

Charlie Crist
Governor



Ana M. Viamonte Ros, M.D., M.P.H.
State Surgeon General

Certification of Expenditures
of
Newborn Screening Program

For the year ended June 30, 2007

AR-08-002

OFFICE OF THE INSPECTOR GENERAL

FLORIDA DEPARTMENT OF HEALTH
REVENUES AND EXPENDITURES
OF THE
NEWBORN SCREENING PROGRAM
Fiscal Year ended June 30, 2007

CERTIFIED REVENUES AND EXPENDITURES

Revenues

Hospital Fees	\$	3,254,933
3rd Party Reimbursement		
Medicaid		8,675,506
Medicare Part B		55,291
Other 3rd Party		231,959
Sale of Goods/Services to State Agencies		1,374
Total Revenues and other credits		12,219,063

Expenditures

Planning & Evaluations Trust Fund - 20-2-531003

Salaries		1,263,884
Expenses		2,328,594
OPS		42,186
OCO		23,844
Contracted Services		1,584,546
HR Transfer to DMS		10,496
Service Charge to GR		233,277
Transfers to AHCA (State Medicaid Match)		3,627,769
		9,114,596

Donations Trust Fund - 20-2-168001

Salaries		125,490
Expenses		12,845
OPS		460
G/A - CMS Network		76,595
Contracted Services		629
HR Transfer to DMS		1,276
		217,295

Federal Grants Trust Fund - 20-2-261009

Salaries		297,249
Expenses		1,795,439
		2,092,688

Total Expenditures **11,424,579**

Excess of Revenues Over (Under) Expenditures - CERTIFIED **794,484**

REVENUES AND EXPENDITURES CHARGED/CREDITED TO, BUT NOT CERTIFIED AS DIRECT REVENUES AND EXPENDITURES OF THE NEWBORN SCREENING PROGRAM (Please read Note 4)

Revenues

Federal Grant		6,000
---------------	--	-------

Expenditures

Contracted Services		391,904
---------------------	--	---------

Excess Of Revenues Over (Under) Expenditures **\$ 408,580**

Amounts were provided by the Division of Administration

FLORIDA DEPARTMENT OF HEALTH
REVENUES AND EXPENDITURES
OF THE
NEWBORN SCREENING PROGRAM
Fiscal Year ended June 30, 2007

NOTES

1. Certification by Office of the Inspector General

Pursuant to Florida law¹, the Office of the Inspector General shall calculate the annual direct costs of the uniform testing and reporting procedures of the Newborn Screening Program (Program), including applicable administrative costs (reasonably and directly associated with the Program), and certify that such costs are related. Our procedures included analyzing amounts provided to us by Department of Health's Division of Administration. We reviewed selected items on a judgmental basis to determine whether transactions credited and charged to the Program reasonably reflect the actual revenues and costs of the Program (See Note No. 4).

2. Historical Data

Revenues and Expenditures – 6 years

	<u>June 30,</u> <u>2002</u>	<u>June 30,</u> <u>2003</u>	<u>June 30,</u> <u>2004</u>	<u>June 30,</u> <u>2005</u>	<u>June 30,</u> <u>2006</u>	<u>June 30,</u> <u>2007</u>
Revenue	\$3,735,651	\$3,552,200	\$3,372,384	\$4,986,504 ²	\$5,646,334 ³	\$8,591,294 ³
Expenditures	\$3,613,605	\$4,119,363	\$4,245,043	\$4,543,460	\$7,082,686 ⁴	\$7,796,810 ⁴
Excess of Revenues Over (Under) Expenditures	\$122,046	(\$567,163)	(\$872,659)	\$443,044	(\$1,436,352)	\$794,484

The \$2,230,836 increase in the Excess of Revenues (Under) Expenditures between fiscal years ended June 30, 2006 and 2007 was due to a \$2,944,960 increase in revenue and a \$714,124 increase in expenditures.

Cost per Screening Ratio

	<u>June 30, 2006</u>	<u>June 30, 2007</u>
Total Expenditures	\$7,082,686	\$7,796,810
Total Screenings ^{5, 6}	314,401	324,150
Total Cost per Screening	\$22.54	\$24.05

¹ Section 383.14(3)(g), *Florida Statutes*

² The increase in revenue was due to revisions made to Florida law effective July 1, 2004.

³ Total Revenues less amount transferred to AHCA for State Medicaid Match.

⁴ Total Expenditures less amount transferred to AHCA for State Medicaid Match.

⁵ Does not include Confirmatory Testing.

⁶ Total Screenings are for the calendar years ended 2005 and 2006.

3. Medicaid Match

According to 42 CFR 433.50(a)(1), Medicaid requires States to share in the cost of medical assistance expenditures. The formula to determine the percentage states are required to match is outlined in 42 CFR 433.10. Florida's match requirement percentage was 41.11% for July through September 2006 and 41.24% for October 2006 through June 2007.

4. Revenues and Expenditures Not Certified by the Office of the Inspector General

Department of Health was a sub-recipient of a federal grant of \$6,000 (CFDA No. 93.110-*Maternal and Child Health Federal Consolidated Programs*). The grant was to conduct work related to a project entitled, "Enhanced Genetic Services and Newborn Screening Collaborative in Region 3" under HRSA. The purpose was to develop and implement a pilot study to evaluate the follow-up system for newborn screening using an integrated system. We did not certify revenue related to this grant. While related by topic, such revenues and expenditures were not directly related to the uniform testing and reporting procedures of the Newborn Screening Program. Expenditures related to this grant were not expended until August 2007. Additionally, there was no documentation to support hours worked on this federal grant, although 1 to 2 hours per week was estimated. We concluded a portion of these wages was not attributable to Newborn Screening. Because a regulatory compliant personnel activity report reflecting the allocation of salary was not available, we did not estimate an amount that should not be certified.

As there was no formal methodology to determine costs associated with testing and reporting procedures, we did not certify \$181,998 in expenditures related to Contract COQDG with the University of Florida.

As there was no formal methodology to determine costs associated with testing and reporting procedures, we did not certify \$209,906 in expenditures related to Contract COQDH with the University of Miami.

This report is respectfully submitted by:

(Signature on file)

November 27, 2007

Mark H. Boehmer, C.P.A.
Lead Auditor

Date

(Signature on file)

November 27, 2007

Lynn H. Riley, C.P.A.
Director of Auditing

Date

(Signature on file)

November 27, 2007

James D. Boyd, C.P.A., M.B.A.
Inspector General

Date