



DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Gregory A. Hook, CPA
Legislative Auditor

February 9, 2024

Re: Audit of Maryland Department of Health
Behavioral Health Administration and Medical
Care Programs Administration – Administrative
Service Organization for Behavioral Health
Services

Report Date: October 25, 2022

The Honorable Laura Herrera Scott, M.D., Secretary
Maryland Department of Health
201 West Preston Street
Baltimore, Maryland 21201

Dear Secretary Herrera Scott:

Our October 25, 2022 audit report of the Behavioral Health Administration (BHA) and Medical Care Programs Administration (MCPA) – Administrative Service Organization (ASO) for Behavioral Health Services of the Maryland Department of Health (MDH) determined that MDH's accountability and compliance level was unsatisfactory, based on our rating system. The rating system was established, in accordance with State Government Article, Section 2-1221, of the Annotated Code of Maryland, for the purpose of determining an overall evaluation of an agency's fiscal accountability and compliance with State laws and regulations. In accordance with a policy approved by the Joint Audit and Evaluation Committee, the Office of Legislative Audits (OLA) performs a follow-up review of the status of the findings contained in any audit report that is rated unsatisfactory.

To that end, initially in April 2023 we requested an implementation status from MDH for the findings included in the report in conjunction with the aforementioned policy. In response to our request, MDH on behalf BHA and MCPA's ASO, provided a status report as of April 3, 2023, which indicated that none of the eight non-cybersecurity-related findings had been substantially corrected – meaning that no recommendations had been fully implemented. We have redacted the current status of one cybersecurity finding from this letter, in compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of

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Maryland. This status was consistent with MDH's response to the audit report and its subsequent testimony to the Joint Audit and Evaluation Committee at a November 2022 hearing in which it indicated that most of the findings would not be corrected under the existing ASO contract and therefore implementation dates for most of the report recommendations were in December 2023 and 2024. Accordingly, OLA concluded that conducting a follow-up review at that time would not be effective or an efficient use of our resources, and that in January 2024 we would request a revised status report from MDH.

Consequently, in a January 11, 2024 letter, OLA requested that MDH provide an updated status report of all findings in the October 25, 2022 audit report, as of December 31, 2023. In response to OLA's request, on January 31, 2024, MDH provided a status report which indicated that the majority of BHA and MCPA's ASO audit report findings still had not been substantially corrected and that these recommendations would be implemented in calendar year 2024.

Based upon the self-reported lack of substantial progress in addressing the prior report findings and the proximity to our next audit of BHA and MCPA's ASO for Behavioral Health Services of MDH, which is scheduled to commence during the third quarter of calendar year 2024, OLA has concluded that it would not be an effective and efficient use of our resources to perform the formal follow-up review. As such, we will review the actions taken with respect to the recommendations in the prior audit report in our upcoming audit of BHA and MCPA's ASO for Behavioral Health Services of MDH.

Sincerely,



Gregory A. Hook, CPA
Legislative Auditor

cc: Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Joint Audit and Evaluation Committee Members and Staff
Ryan B. Moran, Dr.P.H., Deputy Secretary, Health Care Financing & Medicaid
Director, MDH
Erin K. McMullen, R.N., Chief of Staff, MDH
Alyssa S. Lord, Deputy Secretary, BHA
Frederick D. Doggett, Director, Internal Controls, Audit Compliance & Information
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Deneen Toney, Deputy Director, Audit & Compliance, MDH
Michael L. Harrison, Chief of Staff, BHA
Warren Waters, Jr., Chief of Staff, Health Care Financing, MCPA
Tricia C. Roddy, Deputy Medicaid Director, MCPA
Victoria L. Gruber, Executive Director, Department of Legislative Services