for implementing policies for the development of disability claims under the DI and SSI programs. Disability determinations under both DI and SSI are performed by disability determination services (DDS) in each State, Puerto Rico and the District of Columbia in accordance with Federal regulations.¹ In carrying out its obligation, each DDS is responsible for determining claimants' disabilities and ensuring that adequate evidence is available to support its determinations. To assist in making proper disability determinations, each DDS is authorized to purchase medical examinations, x-rays, and laboratory tests on a consultative basis to supplement evidence obtained from the claimants' physicians or other treating sources.

¹ 20 C.F.R. §§ 404.1601 *et seq.* and 416.1001 *et seq.*

SSA reimburses the DDS for 100 percent of allowable expenditures up to its approved funding authorization. The DDS withdraws Federal funds through the Department of the Treasury's (Treasury) Automated Standard Application for Payments system to pay for program expenditures. Funds drawn down must comply with Federal regulations² and intergovernmental agreements entered into by Treasury and States under the Cash Management Improvement Act of 1990.³ An advance or reimbursement for costs under the program must comply with the Office of Management and Budget's Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. At the end of each quarter of the Fiscal Year (FY), each DDS submits a *State Agency Report of Obligations for SSA Disability Programs* (Form SSA-4513) to account for program disbursements and unliquidated obligations for the FY.⁴ The Form SSA-4513 reports expenditures and unliquidated obligations for Personnel Service Costs, Medical Costs, Indirect Costs, and All Other Nonpersonnel Costs.

The Director of the AR-DDS reports directly to the Governor. AR-DDS maintains an accounting of DDS funds and disbursements, completes expense reports to submit to SSA, and prepares requests to transfer cash from Treasury to the State Treasurer. The State's indirect costs for the AR-DDS are determined based on rates negotiated and approved by the Department of Health and Human Services. As of March 31, 2005, AR-DDS reported program disbursements and unliquidated obligations on Form SSA-4513, as shown below:

REPORTING ITEM	FY 2002	FY 2003
Disbursements		
Personnel	\$11,283,566	\$11,468,667
Medical	4,745,710	5,217,994
Indirect Costs	93,962	141,668
All Other Nonpersonnel	1,715,068	1,661,206
Total Disbursements	17,838,306	18,489,535
Unliquidated Obligations	0	20,000
Total Obligations	\$17,838,306	\$18,509,535

² 31 C.F.R. § 205.1 *et seq.*

³ Public Law 101-453.

⁴ SSA, Program Operations Manual System (POMS), DI 39506.200 B.4, *The Reporting Process – Recording and Reporting Obligations* states, “Unliquidated obligations represent obligations for which payment has not yet been made. Unpaid obligations are considered unliquidated whether or not the goods or services have been received.”

RESULTS OF REVIEW

For FYs 2002 and 2003, disbursements charged to SSA for AR-DDS operations were generally allowable and allocable and funds were properly drawn. However, we found a \$20,000 unliquidated obligation not used for its authorized purpose, \$2,196 in overpayments to medical consultants, and funds from one FY used to pay expenditures for another FY that totaled \$288,308.

We found the internal control environment needed enhancements in the following areas to ensure assets are adequately safeguarded and costs are efficiently used for program related purposes: Medicaid disability determination reimbursement, consultative examination (CE) fee schedule maintenance, equipment inventory, equipment rental authorization, and medical license verifications. We also identified general security control weaknesses.

ALLOWABILITY OF COSTS CLAIMED AND FUNDS MANAGEMENT

Unliquidated Obligations

The Form SSA-4513 for FY 2003 reflected a \$20,000 unliquidated obligation that was not obligated or otherwise committed for its originally authorized purpose. According to Federal regulations, an obligation "...is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability...."⁵ In September 2003, SSA's Dallas Region authorized the expenditure of \$20,000 to expand the DDS break room. As of December 2004, the DDS had not clearly defined the work to be performed, prepared a cost estimate for the renovation project, or contracted for the renovation. DDS management has since decided to use the funds to convert a computer room into office space. Because the funds were authorized to expand the break room and the AR-DDS did not timely support the obligation with a valid purchase order, the funds can no longer be used for FY 2003 expenditures. Accordingly, the funds should be de-obligated.

Medical Consultants Contract Rates

During FYs 2002 and 2003, AR-DDS overpaid medical consultants \$2,196. This occurred because the AR-DDS applied hourly rate increases in March 2002 instead of on the effective date of July 2002 and did not fully recover the overpayments with adjustments made between July and September 2002. AR-DDS staff acknowledged the overpayment error.

⁵ 31 U.S.C. § 1502(a).

Improper Cash Draws

The AR-DDS used funds from one FY to pay expenditures of another FY. Federal regulations state, “The balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability...the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law.”⁶ In October 2002, AR-DDS had cash draws of \$72,948 from FY 2002 funds to apply against FY 2003 expenditures. During the first quarter of FY 2004, AR-DDS used \$215,360 from FY 2003 funds to pay for FY 2004 expenditures. The AR-DDS subsequently reimbursed these funds. Accounting personnel stated the AR-DDS borrowed funds to cover current expenditures at the beginning of each FY to promote continuity of operations because of the lag time between the beginning of a FY and when budget authority was granted.

INTERNAL CONTROLS OVER ACCOUNTING AND REPORTING OF ADMINISTRATIVE COSTS

Medicaid Disability Determinations Performed for the Arkansas Department of Human Services

In 1993, the AR-DDS established a fee of \$1 to perform Medicaid disability determinations and it used this amount to charge the State of Arkansas for the 16,367 Medicaid disability determinations it performed during FYs 2002 and 2003. The fee had not been revised and the AR-DDS did not document how it calculated the \$1 amount. According to SSA policy, when a DDS performs non-SSA work, the DDS is required to “...clearly identify all non-SSA program work costs to provide as accurate an allocation as possible”⁷ and “...to periodically revise these cost estimates to reflect changing experience.”⁸ By not identifying all costs associated with this work and revising fees to reflect changing experience, the AR-DDS could not demonstrate that it received adequate reimbursement for its non-SSA work.

Consultative Examination Fees Paid in Excess of Medicare or Medicaid Fee Schedule

During FYs 2002 and 2003, AR-DDS paid \$191,122 (\$81,850 in FY 2002 and \$109,272 in FY 2003) for CE fees in excess of maximum allowable rates established by Medicare/Medicaid. Federal regulations state that rates of payment used by the State “...may not exceed the highest rate paid by Federal or other agencies in the State for the same or similar type of service.”⁹ The State must also maintain documentation to

⁶ *Id.*

⁷ SSA, POMS, DI 39518.040 B, *Non-SSA Program Work -- DDS*.

⁸ SSA, POMS, DI 39563.210 D.2, *Non-SSA Program Work*.

⁹ 20 C.F.R. §§ 404.1624 and 416.1024.

support the rates of payment used.¹⁰ We found AR-DDS had not updated some fees appearing on the rate schedule since 1984. Also, discussion with DDS personnel indicated that in some cases where procedures listed on the AR-DDS fee schedule exceeded the Medicare/Medicaid maximum allowable rate, no documentation was available to indicate how the DDS arrived at the established fee. SSA policy for monitoring and maintaining fee schedules states in part that DDSs will review the adequacy and cost effectiveness of fee schedules on an on-going basis.¹¹ Implementation of this policy would help ensure AR-DDS pays fair and reasonable prices for these services.

Equipment Inventory

AR-DDS did not maintain adequate equipment inventory records. According to Federal regulations, the State is responsible for maintenance and inventory of all equipment acquired whether purchased through SSA or the State.¹² However, laptop computers and a big screen television purchased by SSA did not appear on inventory records and AR-DDS did not update inventory listings to remove disposed items. For example, an uninterrupted power supply valued at \$31,341 removed from the DDS in 1999 was still listed on the inventory records. Further, peripheral Electronic Data Processing equipment such as scanners and printers were not properly labeled and could not be traced back to inventory listings. Proper equipment accountability reduces the risk of loss or theft.

Equipment Rental Authorization

AR-DDS did not obtain the required Regional Office (RO) approval for the rental of copiers on 3-year leases totaling \$87,932. SSA policy requires RO approval prior to the DDS renting equipment for more than 180 days.¹³ According to AR-DDS staff, they believed the copier leases were part of normal operating costs and would have been approved by the RO, if requested.

Medical License Verifications and Exclusions

AR-DDS did not verify licensure and credentials for contracted medical consultants or verify whether these consultants and DDS staff doctors were sanctioned from participation in Federal or federally assisted programs, as required.¹⁴ This occurred because the DDS did not implement controls to ensure both verifications were performed for medical consultants and DDS staff doctors. We independently verified that these doctors were currently licensed and that none appeared on sanctioned lists.

¹⁰ *Id.*

¹¹ SSA, POMS, DI 39545.410 B.1.d, *Monitoring and Maintenance of Fee Schedules*.

¹² 20 C.F.R. §§ 404.1628 and 416.1028.

¹³ SSA, POMS, DI 39530.010, *Rental of DDS Equipment*.

¹⁴ SSA, POMS, DI 39569.004 D, *Program Integrity*.

In the future, AR-DDS must perform these verifications to ensure that only qualified medical providers perform disability determination services.

GENERAL SECURITY CONTROLS

During our review, we identified the following general security control weaknesses:

- AR-DDS contracted for the performance of janitorial services after business hours when DDS employees were not present. SSA policy states that "...under no circumstance is a non-employee to be left unescorted in any area of the DDS."¹⁵ AR-DDS arranged custodial work to be performed in the evening so the cleaning staff would not interrupt DDS employees during work hours.
- AR-DDS did not restrict access to the computer room. The entrance to the computer room was frequently left unlocked and unattended. On one occasion, we observed the computer room door was left open and no one was inside. An additional room containing wiring for computers was also unlocked. Also, the walls in this room did not extend above the suspended ceiling, as required.¹⁶
- AR-DDS issued keys allowing building access to custodial and cafeteria workers and did not change the combinations on locks when staff with knowledge of the combinations left employment. SSA policy¹⁷ states issuance of keys that unlock outer doors should be limited to management, and, if necessary, one or two additional employees. Also, combination/cipher lock codes should be changed when staff with knowledge of them leaves or no longer has a need to know them, or whenever compromise of the codes occurs or is suspected.¹⁸

CONCLUSION AND RECOMMENDATIONS

While funds charged for the program were generally allowable and allocable, we determined that some costs charged to SSA were not allowable and that AR-DDS could have reduced program costs by better administering its CE fee schedules. In addition, we identified several deficiencies with the administration of the program indicating the internal control environment needs enhancement. Effective internal controls ensure that assets are safeguarded and funds are properly and efficiently used. We also identified general security control weaknesses. We recommend SSA instruct AR-DDS to make adjustments to amounts charged to SSA and improve draw down procedures, improve its internal control environment, and comply with SSA's security policies. Specifically, we recommend SSA instruct AR-DDS to:

¹⁵ SSA, POMS, DI 39566.120 C.1.f, *DDS Sample Security Profile – Exhibit 1*.

¹⁶ DDS Security Document, Chapter VII Physical Security, Internal Office Security, page 36.

¹⁷ SSA, POMS, DI 39566.090 B.2.c, *Security Program Guides*.

¹⁸ DDS Security Document, Chapter VII Physical Security, Access Controls, page 38.

1. Deobligate the \$20,000 from the FY 2003 Form SSA-4513.
2. Refund \$2,196 of costs overpaid to medical consultants and comply with contract provisions in paying medical consultants.
3. Cease the practice of borrowing funds from one FY's appropriation to pay expenses of another FY.
4. Update the agreement with the Arkansas State Department of Human Services to provide for adequate reimbursement to SSA for all direct and indirect costs incurred in performance of Medicaid disability determinations.
5. Conduct reviews of the CE fee schedule and update rates on an on-going basis to ensure that fees do not exceed allowable limits such as the \$191,122 identified in this report.
6. Maintain proper equipment inventories.
7. Secure RO approval prior to renting equipment for more than 180 days or extending a rental beyond 180 days.
8. Ensure medical consultants are properly licensed and are not sanctioned from participation in Federal programs.
9. Comply with SSA guidance for general security controls specified in the audit report.

AGENCY COMMENTS

SSA agreed with all of our recommendations. SSA's comments are included in Appendix D.

STATE AGENCY COMMENTS

The AR-DDS agreed with all of our recommendations. However, the AR-DDS disagreed with our calculation of consultative examination fees paid in excess of maximums allowed by Medicare or Medicaid. AR-DDS stated it uses internally defined current procedural terminology codes without corresponding Medicare or Medicaid procedures. Consequently, AR-DDS believed \$138,108 of the \$191,122 in excess payments identified in the report were properly paid. AR-DDS's comments are included in Appendix E.

OIG RESPONSE

We appreciate the comments received from SSA and AR-DDS. Concerning AR-DDS's response to recommendation 5, we stand by our conclusion that AR-DDS charged \$191,122 in excess CE fees because it did not update its fee schedules timely and it could not demonstrate how it developed its rates. During the course of the audit, AR-DDS personnel cross-walked and linked each internally defined CPT code to an equivalent American Medical Association CPT code. Based on these linked codes, we compared the fees to Medicare/Medicaid maximum allowable rates and determined that amounts charged exceeded the Medicare/Medicaid rates. AR-DDS personnel could not provide documentation or explain how they established the rates, and, as noted in the report, AR-DDS had not updated some rates since 1984. We acknowledge that the Dallas Regional Office and the AR-DDS recently completed a review of the AR-DDS fee schedule. This review along with AR-DDS' ongoing assessments of its fee schedules should prevent payment of excessive CE fees in the future.



Patrick P. O'Carroll, Jr.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Arkansas Disability Determination Services, Schedule of Costs
Reported, Questioned and Allowed

APPENDIX D – Agency Comments

APPENDIX E – State Agency Comments

APPENDIX F – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

AR-DDS	Arkansas Disability Determination Services
CE	Consultative Examination
C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
DI	Disability Insurance
FY	Fiscal Year
POMS	Program Operations Manual System
RO	Regional Office
SSA	Social Security Administration
Form SSA-4513	State Agency Report of Obligations for SSA Disability Programs
SSI	Supplemental Security Income
Treasury	Department of the Treasury
U.S.C.	United States Code

Scope and Methodology

We reviewed the administrative costs Arkansas reported to the Social Security Administration (SSA) on *State Agency Report of Obligations for SSA Disability Programs* (Form SSA-4513) for the period October 1, 2001 through September 30, 2003—Fiscal Years (FY) 2002 through 2003. We obtained computerized data from the State to support amounts reported on the Forms SSA-4513 and tested the reliability of the data by comparing disbursements, by category and in total, with amounts reported on Form SSA-4513. We then obtained sufficient evidence to evaluate administrative costs in terms of their allowability under Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, and appropriateness, as defined by SSA's Program Operations Manual System (POMS). The Arkansas Disability Determination Services (AR-DDS) reported \$36,347,841 in administrative costs for operations for the period October 1, 2001 through September 30, 2003.

To meet our objectives, we:

- reviewed applicable Federal laws and regulations and pertinent parts of SSA's POMS, Disability Determination Services Fiscal and Administrative Management, and other instructions pertaining to administrative costs incurred by AR-DDS and the draw down of SSA funds;
- interviewed AR-DDS staff;
- documented our understanding of the AR-DDS' system of internal controls over the accounting and reporting of administrative costs;
- evaluated and tested internal controls regarding accounting and financial reporting and cash management activities, as well as the draw down of SSA funds;
- traced administrative expenditures AR-DDS reported on its Forms SSA-4513 to accounting records;
- analyzed AR-DDS' draw downs of SSA funds and reconciled them with reported expenditures;
- reviewed the Arkansas Statewide Single Audit reports;
- conducted a physical inventory of selected AR-DDS equipment;

- conducted a limited examination of the physical security and environmental safety of AR-DDS;
- sampled 50 employees from 1 pay period in FY 2003 and traced information to accounting records, timesheets, and personnel files;
- sampled 50 medical cost payments from both FY 2002 and FY 2003 and compared them to the AR-DDS fee schedules and supporting documentation, and further compared all consultative examination payments to the maximum allowable costs of Medicare or Medicaid fee schedule; and
- sampled 50 transactions per year from the all other nonpersonnel cost category from the 2,271 transactions for FY 2002, and 1,780 transactions for FY 2003 and compared the sampled transactions to supporting documentation.

The entities audited were the AR-DDS and the Office of Disability Determinations within the Office of the Deputy Commissioner for Disability and Income Security Programs. We conducted our audit from October 2004 through August 2005 at the AR-DDS in Little Rock, Arkansas and SSA's Regional Office in Dallas, Texas. We conducted our audit in accordance with generally accepted government auditing standards.

Appendix C

Arkansas Disability Determination Services, Schedule of Costs Reported, Questioned and Allowed

FISCAL YEARS (FY) 2002 AND 2003 COMBINED			
Description	Costs Reported	Costs Questioned	Costs Allowed
Personnel	\$22,752,233	\$2,196	\$22,750,037
Medical	\$9,963,704	0	\$9,963,704
Indirect	\$235,630	0	\$235,630
All Other	\$3,396,274	0	\$3,396,274
Totals	\$36,347,841	\$2,196	\$36,345,645

FY 2002 COSTS			
Description	Costs Reported	Costs Questioned	Costs Allowed
Personnel	\$11,283,566	\$1,193	\$11,282,373
Medical	\$4,745,710	0	\$4,745,710
Indirect	\$93,962	0	\$93,962
All Other	\$1,715,068	0	\$1,715,068
Totals	\$17,838,306	\$1,193	\$17,837,113

FY 2003 COSTS			
Description	Costs Reported	Costs Questioned	Costs Allowed
Personnel	\$11,468,667	\$1,003	\$11,467,664
Medical	\$5,217,994	0	\$5,217,994
Indirect	\$141,668	0	\$141,668
All Other	\$1,681,206	0	\$1,681,206
Totals	\$18,509,535	\$1,003	\$18,508,532

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: September 17, 2005

To: Patrick P. O'Carroll, Jr
Inspector General

From: Ramona Schuenemeyer
Regional Commissioner
Dallas

Subject: Administrative Costs Claimed by the Arkansas Disability Determination Services
(A-06-05-15077) -- Reply

We appreciate the opportunity to comment on this draft audit report. We are generally in agreement with each of the recommendations and are working with the DDS to implement any necessary changes. We appreciate the willingness of OIG Audit staff in the Dallas Region to work with us during the course of the audit to resolve questions as they arose.

Our responses to the recommendations contained in the narrative report are as follows:

1. Deobligate the \$20,000 from the FY 2003 Form SSA-4513.

We concur. This unliquidated obligation was intended for build-out of office space that was later found unnecessary. The DDS has already processed the deobligation.

2. Refund \$2,196 of costs overpaid to medical consultants and comply with contract provisions in paying medical consultants.

We concur. The DDS is in process of recovering the overpayments and will credit the amount to SSA.

3. Cease the practice of borrowing funds from one FY's appropriation to pay expenses of another FY.

We concur. This practice was done when SSA did not provide adequate funding under a Continuing Resolution to meet DDS payroll obligations. SSA's guidance was that the DDS should remain in operation and the Regional Office was aware that the DDS was, on occasion, required to borrow from a previous year's authorization. The issue was corrected once a sufficient allocation was provided to DDS. The Office of Disability Determinations has agreed to work closely with us during a Continuing Resolution to assure that Arkansas DDS has sufficient funds to meet their payroll obligations so the DDS is not forced to borrow funds in order to stay in operation.

4. Update the agreement with the Arkansas State Department of Human Services to provide for adequate reimbursement to SSA for all direct and indirect costs incurred in performance of Medicaid disability determinations.

We concur. Arkansas DDS does not make Medicaid disability determinations, but only completes a brief form to certify the action taken on an SSA or SSI disability claim. However, the prior agreement has not been updated in more than 10 years and needs to be revisited. We plan to negotiate a new agreement including cost calculations that are available for review and implement that reimbursement rate for FY 06.

5. Conduct reviews of the CE fee schedule and update rates on an on-going basis to ensure that fees do not exceed allowable limits such as the \$191,122 identified in this report.

We concur. The Arkansas DDS and SSA RO completed a CE fee schedule review in 2004, which is outside the scope of this audit. The DDS will continue to review Medicare and Medicaid fees for similar services on an ongoing basis and to request RO approval for a variance, should they encounter difficulty obtaining specific examinations or testing within that framework.

6. Maintain proper equipment inventories.

We concur. We have clarified for DDS that they need to maintain inventory on EDP equipment purchased by SSA on Federal contracts and provided to the DDS for their use.

7. Secure RO approval prior to renting equipment for more than 180 days or extending a rental beyond 180 days.

We concur.

8. Ensure medical consultants are properly licensed and are not sanctioned from participation in Federal programs.

We concur. The DDS has established an ongoing process to confirm licensing status and sanction information for DDS medical consultants as well as CE providers.

9. Comply with SSA guidance for general security controls specified in the audit report.

We concur. The DDS has already resolved two of the three security issues described in the audit report. They are in the process of trying to change the hours that the janitorial staff performs custodial work in the DDS.

If you would like to discuss this, please call me. If your staff has questions, please have them call Tom Berling at (214) 767-4281 in Management and Operations Support, Center for Disability.

Appendix E

State Agency Comments



STATE OF ARKANSAS

Disability Determination For Social Security Administration

701 PULASKI STREET
LITTLE ROCK, ARKANSAS 72201
TELEPHONE 501-682-3030

MIKE HUCKABEE
Governor

ARTHUR BOUTIETTE
Director

September 20, 2005

Mr. Patrick P. O'Carroll Jr.
Inspector General
1301 Young St., Room 630
Dallas, Texas 75202

RE: Administrative Costs Claimed by the Arkansas DDS (A-06-05-15077)

Dear Mr. O'Carroll Jr.:

We appreciate the opportunity to reply to the conclusions and recommendations of subject audit for the fiscal year 2002 and 2003.

1. We have de-obligated the \$20,000 from the FY 2003 SSA Form-4513.
2. We can not disprove your finding.
3. The resolution of this finding will have to be worked out. At the end of the current FY, we will ask the Regional Office to provide funding to cover at the very least the first payroll of the new FY.
4. We will update the agreement with the Arkansas Department of Human Services and will make the Regional Office a party to the agreement. We will correct the language in the MOU, to give visibility to the fact that the AR DDS does not perform Medicaid Disability Determinations as it now states. It merely verifies that the applicant is entitled to Medicaid benefits. We will negotiate a new rate for this service.
5. We will conduct reviews of the CE fee schedule and update rates on an ongoing basis to be sure that fees do not exceed the allowable limits. The amount identified in the audit as being in excess of allowable limits is incorrect. Of the \$191,122 disallowed, we have identified \$138,108 that was properly paid. This occurred because the DDS uses internally defined CPT codes that have no corresponding Medicare or Medicaid code and therefore were disallowed by the

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auditors. These CPT codes identify necessary services for the proper adjudication of a claim.

6. We will maintain proper equipment inventory.
7. We will secure RO approval prior to renting equipment for more than 180 days or extending a rental beyond 180 days.
8. We will ensure medical consultants are properly licensed and are not sanctioned from participation in Federal programs.
9. We will comply with SSA guidance for general security controls specified in the audit report.

Thank you,



Arthur Boutiette
Director

AB:jr

CC: Ronald Gunia
Tom Berling

Appendix F

OIG Contacts and Staff Acknowledgments

OIG Contacts

Paul Davila, Director (214) 767-6317

Ron Gunia, Audit Manager (214) 767-6620

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In addition to those named above:

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