Cabinet Agencies' Performance Audit Action Item(s) & Status

Prioritizing Investigations at DSHS' Office of Fraud and Accountability

(See also cabinet agency response for full context to Washington State Auditor's Office (SAO) report, June 2015)

Agencies included in the performance audit: the Department of Social and Health Services.

SAO Issues Summary:

1. The automatic "aging out" of low-priority referrals and DSHS' pooled workflow staff structure means some referrals go uninvestigated unless resubmitted.
2. The backlog of overpayment investigations is increasing as fewer cases are assigned.
3. There may be opportunities to reduce costs and increase recoveries for overpayment investigations, but without tracking investigator hours, OFA cannot determine the costs and benefits of its three approaches.
4. Establishing performance measures around the cost, duration and results of both early detection and overpayment investigations could help OFA allocate workload.
5. Other improvements could help OFA manage its investigations workload better.

SAO Recommendations (Rec) Summary:

1. Develop a method to determine the cost per investigation and the cost by investigative approach for overpayment investigations.
2. Conduct ongoing cost-benefit analyses so management can decide how to approach investigations and allocate workload.
3. Reduce the agency goal of referring 250 cases to prosecution each year and add a goal to pursue more: a) cost-beneficial cases and b) more cost-beneficial approaches to reduce the backlog (overpayments, administrative hearings or prosecution).
4. Work with DSHS to seek additional funding to hire more investigators to help eliminate the early detection referral backlog, prevent referrals from aging out, and identify ineligible recipients sooner.
5. As allowed under federal rules, work with the DSHS Economic Services Administration (ESA) to revise the agency's administrative code so OFA can assess overpayments going back more than two years without a court proceeding.
6. Continue to evaluate the effectiveness of the overpayment investigation prioritization tool to ensure it appropriately scores referrals based on risk of fraud and high overpayments.
7. Document why referrals are closed without investigation, so supervisors can ensure valid cases are closed.
8. Track and report the number of cases closed without investigation and the reasons for doing so, to improve accountability.
9. Correct weaknesses in performance measure data collection to ensure reported figures are accurate and consistent.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the *cabinet agency response* for additional context and any additional steps already taken.

For an explanation of the columns below, see the legend.

Issue / Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
Rec 1	In Progress	Conduct a time study of intentional overpayment investigations.	DSHS	~~12/2015~~ 12/2016	Yes	No	No	Time study is currently underway in OFA. Results will not be available until after all identified cases have been worked and time sheets returned.
Rec 2	In Progress	Conduct a cost-benefit analysis.	DSHS	~~3/2016~~ 3/2017	Yes	No	No	Cost benefit analysis will be performed after the identified cases have been worked and time sheets are returned.
Rec 3	Completed	OFA will reduce the goal of 250 cases to 200 cases referred to prosecution while increasing referrals for overpayment collection and administrative disqualifications.	DSHS	8/2015	Yes	No	No	
Rec 4		DSHS will pursue directing or adding more resources to investigate early detection referrals.	DSHS	9/2015	No	Yes	No	Request for additional staff were not made due to budget issues. OFA has the flexibility to shift intake staff to complete FRED investigations when intake workload allows
Rec 5	Completed	DSHS will explore ways to expand its use of the administrative disqualification hearings process to identify and establish overpayments. Leadership in OFA and ESA will work together to assess the current process and determine areas for potential improvement.	DSHS	7/2016	Yes	No	No	OFA is working closely with ESA's Program Integrity team to identify areas to streamline process and ensure referrals are appropriate when submitted to OFA. New cases sent to ESA to complete IPV process while building resources in ESA to handle increased administrative hearings.
Rec 6	In Progress	OFA will continue to use the tool, make appropriate updates and study the feasibility of automation.	DSHS	~~9/2015~~ 12/2016	Yes	No	No	OFA has been testing the prioritization tool during the triage process for the IOI unassigned work project. ESA's Program Integrity team is also testing out this tool and will be offering recommendations to strengthen the tool at the completion of their work. Planning for automation of the tool into Barcode initiated and implementation planned by the end of 2016.

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Rec 7	Completed	Standard reasons for closure have been developed. Staff will be trained on proper documentation.	DSHS	10/2015	Yes	No	No	Completed 5/16. Closure reasons were updated in FCMS and staff instructed on new way to close cases. This went into effect on 5-9-2016. The temporary CI team has been using the closure codes since 2/2016.
Rec 8	Completed	OFA will develop reports from the case management system.	DSHS	3/2016	Yes	No	No	Reports are being produced using information from both FCMS and Barcode to produce reports.
Rec 9	In Progress	OFA will complete the data reporting verification upgrades and implement accurate performance measurement reports.	DSHS	~~12/2015~~ 12/2016	No	Yes	No	OFA is diligently working on cleaning up data within FCMS to help produce stronger reports. OFA is also outlining issues with current reports as they are discovered. Targeted work will be done with Case Management contractor Libera to produce viable reports.