

Office of Inspector General's non-lapsing appropriations report

Over the past 3 or 4 years the Office of Inspector General (OIG) has had a significant need to update their case management system. When the office was created in 2011, current management took an off the shelf inventory tracking system and heavily modified that system to run the office's day to day functions of opening and investigating cases. That system currently breaks down frequently and there is no support from a third party to help maintain and fix IT related problems. Three years ago, the state's DTS agency removed Internet Explorer as an option for accessing the internet. Internet Explorer was the primary browser that allowed the Office's case management system to function. The system sort of works with other browsers, but we have experienced significant issues over the years since then without the means to fix the problems.

In the 2022 General session OIG obtain additional appropriation funding to purchase a new case management system. At the time, OIG was quoted \$1.75 million as an initial purchase and \$500,000 as ongoing maintenance. OIG obtained \$175,000 as one-time funding for FY2023 and \$125,000 as ongoing funds. The legislative funding was granted based upon the fact that OIG would obtain the federal match from CMS. If approved, CMS would pay 90% of the expenditures during implementation of the program and 75% after implementation. With the funds shown above, with CMS approval we would be within the funds appropriated. As of the date of this report, OIG is currently waiting for CMS approval.

In anticipation of purchasing a new case management system, OIG has been setting aside additional funds each year to help cover the cost of this new system. The initial quote is just an estimate and OIG is anticipating that the actual costs will be a bit higher than the quote. The reason for the document is to address OIG's non-lapsing appropriations and the Office's plan to use those non-lapsing funds. A back story was needed to better understand why OIG has been saving funds for future use.

Listed below are the questions asked by the LFA. Answers will be shown in red.

On or before October 1 of each calendar year, an agency shall submit to the legislative appropriations subcommittee with jurisdiction over the agency's budget a report that describes the agency's plan to expend any non-lapsing appropriations including. *Included in the intent language in H.B. 6, item 10 general session 2023 is the following statement: Under terms of 63J-1-603 of the Utah Code, the Legislature intends that up to \$500,000 appropriations provided for the Inspector General of Medicaid Services line item in Item 10, Chapter 8, Laws of Utah 2022, shall not lapse at the close of FY 2023. Expenditures of these funds are limited to: additional staff \$100,000; training \$15,000; travel \$10,000; and case management system \$375,000.*

- a) If applicable, the results of the prior year's planned use of the agency's non-lapsing appropriations; and *The answer will be broken into three parts.*
 - 1. *The portion related to travel and training is currently in process. In the prior year, OIG has worked on conducting more provider on-site visits than ever before and we will continue that trend. OIG has found that a provider operates in accordance with Medicaid policy far closer when our office conducts training and conducts on-site visits. As of the date of this report, our office is visiting providers multiple times a week.*

2. The portion related to additional staff is still in process. We hired an additional person but have been unable to fill all positions.
 3. The portion related to case management is also still in process and we are currently waiting for CMS approval before purchasing the new system.
- b) If the agency plans to save all or a portion of the agency's non-lapsing appropriations over multiple years to pay for an anticipated expense:
- i. The estimated cost of the expense; and The anticipated minimum state dollar cost of the new case management system is \$175,000 for implementation and \$125,000 ongoing.
 - ii. The number of years until the agency will accumulate the amount required to pay for the expense. OIG has accumulated the funds needed and we do not believe that additional accumulation is needed.