



WISCONSIN STATE LEGISLATURE

Joint Audit Committee

Committee Co-Chairs:

State Senator Robert Cowles

State Representative Samantha Kerkman

NEWS RELEASE
FOR IMMEDIATE RELEASE
February 1, 2012

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Audit Co-chairs Assess Future of Medical Assistance

MADISON – Today, the Joint Legislative Audit Committee held a public hearing on nonpartisan Legislative Audit Bureau’s audit of Medical Assistance Audit (report 11-15). Medical Assistance, also known as Medicaid, is administered by the Department of Health Services (DHS). The program uses state and federal revenue to fund health care services for individuals with low and moderate incomes.

Concerns have been raised about program expenditures, the usefulness and availability of management information, and the effects federal health care reforms may have on the program. Specifically, the committee expressed concern that neither the state’s central accounting system nor DHS’s internal accounting system contain expenditure information that can be separated by subprogram, such as BadgerCare Plus and Family Care. Further, concerns were also raised because DHS has not always had authority to spend nor have they made sure that funding is available before authorizing additional contract work or that those services were obtained at a competitive price.

“The programs currently cover 1 in every 5 Wisconsinites, including 1 in every 3 children, and we need to make sure that taxpayer money is being spent effectively,” said Sen. Robert Cowles (R-Green Bay). “Knowing what we spend and where we spend it is critical to improving the efficiency of these programs. There is a long road ahead, but we’ve made a good start.”

DHS has taken steps to address these concerns and control costs by: providing for independent review of all administrative contract amendments for funding availability and verification of purchasing authority, rebidding existing contracts as they come up for renewal, and working with counties to implement a more efficient, “regionalized,” income maintenance program for determining Medicaid eligibility.

“I’m glad to see that DHS has taken steps to better manage and control costs,” said Rep. Kerkman (R-Randall). “However, we still have a long way to go in our efforts to ensure transparency, program sustainability, fraud prevention, and cost effectiveness. We look forward to follow-up reports from the Department and will be actively pursuing solutions to some of the issues discussed today.”

For additional information about the Medical Assistance audit, or to obtain a copy of report 11-15, please visit the LAB Web site at <http://legis.wisconsin.gov/lab/> or call 608-266-2818.

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