
February 2015

Performance Audit
Recommendations and
Corrective Actions for Audit:
12-02

MEDICAID PROVIDERS

State Has Foregone an
Opportunity to Recover
Delinquent Taxes from
Providers

Dated: January 31, 2012

Overview

The SAO makes recommendations designed to improve the operations of state government. For our work to produce benefits, auditees or the General Assembly must implement these recommendations, although we cannot require them to do so. Nevertheless, a measure of the quality and persuasiveness of our performance audits is the extent to which these recommendations are accepted and acted upon. The greater the number of recommendations that are implemented, the more benefit will be derived from our audit work.

In 2010, the SAO began to follow-up on the recommendations issued in our performance audits. Experience has shown that it takes time for some recommendations to be implemented. For this reason, we perform our follow-up activities one and three years after the calendar year in which the audit report is issued. Our annual performance reports summarize whether we are meeting our recommendation implementation targets.

<http://auditor.vermont.gov/about-us/strategic-plans-and-performance-reports>

This report addresses the requirements of Act 155 (2012) to post the results of our recommendation follow-up work on our website. The report does not include follow-up on recommendations issued as part of the state's financial statement audit and the federally mandated Single Audit, which are performed by a contractor. However, our current contract for this work requires the contractor to provide the results of its recommendation follow-up.

Audit Number & Name	Rec #	Recommendation	Follow-Up Date	Status	Review Comments
12-2 Medicaid Providers: State has Foregone and Opportunity to Recover Delinquent Taxes from Providers	1	We recommend that the legislature amend 32 VSA §3113(d) to allow Medicaid claim payments to be offset against delinquent Vermont tax debts.	2014	Not Implemented	The Legislature has not amended 32 V.S.A. 3113(d) to all Medicaid claim payments to be offset against delinquent Vermont tax debts owed by Medicaid providers.
			2015	Implemented	The Legislature passed Act 57 during the 2015 legislative session which amended 3 V.S.A. §3113(d). The amendment (effective July 1, 2015) now contains explicit language that the State's Medicaid payments to providers of Medicaid services can be used to offset the provider's delinquent Vermont tax debts.