



National Association of State
Auditors, Comptrollers and Treasurers

WASHINGTON UPDATE

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GAO Examines More Program Overlap and Duplication

On May 16, Comptroller General Gene Dodaro appeared before the Senate Homeland Security and Governmental Affairs Committee to discuss “Performance Management and Congressional Oversight: 380 Recommendations to Reduce Overlap and Duplication to Make Washington More Efficient.” This new report from the U.S. Government Accountability Office examines various ways to improve the efficiency and effectiveness of government programs and activities, citing areas where there is fragmentation, overlap, and duplication. The report highlighted a specific state-related item of concern:

“GAO has identified duplication in the Medicaid Integrity Program, which provides federal support and oversight of state programs. In particular, the use of two sets of federal contractors in the National Medicaid Audit Program—one contractor to review states’ paid claims in order to identify potential aberrant claims or billing anomalies and another contractor to audit such aberrant claims—increased inefficiencies in data analysis and led to duplication of effort. To address this duplication, GAO suggested that the Centers for Medicare & Medicaid Services (CMS) merge certain functions of the federal review contractors with the federal audit contractors to eliminate or avoid duplicative activities. Partly in response to GAO’s suggestion, CMS is not renewing its federal review contractors when their contracts expire this year, which has the potential for

saving \$15 million or more... GAO has had long-standing concerns about Medicaid’s program integrity because of problems with the sufficiency of federal and state oversight... The Centers for Medicare & Medicaid Services estimated that in fiscal year 2012, \$19.2 billion (7.1 percent) of Medicaid’s federal expenditures involved improper payments.”

Near the end of the hearing, Comptroller Dodaro indicated that he would like to move forward with more in-depth discussions with state auditors regarding the overlapping and duplicative programs between the federal and state levels. However, he told the committee that the staffing levels at GAO are at their lowest in several years, and that undertaking such a detailed endeavor will be determined by the amount of appropriations GAO receives in the next fiscal year.

The archived video of the hearing, along with the GAO report, can be found at <http://www.hsgac.senate.gov/hearings/performance-management-and-congressional-oversight-380-recommendations-to-reduce-overlap-and-duplication-to-make-washington-more-efficient>.

Amended DATA Act Passes out of Committee

Last week the House Committee on Oversight and Government Reform passed a revised version of the Digital Accountability and Transparency Act

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(DATA Act). A substitute amendment was offered and accepted which includes language that was not in the original version introduced on May 21. The new language would allow the U.S. Office of Management and Budget at the conclusion of the pilot to ask the Recovery Board to initiate government-wide reporting for all grants and contracts. While a pilot to assess the costs and burdens of Recovery Act-type reporting on all grants and contracts was a welcome change from the 2011 House version, the new language seems to sidestep normal due process, giving OMB wide latitude to impose government-wide reporting.

The exact language is as follows:

GOVERNMENT-WIDE IMPLEMENTATION: Not later than 90 days after the date on which the Office of Management and Budget receives the report required by subsection (f), the Director of the Office of Management and Budget shall determine whether to authorize the Recovery Accountability and Transparency Board to extend the recipient reporting requirements of the pilot program to all Federal funds. The Recovery Accountability and Transparency Board shall begin requiring Government wide recipient reporting at the start of the fiscal year that commences after the fiscal year during which such authorization is granted, and under such terms and conditions that the Board shall determine, in consultation with the Director.

NASACT members who have comments and concerns are encouraged to

respond to Cornelia Chebinou at cchebinou@nasact.org. The legislation is expected to move very quickly.

Congress enters Memorial Day Recess

Both the Senate and House will be on Memorial Day recess this week. They will return to work the week of Monday, June 3. The next *Washington Update* will be on Monday, June 10.