STATE OF FLORIDA AUDITOR GENERAL

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DEPARTMENT OF CHILDREN AND FAMILIES

Medicaid Eligibility Determinations and Prior Audit Follow-Up

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Auditor General

Secretary of the Department of Children and Families

The Department of Children and Families is established by Section 20.19, Florida Statutes. The head of the Department is the Secretary who is appointed by the Governor and subject to confirmation by the Senate. During the period of our audit (July 2022 through March 2024), Shevaun Harris served as Department Secretary.

The Auditor General conducts audits of government entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

The team leader was Kelsey Hubert and the audit was supervised by Duarkis Fernandez, CPA.

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DEPARTMENT OF CHILDREN AND FAMILIES

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SUMMARY

This operational audit of the Department of Children and Families (Department) focused on Medicaid eligibility determinations. The audit also included a follow-up on applicable findings noted in our report Nos. 2020-090 and 2021-082. Our audit disclosed the following:

Significant Audit Constraints

Finding 1: Throughout our audit fieldwork, Department management significantly delayed our access to certain Department records and information needed to achieve some of our audit objectives and efficiently conduct the audit.

Medicaid Eligibility Determinations

Finding 2: The Department did not always promptly terminate Medicaid coverage after determining recipients to be ineligible nor consider all required information in continuing Medicaid eligibility.

Finding 3: The Department did not always appropriately maintain or terminate recipient Medicaid eligibility.

Finding 4: The Department did not always timely terminate Medicaid coverage for ineligible recipients nor provide child Medicaid recipients continuous coverage in accordance with Federal law.

Finding 5: The Department did not always provide a Notice of Case Action to recipients informing them that their Medicaid coverage had been terminated and the Notices of Case Action that were provided to recipients did not include all information required by Federal law.

Finding 6: The Department's Notice of Eligibility Review did not inform recipients that information needed to renew their Medicaid coverage was required to be provided to the Department within 30 calendar days from the date of the Medicaid renewal form.

Selected Administrative Activities

Finding 7: Department controls over mobile communication devices, including the maintenance of a list of all Department devices, termination of unused lines, and the retention of text messages in accordance with State public records law, continue to need improvement.

Finding 8: Department controls over the maintenance of motor vehicle records need enhancement to promote the correct reporting for and proper accountability over Department motor vehicles.

BACKGROUND

State law[1] provides that the Department of Children and Families (Department) is responsible for Medicaid eligibility determinations, including, but not limited to, policy, rules, and the agreement with the Social Security Administration for Medicaid eligibility determinations for Supplemental Security Income recipients, as well as the actual determination of eligibility. The Department uses the Florida Online Recipient Integrated Data Access (FLORIDA) system to administer Medicaid eligibility determinations. The Agency for Health Care Administration is responsible for making payments for Medicaid services and uses the Florida Medicaid Management Information System (FMMIS) to process and pay Medicaid claim payments.

FINDINGS AND RECOMMENDATIONS

SIGNIFICANT AUDIT CONSTRAINTS

Finding 1: Excessive Delays on Audit

State law[2] provides that all officers whose respective offices the Auditor General is authorized to audit or examine shall enter into their records sufficient information for a proper audit or examination and shall make the same available to the Auditor General on demand. Additionally, *Government Auditing Standards* (*GAS*),[3] issued by the Comptroller General of the United States, require that auditors obtain sufficient, appropriate evidence to provide a reasonable basis for their findings and conclusions.

GAS[4] also provide that management and officials of government programs are responsible for providing reliable, useful, and timely information for transparency and accountability of these programs and their operations. *GAS*[5] require auditors to report any significant constraints imposed on the audit approach by information limitations or scope impairments, including excessive delays in access to certain records. In addition, according to generally accepted auditing standards,[6] examples of significant findings include circumstances that cause the auditor significant difficulty in applying necessary audit procedures.

Throughout our audit fieldwork, our requests for Department records and information regarding the Department's determination of recipient eligibility for Medicaid, including requests related to missing or incomplete documentation, questions regarding the verification of income and residency, missing case comments explaining eligibility decisions, and discrepancies between eligibility system data and supporting records, were met with significant delays and incomplete responses. In our requests, we provided the Department a list of recipient cases, including our preliminary conclusions and follow-up questions for each case, and requested that the Department either confirm the accuracy of our

[1] Section 409.902(1), Florida Statutes.
[2] Section 11.47(1), Florida Statutes.
[3] *Government Auditing Standards*, 2024 Revision, Section 8.90.
[4] *Government Auditing Standards*, 2024 Revision, Section 1.03.
[5] *Government Auditing Standards*, 2024 Revision, Section 9.12.
[6] American Institute of Certified Public Accountants, *Codification of Statements on Auditing Standards* AU-C Section 230.A10, *Audit Documentation*.

conclusions or provide documentation supporting the Department's conclusions. As summarized in Table 1, our requests were met with excessive delays and incomplete responses, which necessitated additional follow-up with the Department and frustrated the timely performance of audit procedures.

Table 1
Summary of Significantly Delayed Department Responses to Audit Requests

Request Topic	Audit Request Number	Number of Cases	Audit Request Date	Department Response Dates
Request for data including: • Underlying data associated with the Medicaid Unwinding Reports. • List of Medicaid recipients who had continuous coverage as of March 31, 2023. • List of all Medicaid clients who had procedural and nonprocedural terminations during the period April 2023 through February 2024.	7	N/A	March 4, 2024	Partial responses: • March 16, 2024 • March 22, 2024 • April 5, 2024 • April 10, 2024 • April 12, 2024 • April 19, 2024 (Completed)
Inquiry associated with Medicaid recipient cases where Medicaid coverage was terminated.	28	127	June 28, 2024	Partial responses: • August 9, 2024 • August 23, 2024 • November 25, 2024 • February 7, 2025 (Completed)
Inquiry associated with Family-related Medicaid recipient cases where Medicaid coverage was renewed.	33	60	September 5, 2024	Partial responses: • November 22, 2024 • December 12, 2024 • February 6, 2025 (Completed)
Inquiry associated with Supplemental Security Income-related Medicaid recipient cases where Medicaid coverage was renewed.	35	20	October 11, 2024	• December 12, 2024
Follow-up inquiry associated with request number 28 - Medicaid recipient cases where Medicaid coverage was terminated, and additional inquiry regarding unwinding data and continuous eligibility coverage.	36	135	May 23, 2025	Partial responses: • August 14, 2025 • September 12, 2025 • January 22, 2026 (Completed)

Source: Audit records.

According to Department management, the responses to our audit requests and inquiries were delayed for reasons such as management requiring additional time to complete its review and finalization of the responses, the Department's involvement in response efforts during the 2024 hurricane season, and the Department's management of operational impacts associated with the Federal Government shutdown in the Fall of 2025.

Significant constraints limiting timely access to records and information requested for audit purposes frustrates the audit process and limits our ability to provide timely and relevant information to the Legislature and other decision makers, including Federal oversight agencies. Additionally, the difficulties

encountered in obtaining prompt access to Department records and information throughout audit fieldwork exemplify the need for improved accountability and transparency for Department operations.

Recommendation: In future audits, Department management should demonstrate a commitment to accountability, transparency, and compliance with State law by ensuring that access to records and information needed to facilitate a complete and timely audit is promptly provided upon auditor request.

Follow-Up to Management's Response

Department management indicated in their written response that the Department "strongly objects to this finding" and made several points that warrant clarification.

The Department indicated that its disagreement with the finding "is based on the factual record which demonstrates ongoing communications, rolling submissions, requests for clarification, and meetings with the Auditor General's office throughout the audit period." The Department then provides an amended version of Table 1 to the audit report "to provide a wholistic picture of communication between both entities during the audit", states that many of the audit requests required clarification before the Department could provide a complete response, some requests were expanded, and that the Department worked in "good faith" to meet the time frames outlined.

However, the Department's amended Table 1 does not accurately reflect the audit process or our conclusions regarding the Department's responsiveness. For example:

- *The Department amended the table to include Requests 10, 21, 23, 24, and 26 although we do not consider the Department's submissions for those requests to be significantly delayed.*
- *The dates added by the Department in the "Department Communications & Meetings with AG" column for Request 7 were not related to additional requests by the Auditor General but were mostly incidental communications to follow up on information we previously requested but had not yet received.*
- *For Request 28, the Department asserted that they "had to start over…in August because the AG's spreadsheets were cumbersome and fragmented." While the spreadsheets requested, by issue, information regarding a number of cases, the Department received the original request on June 28, 2024, and did not ask us to clarify the spreadsheets until August 14, 2024. We subsequently clarified the spreadsheet information for the Department's convenience on August 16, 2024; however, it is not clear why the Department had to start over as the information was merely summarized by case number in addition to case issue.*
- *For Request 33, while the Department indicates in multiple places in the "Department Response Dates" column that requests were "Completed", the Department provided partial responses to these requests.*
- *Request 36 included 135 unique case numbers; however, the Department incorrectly amended the case count to 193.*

Department management also asserted that at "no point did the Auditor General's office escalate concerns related to any perceived delays or access issues, and as such, the Department was not provided an opportunity to remedy any concerns." To the contrary, on April 1, 2024, and again on August 27, 2025, Auditor General management notified Department management and appropriate Department personnel in writing that excessive delays in responding to audit requests may lead to a finding regarding significant constraints on audit.

Although our process for requesting documentation was consistent with that of previous audits of the Department, many of the Department's submissions were incomplete and not provided until weeks or even months after the original audit request. We do not suggest that the Department does not respect the Auditor General's statutory responsibilities; however, the verifiable delays, incomplete submissions, and extended periods without receipt of requested documentation, materially affected the Auditor General's ability to conduct a timely audit. Accordingly, the finding and recommendation stand as presented.

MEDICAID ELIGIBILITY DETERMINATIONS

The Families First Coronavirus Response Act (FFCRA)[7] provided states with a temporary increase in the Federal Medical Assistance Percentage (FMAP) to support Medicaid programs during the COVID-19 public health emergency. As a condition of receiving the enhanced FMAP, the FFCRA required states to maintain continuous enrollment of Medicaid beneficiaries. Specifically, states were prohibited from terminating coverage for individuals enrolled in Medicaid on or after March 18, 2020, through the end of the public health emergency, unless the individual voluntarily disenrolled, became ineligible due to a change in state residency, or died. This provision was intended to ensure continuity of coverage and access to medical services for vulnerable populations during the emergency period. Florida opted to receive the enhanced FMAP and, as a result, the number of Floridians receiving Medicaid assistance increased during the public health emergency from nearly 3.8 million in March 2020 to almost 5.8 million in March 2023.

The continuous enrollment requirement remained in effect until March 31, 2023, when it was terminated under the 2023 Consolidated Appropriations Act.[8] The United States Department of Health and Human Services (USDHHS), Centers for Medicare and Medicaid Services (CMS), published guidance[9] for states to follow regarding the redetermination of Medicaid eligibility, a process commonly referred to as "unwinding." The CMS guidance specified that:

- States could begin their unwinding period as early as February 1, 2023, by initiating renewals that might lead to eligibility terminations on or after April 1, 2023. However, all states were required to start their unwinding period by initiating renewals no later than April 2023.
- For states that began renewals before April 1, 2023, Medicaid eligibility terminations could not take effect earlier than April 1, 2023.
- States were required to initiate renewals for all Medicaid enrollees within 12 months of the start of their unwinding period and complete the process within 14 months.

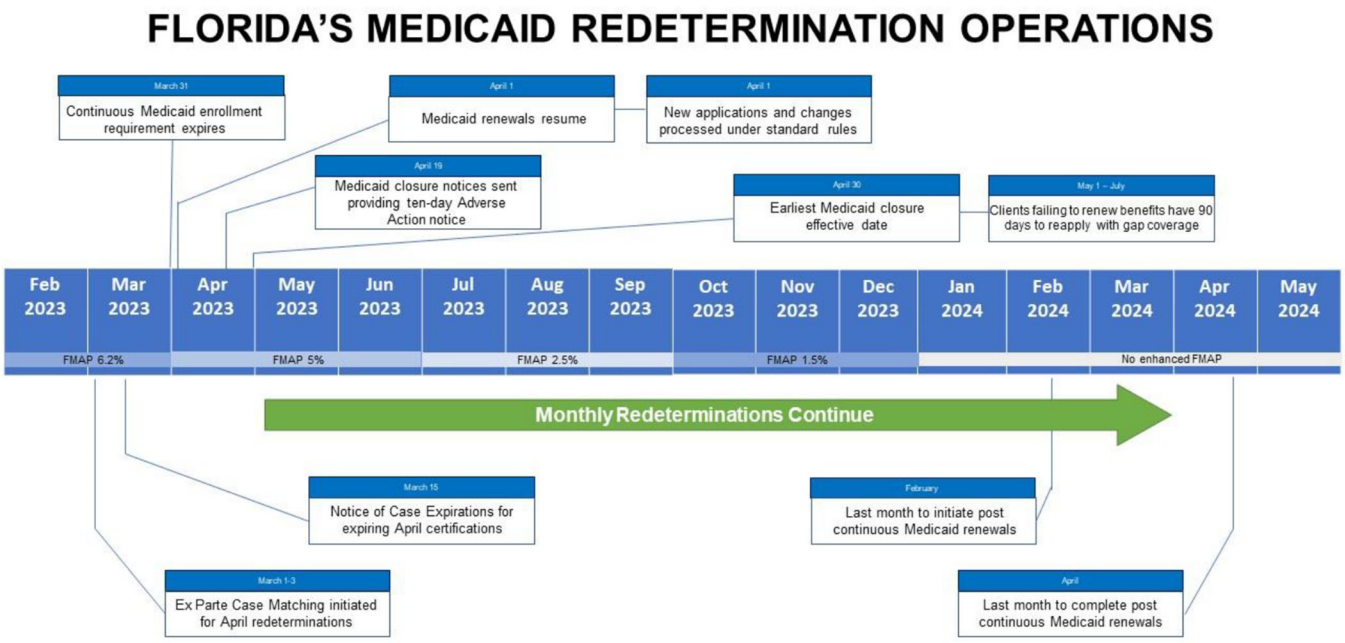
The Department began initiating renewals for unwinding in March 2023. Chart 1 illustrates the timeline developed by the Department to redetermine Medicaid eligibility.

[7] Public Law 116-127.

[8] Public Law 117-328.

[9] United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, State Health Official Letter Number 23-002, dated January 27, 2023.

Chart 1
Department's Medicaid Eligibility Redetermination Timeline



Source: Department records.

The 2023 Consolidated Appropriations Act also required states to submit monthly Unwinding Data reports to the CMS during the period April 2023 through June 2024 detailing the Medicaid eligibility redetermination activities conducted during the reporting period including, for example, the number of eligibility renewals initiated, eligibility renewals on an *ex parte* basis,[10] and the number of individuals whose coverage was terminated, including terminations for procedural reasons.[11]

Finding 2: Medicaid Eligibility Renewals

As previously noted, State law[12] specifies that the Department is responsible for Medicaid eligibility determinations, including policy, rules, and the agreement with the Social Security Administration for Medicaid eligibility determinations for Supplemental Security Income recipients, as well as the actual determination of eligibility. Department policies and procedures[13] required eligibility specialists to determine whether individuals met the appropriate requirements for the type of assistance requested. As part of the Medicaid eligibility determination process, Federal regulations[14] require state eligibility determination systems to conduct quarterly data matching through the Public Assistance Reporting Information System (PARIS) to identify instances where Medicaid recipients have coverage in two or

[10] An *ex parte* renewal is a redetermination of eligibility based on reliable information available to the state without requiring information from the recipient. Reliable information may include information available in the recipient's account or other more current information available to the state, such as information accessed through electronic data sources and recent information available from other benefit programs.

[11] A procedural reason included instances where a recipient failed to provide information necessary to complete a Medicaid eligibility redetermination.

[12] Section 409.902, Florida Statutes.

[13] Department's Office of Economic Self Sufficiency Program Policy Manual.

[14] Title 42, Section 435.945(d), Code of Federal Regulations.

more states. Federal regulations[15] also require states to promptly evaluate information received or obtained during the income and eligibility verification process[16] to determine whether such information may affect the eligibility of an individual or the benefits to which they are entitled. Additionally, Federal regulations[17] require states to continue to furnish Medicaid regularly to all eligible individuals until they are found to be ineligible.

We examined Department records for 200 Medicaid recipients, selected from the population of 2,988,936 unique recipients whose eligibility was reported to the CMS as being renewed during April 2023 through March 2024 of the unwinding period and found that the Department did not always terminate Medicaid eligibility after determining recipients to be ineligible nor consider all required information in continuing Medicaid eligibility. Specifically:

- The Department did not promptly terminate 8 Medicaid recipients' eligibility, although the Department had determined them to be ineligible during the unwinding period. According to Department management, the recipients' cases were excluded from an auto-closure process in the FLORIDA system and, consequently, their eligibility was not timely terminated. Payments totaling $32,050 were made on behalf of these recipients between the dates that they were determined ineligible through the dates the Department terminated Medicaid eligibility. In addition, because the Department did not promptly terminate Medicaid eligibility, these 8 Medicaid recipients were misreported to the CMS as renewals rather than terminations.
- The September 2023 PARIS match flagged 1 Medicaid recipient as potentially having Medicaid coverage in Florida and another state during the unwinding period; however, according to Department management, the auto extension process in the FLORIDA system did not consider outstanding PARIS match information before determining the continuation of Medicaid eligibility. Consequently, the Department extended the recipient's Medicaid eligibility although it appeared that the recipient was receiving Medicaid in another state.

A similar finding regarding these same cases was noted in the State's Financial and Federal Single Audit report No. 2025-162 (Finding No. 2024-053).

Not promptly terminating recipient Medicaid eligibility when required or investigating potential duplicate Medicaid benefits resulted in continued coverage for individuals who were no longer eligible or may no longer have been eligible and, in some instances, led to improper payments. The errors also contributed to inaccurate data being reported to the CMS, reduced the integrity of eligibility determinations, and may result in recoupment actions or heightened oversight by the USDHHS.

Recommendation: We recommend that Department management enhance eligibility determination processing controls to ensure that Medicaid benefits are only provided to eligible recipients.

[15] Title 42, Section 435.952(a), Code of Federal Regulations.

[16] The income and eligibility verification process includes information obtained through electronic data matches with entities such as the State Wage Information Collection Agency, the Internal Revenue Service, the Social Security Administration, and agencies administering the State unemployment program.

[17] Title 42, Section 435.930(b), Code of Federal Regulations.

Finding 3: Appropriateness of Medicaid Eligibility Terminations

As part of determining Medicaid eligibility, Federal regulations[18] require states to determine whether the information obtained through the income and eligibility verification process is compatible with information provided on or on behalf of the recipient. States are also to verify the recipient's residency and determine the family size and composition of the household to calculate the household income used for eligibility determination purposes. If the information is not compatible, the state must seek additional information and provide the individual with a reasonable period to furnish the additional information. Further, a state may not terminate eligibility or reduce benefits for any individual unless the state has sought additional information and provided proper notice and fair hearing rights to the individual.

As part of our audit, we examined Department records for 225 Medicaid recipients, selected from the population of 1,848,480 unique Medicaid recipients whose eligibility was reported to the CMS as being terminated during April 2023 through March 2024 of the unwinding period and found that the Department did not always appropriately maintain or terminate recipient Medicaid eligibility. Specifically:

- The Department did not transfer a child's Medicaid coverage after receiving notice in April 2023 that the child was removed from the mother's care and placed with a relative caregiver. Instead, the Department erroneously transferred a different child with similar demographics out of that child's mother's case to the relative caregiver's case, resulting in the wrongful termination of the removed child's Medicaid coverage. In June 2023, after multiple complaints from the mother of the child whose case was erroneously transferred, the Department discovered the error and updated both children's case records. According to Department records, the removed child experienced a lapse in Medicaid coverage from May 2023 through July 2023. According to Department management, because of the similarities between the two cases, the child's Medicaid coverage was incorrectly terminated due to employee error.
- For one Medicaid child recipient, the Department determined the child to be eligible for Medicaid coverage in May 2023; however, later that same month, the Department incorrectly terminated their Medicaid coverage effective May 31, 2023. According to Department management, the coverage was terminated in error due to an incorrect coverage end date being entered into the FLORIDA system, which caused the case to be closed.
- For one Medicaid recipient, Department records did not evidence that the Department contacted the recipient to resolve incompatible information related to their residency before terminating Medicaid coverage. Specifically, on April 4, 2023, the recipient visited a Department office and submitted a signed application for Medicaid listing a Florida address. The Department used income and eligibility verification procedures to validate the recipient's residency and determined the recipient eligible for Medicaid on April 5, 2023. On April 24, 2023, the recipient visited a Department office to inquire about their case and was informed that their Medicaid coverage had been approved for a year. On May 19, 2023, the Department received an e-mail from the Puerto Rico Department of the Family containing a PARIS match with the same name, social security number, date of birth, and address as the recipient and also a statement signed by an individual certifying that the individual lived in Puerto Rico; however, we noted that the signature appeared to differ from the signature on the recipient's Medicaid application. According to Department management, the certification statement was self-attestation that the recipient no longer lived in Florida and, consequently, the Department terminated the recipient's Medicaid coverage on May 19, 2023, without attempting to contact the recipient to resolve the conflicting information. On June 13, 2023, the recipient returned to the Department office inquiring about the status of

[18] Title 42, Sections 435.952 and 435.956, Code of Federal Regulations.

their case and was informed they would need to reapply. Subsequently, the recipient applied for and was determined by the Department to be eligible for Medicaid coverage.

- For one Medicaid recipient, the Department did not appropriately consider the household composition before terminating Medicaid coverage. In October 2023, the Department renewed the recipient's Medicaid coverage for the period November 2023 through October 2024. On October 31, 2023, the recipient's roommate submitted an application for Medicaid that did not list the recipient as a member of the household. According to Department management, the Department considered the application as self-attestation that the recipient was no longer in the household and terminated the recipient's Medicaid coverage effective November 30, 2023. Notwithstanding, the recipient and the recipient's roommate were not related and, consequently, the recipient's roommate's application should not have been considered self-attestation in evaluating the household composition related to the recipient's case.
- For one Medicaid recipient, Department records did not evidence that the Department contacted the recipient to resolve incompatible information received related to the recipient's assets before terminating Medicaid coverage. Specifically, on April 20, 2023, the recipient reapplied for Medicaid, reporting no assets, and on April 21, 2023, the Department determined the recipient eligible for Medicaid coverage. On April 25, 2023, the Department received notice as part of the income and eligibility verification process that the recipient's assets exceeded the maximum allowable amount and, consequently, terminated the recipient's Medicaid coverage on April 27, 2023, without attempting to resolve the conflicting information. In response to our audit inquiry, Department management indicated that the recipient's Medicaid coverage was not terminated in error and asserted that Federal and State law do not require additional contact when income and eligibility verification procedures disclose that a recipient's assets exceed the maximum allowable amount. Notwithstanding, Federal regulations[19] and Department policies and procedures[20] required action to be taken on new or different information disclosed through the income and eligibility verification process. The recipient subsequently requested a fair hearing with the Department and the appeal was granted.
- For one Medicaid recipient, the Department did not contact the recipient to obtain information substantiating the recipient's self-employment information and terminated the recipient's Medicaid coverage for exceeding income limits. According to Department management, the coverage was terminated due to a misapplication of Department policy. The recipient subsequently requested a fair hearing with the Department and the appeal was granted.
- For one Medicaid child recipient, the Department did not accurately calculate the parent's income or family size and, consequently, the recipient's Medicaid coverage was terminated because the income exceeded the Medicaid program limits. In this instance, the recipient's parent was a teacher and, instead of using an annual amount divided by a 12-month period, the Department used 2 of the 4 paystubs provided during the renewal process to calculate a monthly income. In response to our audit inquiry, Department management disagreed that the income was calculated incorrectly because they concluded that the paystubs were the best available information. Notwithstanding, Department policies and procedures required that income from school employees be averaged over a 12-month period when the employee is not paid on an hourly basis. The recipient's parent subsequently requested a fair hearing with the Department and the appeal was granted.
- For one Medicaid recipient enrolled in the Qualified Medicare Program,[21] the Department did not accurately determine the recipient's family size and thus incorrectly terminated the recipient's coverage. Specifically, the Department considered only the recipient within the family size rather

[19] Title 42, Section 435.952, Code of Federal Regulations.

[20] Department's Office of Economic Self Sufficiency Program Policy Manual.

[21] The Qualified Medicare Program is a Supplemental Security Income-Related Medicaid program.

than the recipient and the recipient's spouse and, consequently, terminated the recipient's Medicaid coverage because the income exceeded the Medicaid program limits based on the family size. In response to our audit inquiry, Department management disagreed that the family size was incorrect; however, according to Federal regulations,[22] family size is defined as the applicant and the spouse who is living in the same household. The recipient subsequently requested a fair hearing with the Department and the appeal was granted.

The improper termination of Medicaid coverage potentially limits access to medical services and may cause financial hardship for the affected recipient. In addition, improper termination causes increased administrative workload due to reinstatement efforts, may increase the Department's exposure to consequences from Federal oversight agencies for not complying with Medicaid regulations, and could contribute to diminished trust in the Department's oversight of Medicaid eligibility processes.

Recommendation: We recommend that Department management strengthen controls over Medicaid eligibility terminations by implementing measures such as enhanced FLORIDA system edits, staff training, and supervisory or quality-assurance reviews.

Follow-Up to Management's Response

Department management indicated in their written response that it disagreed with four of the cited errors in the finding and asserted that the Department had "fully complied with all applicable federal regulations." Additionally, Department management noted that the Department had provided for audit "detailed citations, case documentation, and regulatory references" to support its adherence to Federal and State requirements and requested the documentation "be fully considered and reflected in the final report." To be clear, all documentation provided for audit was fully considered and our review found that the documentation for the four cases in question did not adequately support the Department's conclusion that the recipients' Medicaid eligibility was appropriately terminated based on applicable Federal regulations and Department policies and procedures. It should also be noted that, for two of the four cases, the recipients' appeals to have their Medicaid coverage reinstated based on the circumstances noted in the finding were granted during the fair hearings. Consequently, the finding and related recommendation stand as presented.

Finding 4: Untimely Termination of Medicaid Coverage and Premature Ending of Continuous Coverage

As previously noted, the FFCRA required states to maintain continuous enrollment of Medicaid beneficiaries until March 31, 2023, when it was terminated under the 2023 Consolidated Appropriations Act. The Department began initiating renewals for unwinding in March 2023, with the first Medicaid coverage terminations effective May 2023. According to Department policies and procedures,[23] if the Department concluded that a recipient's Medicaid eligibility was to be terminated, coverage was to end the beginning of the month following the month in which the recipient was found ineligible.

As part of our audit, we examined Department records for 225 Medicaid recipients, selected from the population of 1,848,480 unique Medicaid recipients whose eligibility was reported to the CMS as being

[22] Title 42, Section 423.772, Code of Federal Regulations.

[23] Department's Office of Economic Self Sufficiency Program Policy Manual.

terminated during April 2023 through March 2024 of the unwinding period and found that the Department did not always timely terminate recipient Medicaid eligibility. Specifically:

- The Department did not terminate the Medicaid coverage for 2 recipients who passed away during the COVID-19 public health emergency. One recipient died on July 13, 2022, and the Department was notified of the recipient's death on July 26, 2022, and again on August 16, 2022. The recipient's Medicaid coverage was not terminated until July 31, 2023, 370 days after notification of the recipient's death. The other recipient died on February 15, 2023, and the Department was notified of the recipient's death the same day; however, the recipient's Medicaid coverage was not terminated until October 31, 2023, 258 days after notification of the recipient's death. Although the FLORIDA system showed the recipients remained eligible for Medicaid, FMMIS identified the recipients as being deceased and no Medicaid claim payments were made on behalf of the recipients. According to Department management, the Medicaid coverage was not terminated due to employee error.
- For 1 Medicaid recipient, the Department began the renewal process in August 2023 and noted in the case record on September 17, 2023, that the recipient had failed to reapply and that the recipient's Medicaid coverage was to be terminated effective September 30, 2023. However, the Department did not terminate the recipient's Medicaid coverage until July 31, 2024, 305 days later and, as a result, improper payments totaling $2,307 were made on behalf of the recipient during the period October 2023 through July 2024. According to Department management, the case was not closed because it was excluded from an auto-closure process in the FLORIDA system.

Federal regulations[24] require states to specify in their Medicaid State Plan the length of the continuous eligibility period for children, which is not to exceed 12 months. According to the Florida Medicaid State Plan, once a child's Medicaid eligibility has been established, children up to age 5 who are determined ineligible for Medicaid for any reason may retain Medicaid coverage for up to 12 months from the last application, and children ages 5 to 19 receive a minimum of 6 months of continuous eligibility coverage. Effective January 1, 2024, the 2023 Consolidated Appropriations Act amended the continuous eligibility requirement and specified that states were to provide 12 months of continuous eligibility coverage for children under the age of 19. Our audit identified two cases in which the Department prematurely ended the recipient's continuous coverage. Specifically:

- The Department determined one child to be ineligible for Medicaid coverage in March 2023 and placed the child on continuous eligibility coverage for the period April 2023 through March 2024. In May 2023, the parent of the child applied for emergency Medicaid benefits[25] for two dates of service and indicated that the application was submitted on behalf of themself; however, the Department terminated the child's Medicaid coverage effective July 2023, prior to the end of the continuous eligibility period. According to Department management, the Department interpreted the parent's emergency Medicaid application as a request to voluntarily terminate the child's Medicaid coverage. Notwithstanding, Department policies[26] indicated that, if a child was not reported on an additional benefit request and there was no ongoing coverage for the child in another case, Department staff must contact the household to discuss the child's location. Our review of the case records did not find, nor did the Department provide, evidence that the Department contacted or attempted to contact the household before terminating the child's continuous coverage.

[24] Title 42, Section 435.926(c), Code of Federal Regulations.

[25] Section 409.904(4), Florida Statutes, allows for the Department to make payments for medical assistance on behalf of a low-income person who meets all other requirements for Medicaid eligibility except citizenship and who is in need of emergency medical services. The eligibility of such a recipient is limited to the period of emergency.

[26] Department Memo Transmittal No. P-18-03-0006, Continuous Medicaid Policy Clarification.

- The Department determined another child to be ineligible for Medicaid coverage effective March 2024 and terminated coverage effective April 2024, although the child was eligible for continuous coverage through March 2025. According to Department management, the child's coverage was prematurely terminated due to employee error.

Not timely terminating Medicaid coverage for deceased or ineligible recipients heightens the risk of improper payments. In addition, by not providing mandatory continuous Medicaid coverage for children, the Department is impeding access to health benefits and is not in compliance with Federal law.

Recommendation: We recommend that Department management strengthen termination and continuous coverage controls to ensure that Medicaid coverage is ended timely for deceased or ineligible recipients and that eligible recipients receive the full continuous coverage required by Federal law.

Finding 5: Medicaid Eligibility Termination – Notice of Case Action

Federal regulations[27] require Medicaid recipients to be provided a notice regarding any decisions affecting their eligibility, including an approval, denial, termination or suspension of eligibility, or denial or change in benefits and services. Federal regulations[28] require that the notice include statements regarding:

- The recipient's right to a fair hearing and right to request an expedited fair hearing; the method by which the recipient can obtain a hearing; the recipient's right to represent themselves, or use legal counsel, a relative, a friend, or other spokesman; and the time frames in which the State Medicaid agency must take final administrative action (i.e., fair hearing notification).
- The action the State Medicaid agency intends to take and its effective date, including the specific reasons supporting the action and regulations or applicable Federal or State law changes that require or support the action.
- An explanation of the individual's right to request a local evidentiary hearing, if available, or a State Medicaid agency hearing; or in cases of an action based on a change in law, the circumstances under which a hearing will be granted.
- An explanation of the circumstances under which Medicaid coverage is continued if a hearing is requested.

The Department established a Notice of Case Action template within the FLORIDA system to include information regarding a recipient's Medicaid eligibility. Using the template, the FLORIDA system generates a Notice that is sent to the recipient notifying them of the Department's Medicaid eligibility decision. We examined Department records for 225 Medicaid recipients, selected from the population of 1,848,480 unique Medicaid recipients whose eligibility was reported to the CMS as being terminated during April 2023 through March 2024 of the unwinding period, and found that the Department did not provide 10 of the 225 recipients with a Notice of Case Action informing them that their Medicaid coverage had been terminated. According to Department management, the Notices were not provided due to a data input discrepancy. In addition, our review of the Notices of Case Action for other Medicaid recipients found that they did not include all required information. Specifically, the Notices of Case Action:

[27] Title 42, Section 435.917, Code of Federal Regulations.

[28] Title 42, Sections 431.206 and 431.210, Code of Federal Regulations.

- Sent to the applicable recipients did not notify the recipients of the right to request an expedited fair hearing or the time frames in which the State Medicaid agency had to take final administrative action. According to Department management, the fair hearing notification was provided on the Department's Web site. Notwithstanding, Federal regulations require the fair hearing notification be in the notice provided to recipients. According to Department management, all elements required in the fair hearing notification were added to the Notice of Case Action template in March 2024, subsequent to the notices sent to the applicable recipients.
- For 21 recipients did not include a clear or accurate statement of the specific reasons supporting the Department's intended action. For example, some Notices of Case Action included a statement that the recipient was receiving the same type of assistance from another program, or that the recipient was still eligible for Medicaid, but in a different Medicaid coverage type. However, based on the circumstances of the cases, these statements were not accurate. In another instance, the reason given was that the Medicaid coverage for pregnancy had ended, even though the recipient was male. According to Department management, accurate reasons supporting the Department's intended actions were not included in the Notices of Case Action due to a data input discrepancy.
- For 45 recipients did not include the correct specific regulations or applicable Federal or State law changes that required or supported the action. Specifically, the Notices of Case Action included citations to State laws that were repealed or were not appropriate based on the actions taken, or citations were omitted. In response to our audit inquiry, Department management indicated that the applicable State laws are integrated into the logic of the FLORIDA system that produces the Notices of Case Action and changes would have required coding modification.

Not providing Medicaid recipients with notice of decisions affecting their eligibility or, when notifying recipients of decisions, all information required by Federal regulations, deprives the recipients of critical information regarding eligibility or benefit changes and their fair hearing rights.

Recommendation: We recommend that Department management ensure that Notices of Case Action are provided to all applicable Medicaid recipients and that Notices of Case Action clearly state the required fair hearing notification, the specific reasons for the Department's intended action, and the specific regulations or applicable Federal or State law changes that require or support the action. The Department should also review and update its Notice of Case Action template and any applicable Department policies and procedures to ensure that future Notices of Case Action conform to applicable Federal regulations.

Finding 6: Medicaid Eligibility Notices – Notice of Eligibility Review

Federal regulations[29] require states to renew Medicaid recipient eligibility without requiring information from the recipient if able to do so based on reliable information contained in the recipient's account or other more current information available to the state.[30] If the state cannot renew eligibility without requiring information from the recipient, the state must provide the recipient with a renewal form containing information that is needed to renew eligibility and provide the recipient at least 30 days from the date of the renewal form to respond and provide any necessary information to the state needed to renew eligibility. If the recipient does not return the required documentation within 30 days, the state is to continue to furnish Medicaid through the last day of the recipient's eligibility period and then terminate

[29] Title 42, Section 435.916, Code of Federal Regulations.

[30] This type of renewal is referred to an *ex parte* renewal. Reliable information may include information accessed through electronic data sources as well as information available from other benefit programs.

the recipient's coverage for procedural reasons. Federal regulations also require that the state reconsider the eligibility of an individual who is terminated for failure to submit the renewal form or necessary information, if the individual subsequently submits the renewal form within 90 days after the date of termination, without requiring a new application. The Department established a Notice of Eligibility Review template within the FLORIDA system that is to be sent to recipients at least 30 calendar days before the end of their Medicaid eligibility period, notifying them that their Medicaid eligibility must be renewed and providing access to the renewal form online or through other means of renewal, including contacting a Department call center or visiting a local Department office.

Our review of the Notice of Eligibility Review template found that it did not notify recipients that the information needed to renew their Medicaid eligibility had to be provided to the Department within 30 calendar days from the date of the renewal form. According to Department management, although the Notice of Eligibility Review template did not include such notification, Medicaid recipients were provided 30 calendar days to respond and provide the necessary information.

Although recipients were provided 30 calendar days to respond and provide the necessary information, informing recipients of the response deadline within the Notice of Eligibility Review template would have reduced the likelihood that recipients would have been terminated from the Medicaid program due to failing to timely respond. It would also have reduced any administrative burden that resulted from the requirement that the Department reconsider the eligibility of individuals who submitted renewal information after being notified that their Medicaid coverage was terminated.

Recommendation: We recommend that Department management ensure that all Notices of Eligibility Review inform recipients that information needed to renew their Medicaid eligibility is required to be provided to the Department within 30 calendar days from the date of the renewal form.

Follow-Up to Management's Response

Department management indicated in their written response that it disagreed with the finding, that the Department fully complied with Federal requirements, and that each "individual received a notice informing them that their coverage would end at the close of the month due to the failure to complete their renewal within the 30-day federal response period." Notwithstanding, the Department's response appears to miss the point of our finding and recommendation as this notice was not provided to the individual until after they did not respond to the Notice of Eligibility review. The point of our finding and recommendation was for the Department to disclose to Medicaid recipients within the Notice of Eligibility Review that they had 30 calendar days to provide the Department the information needed to renew their Medicaid eligibility. While the Department's response indicated that the "individuals did not take action within the required timeframe" and that they were granted the Federally mandated 30 calendar days to respond (which the finding does not dispute), the Department's failure to disclose to recipients the deadline to respond to the eligibility review frustrates the due process provided by Federal regulations. Consequently, the finding and related recommendation stand as presented.

SELECTED ADMINISTRATIVE ACTIVITIES

As part of our audit, we also evaluated selected Department administrative activities and controls, including those related to Department mobile communication devices and motor vehicles.

Finding 7: Mobile Communication Device and Text Message Retention Controls

Department of Financial Services (DFS) guidelines[31] specify that State agencies are to establish internal controls, including policies and procedures, over the use of State-owned or leased cellular telephones and other mobile communication devices (e.g., tablets) to ensure that the devices are being used for State business and not personal use and related payments serve an authorized public purpose. State law[32] requires the Department to maintain public records in accordance with the records retention schedule[33] established by the Department of State, Division of Library and Information Services. The schedule specifies that the retention periods for electronic communications, including text messages, are determined by the content, nature, and purpose of the messages. Some of the purposes include administrative correspondence (3 fiscal years), program and policy development correspondence (5 fiscal years), and transitory messages (to be maintained until obsolete, superseded, or administrative value is lost). Pursuant to Department policies and procedures,[34] Department employees were authorized to use the texting function of Department cellular telephones for official State business only.

As part of our audit, we evaluated the adequacy of Department controls, including policies and procedures, over mobile communication devices and found that Department controls need improvement. Specifically:

- Although requested, the Department was unable to provide a list of all Department mobile communication devices, including cellular telephones. According to Department management, each Department program area was responsible for purchasing and maintaining an inventory of cellular telephones and other mobile communication devices for program employees. The absence of a list of all Department mobile communication devices increases the risk of incomplete asset tracking, unauthorized device usage, and data security vulnerabilities, and heightens the potential for lost, stolen, or unreturned devices.
- Our review of the January 2024 invoice for one of the Department's two mobile communication device carriers disclosed that, of the 260 lines included on the invoice, the Department was billed $1,357 for 37 lines, including 21 air cards, that were not used during the month. Our further examination of the carrier's invoices for the period April 2023 through January 2024 for 10 lines identified as being unassigned (including 4 lines with no usage during January 2024) found that 2 of the lines were unused during the entire period and the other 8 lines were rarely used (i.e., the total number of texts sent during the 10 months ranged from 1 to 42 texts, none of the device lines had talk usage, and only 2 of the device lines had data usage). The Department paid $3,060 for the 10 lines during the period. In response to our audit inquiry, Department management indicated that Department policies and procedures did not address the termination of services for unused mobile communication devices, and that the program areas were responsible for notifying administrative staff when unused mobile communication devices or lines were no longer needed. Additionally, in some instances, the program office elected to keep a line in service although not

[31] DFS *Reference Guide for State Expenditures*.

[32] Section 119.021(2)(b), Florida Statutes.

[33] State of Florida *General Records Schedule GS1-SL for State and Local Government Agencies*.

[34] Department Operating Procedure No. 50-22, *Acceptable Use of Information Technology Resources*.

in current use (e.g., after an employee separated from Department employment because the program office expected to fill the position). The appropriate utilization of Department mobile communication devices helps to ensure that Department funds are used in the most economical and cost-effective manner. A similar finding was noted in our report No. 2020-090 (Finding 6).

- In our report No. 2021-082 (Finding 1), we noted that Department controls did not promote the retention of text messages in accordance with State public records law. Our inquiries of Department management disclosed that in March 2021 the Department contracted with a vendor to provide text message retention services. According to Department management, upon purchase of a mobile communication device able to send text messages, Department staff were to enroll it with the vendor's text message retention program. However, due to the absence of a list of all Department mobile communication devices and a process to reconcile all Department mobile communication devices able to send text messages to the list of enrolled devices, Department management could not demonstrate that all required devices were enrolled for text message retention services. Our comparison of the 3,429 mobile communication devices included in the January 2024 invoices for the Department's two mobile communication device carriers to the vendor's text message retention service records found that 710 mobile communication devices able to send text messages were not enrolled. Absent effective controls for ensuring that all mobile communication devices able to send text messages are enrolled with the vendor and any text messages sent or received by the devices are retained, such messages may not be retained in accordance with State law, diminishing the Department's ability to provide access to public records.

Recommendation: We recommend that Department management enhance mobile communication device controls, including policies and procedures, to ensure that:

- **A comprehensive list of all Department mobile communication devices, including cellular telephones, is maintained. Maintenance of such a list would require Program offices authorized to purchase mobile communication devices to maintain an inventory of all such devices that documents that all devices are accounted for and justifies the public purposes for purchasing additional devices when unassigned devices are available.**
- **Periodic reviews of mobile communication device carrier invoices are performed to identify prolonged device nonuse and appropriate and prompt action is taken to terminate the services associated with such devices.**
- **All applicable Department mobile communication devices are enrolled with the vendor for text message retention services and that text messages are retained in accordance with State law.**

Finding 8: Motor Vehicle Records

Effective controls for the management of tangible personal property[35] require that property items be adequately controlled, safeguarded, and accounted for by Department management. Department of Financial Services (DFS) rules[36] require State agencies to record all tangible personal property with a value or cost of $5,000 or more and a projected useful life of 1 year or more in the Florida Accounting Information Resource Subsystem (FLAIR) Property Subsystem. DFS rules[37] require that for each

[35] Tangible personal property is defined in applicable laws and rules as State-owned equipment, fixtures, and other tangible personal property of a nonconsumable or nonexpendable nature, the value or cost of which is $5,000 or more and the projected useful life is 1 year or more.

[36] DFS Rule 69I-72.002, Florida Administrative Code.

[37] DFS Rule 69I-72.003(3), Florida Administrative Code.

property item State agency property records include, among other things, the item's acquisition cost, condition, and vehicle identification number (VIN), if applicable. When a property item is lawfully disposed of, the property records are to also include information such as the date of disposition.[38] DFS rules[39] and Department policies and procedures[40] specify that all tangible personal property acquired through surplus, donations, or similar acquisitions is to be valued at fair market value at the date of acquisition.

Effective May 2023, 539 motor vehicles with acquisition costs totaling $5,787,843 were to be transferred from various Sheriffs' Offices (SOs) to the Department as a result of the transfer of child protective investigative services from the SOs to the Department.[41] According to Department property records, as of February 2024, the Department owned 974 motor vehicles with acquisition costs totaling approximately $10.5 million. As part of our audit, we reviewed Department property management policies and procedures and found that the policies and procedures did not specify a time frame for recording tangible personal property acquisitions or for updating the status of disposed items in the FLAIR Property Subsystem, which may have contributed to the issues noted on audit. In the absence of a Department-specified time frame, we considered property items recorded to the FLAIR Property Subsystem within 30 calendar days of receipt to be timely recorded. Our examination of the Department's FLAIR Property Subsystem and Department property records as of February 2024 found that:

- The recorded VIN was incorrect for 9 of the 435 motor vehicles not transferred from the SOs.
- Of the 539 motor vehicles transferred from the SOs:
  - As of February 29, 2024, 76 had not been recorded in Department property records and, as of October 31, 2025, 1 remained unrecorded.
  - 18 were recorded with a $0 acquisition cost.
  - 537 were recorded as being in "new" condition, despite the vehicles' acquisition year ranging from 2007 to 2022.
  - 2 were recorded with the incorrect VIN.
  - 14 of the vehicles with acquisition costs totaling $270,896 remained listed as active in the FLAIR Property Subsystem as of February 29, 2024, although the Department had disposed of the vehicles on October 2, 2023.
- 11 donated motor vehicles were not recorded in Department property records.
- The Department disposed of 52 non-SO transferred motor vehicles during the period July 2022 through February 2024; however, 13 of these vehicles, with acquisition costs totaling $77,491, were still listed as active property items.

According to Department management, the motor vehicle record issues noted on audit were due to oversights.

Absent effective controls over property, including motor vehicles, Department management has reduced assurances regarding the accuracy of the information needed to correctly report and maintain proper

[38] DFS Rule 69I-72.005(5)(a), Florida Administrative Code.

[39] DFS Rule 69I-72.003(3)(l), Florida Administrative Code.

[40] Department Policy and Procedure CFOP 80-2, *Property Management*.

[41] Chapter 2023-77, Laws of Florida. The impacted SOs included Broward County, Hillsborough County, Manatee County, Pasco County, Pinellas County, Seminole County, and Walton County.

accountability over Department property and cannot demonstrate compliance with applicable DFS rules and Department policies and procedures.

Recommendation: We recommend that Department management revise policies and procedures to specify a time frame for promptly recording property acquisitions to Department property records and strengthen property management controls to ensure that property records are accurate, complete, and timely updated.

PRIOR AUDIT FOLLOW-UP

Except as discussed in the preceding paragraphs, the Department had taken corrective actions for the applicable findings included in our report Nos. 2020-090 and 2021-082.

OBJECTIVES, SCOPE, AND METHODOLOGY

The Auditor General conducts operational audits of governmental entities to provide the Legislature, Florida's citizens, public entity management, and other stakeholders unbiased, timely, and relevant information for use in promoting government accountability and stewardship and improving government operations.

We conducted this operational audit from February 2024 through March 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This operational audit of the Department of Children and Families (Department) focused on Medicaid eligibility determinations. For those areas, the objectives of the audit were to:

- Evaluate management's performance in establishing and maintaining internal controls, including controls designed to prevent and detect fraud, waste, and abuse, and in administering responsibilities in accordance with applicable laws, administrative rules, contracts, grant agreements, and other guidelines.
- Examine internal controls designed and placed into operation to promote and encourage the achievement of management's control objectives in the categories of compliance, economic and efficient operations, the reliability of records and reports, and the safeguarding of assets, and identify weaknesses in those internal controls.
- Identify statutory and fiscal changes that may be recommended to the Legislature pursuant to Section 11.45(7)(h), Florida Statutes.

Our audit also included steps to determine whether management had corrected, or was in the process of correcting, all applicable deficiencies noted in our report No. 2020-090 (Findings 6 and 7) and report No. 2021-082 (Finding 1).

This audit was designed to identify, for those programs, activities, or functions included within the scope of the audit, deficiencies in internal controls significant to our audit objectives; instances of noncompliance with applicable governing laws, rules, or contracts; and instances of inefficient or ineffective operational policies, procedures, or practices. The focus of this audit was to identify problems so that they may be

corrected in such a way as to improve government accountability and efficiency and the stewardship of management. Professional judgment has been used in determining significance and audit risk and in selecting the particular transactions, legal compliance matters, records, and controls considered.

As described in more detail below, for those programs, activities, and functions included within the scope of our audit, our audit work included, but was not limited to, communicating to management and those charged with governance the scope, objectives, timing, overall methodology, and reporting of our audit; obtaining an understanding of the program, activity, or function; identifying and evaluating internal controls significant to our audit objectives; exercising professional judgment in considering significance and audit risk in the design and execution of the research, interviews, tests, analyses, and other procedures included in the audit methodology; obtaining reasonable assurance of the overall sufficiency and appropriateness of the evidence gathered in support of our audit's findings and conclusions; and reporting on the results of the audit as required by governing laws and auditing standards.

Our audit included the selection and examination of transactions and records. Unless otherwise indicated in this report, these transactions and records were not selected with the intent of statistically projecting the results, although we have presented for perspective, where practicable, information concerning relevant population value or size and quantifications relative to the items selected for examination.

An audit by its nature does not include a review of all records and actions of agency management, staff, and vendors, and as a consequence, cannot be relied upon to identify all instances of noncompliance, fraud, waste, abuse, or inefficiency.

In conducting our audit, we:

- Reviewed applicable laws, rules, Department policies and procedures, and other guidelines, and interviewed Department personnel to obtain an understanding of Medicaid eligibility determination processes and responsibilities.
- Inquired of Department management regarding whether the Department made any expenditures or entered into any contracts under the authority granted by an applicable state of emergency during the period July 2021 through February 2024.
- From the population of 31,449 expenditures, totaling $77,547,666, made by the Department under the authority granted by an applicable state of emergency during the period July 2021 through February 2024, examined Department records for 25 selected expenditures, totaling $11,439,152, to determine whether the expenditures appeared reasonable and necessary given the nature of the declared emergency and the statutory responsibilities of the Department.
- From the population of 2,994,711 Medicaid recipients (2,376,871 Family-related Medicaid [MFAM] and 617,840 Supplemental Security Income-related Medicaid [MSSI], a unique count of 2,988,936 recipients) whose eligibility was reported to the Centers for Medicare and Medicaid Services (CMS) as being renewed during April 2023 through March 2024 of the unwinding period, examined Department records for 200 selected Medicaid recipients (150 MFAM and 50 MSSI) to determine whether the Department appropriately redetermined Medicaid eligibility for individuals who had continuous coverage during the COVID-19 public health emergency (PHE) in accordance with Federal regulations, State law, applicable rules, Department policies and procedures, and other guidelines.
- From the population of 1,849,692 Medicaid recipients (1,704,074 MFAM and 145,618 MSSI, a unique count of 1,848,480 recipients) whose eligibility was reported to the CMS as being terminated during April 2023 through March 2024 of the unwinding period, examined Department records for 225 selected Medicaid recipients (169 MFAM and 56 MSSI) to determine whether the

Department appropriately redetermined Medicaid eligibility for individuals who had continuous coverage during the COVID-19 PHE in accordance with Federal regulations, State law, applicable rules, Department policies and procedures, and other guidelines.

- Analyzed Department records for the 4,874,756 Medicaid recipients who maintained Medicaid coverage during the COVID-19 PHE to determine whether the Department timely (i.e., within the 12-month unwinding period that ended March 31, 2024) initiated Medicaid eligibility redeterminations in accordance with CMS guidance.
- Evaluated Department actions to correct Findings 6 and 7 noted in our report No. 2020-090 and Finding 1 noted in our report No. 2021-082. Specifically, we:
  - Reviewed applicable laws, rules, and Department policies and procedures, and interviewed Department management to gain an understanding of Department controls related to the use of mobile communication devices and retention of text messages.
  - Examined the Department's March 2023 and January 2024 mobile communication device invoices related to one of the Department's two mobile communication device carriers to identify any assigned devices with no usage during the billing period. In addition, we reviewed invoices for 10 mobile communication devices selected from the population of 19 devices that were not assigned to a user (identified as vacant) in the January 2024 invoice, to evaluate usage during the period February 2023 through January 2024.
  - Interviewed Department management related to the Department's text message retention services received from a vendor to determine whether the Department had established adequate controls to retain text messages in accordance with State law. In addition, we compared the 3,429 mobile communication devices included in the January 2024 invoices for the Department's two mobile communication device carriers to the listing of devices enrolled with the vendor's text message retention program to determine whether all active devices were enrolled.
  - Reviewed Department policies and procedures and examined Department motor vehicle log, acquisition, and disposition records to determine whether the Department had established procedures for ensuring the proper acquisition, assignment, control, use, and disposition of motor vehicles.
  - Compared Department motor vehicle records recorded in the Florida Accounting Information Resource Subsystem (FLAIR) Property Subsystem to Department inventory records and Department of Management Services (DMS) Statewide Fleet Management Information System (FleetWave) records to determine whether the Department accurately recorded motor vehicle information.
  - From the population of nine Department motor vehicles acquired during the period July 2022 through January 2024, examined Department records for three selected motor vehicles to determine whether the vehicles were acquired in accordance with State law, DMS rules, and Department policies and procedures.
  - For 52 Department motor vehicles disposed of during the period July 2022 through February 2024, examined Department records for 5 selected motor vehicles to determine whether the motor vehicles were disposed of in accordance with State law, DMS rules, and Department policies and procedures.
  - From the population of 1,029 motor vehicles leased or owned by the Department as of February 2024, examined Department and FleetWave records for 15 selected vehicles to determine whether Department records accurately reflected motor vehicle usage and cost information.
- Reviewed applicable laws, rules, and other State guidelines to obtain an understanding of the legal framework governing Department operations.

- Communicated on an interim basis with applicable officials to ensure the timely resolution of issues involving controls and noncompliance.
- Performed various other auditing procedures, including analytical procedures, as necessary, to accomplish the objectives of the audit.
- Prepared and submitted for management response the findings and recommendations that are included in this report and which describe the matters requiring corrective actions. Management's response is included in this report under the heading ***MANAGEMENT'S RESPONSE***.

AUTHORITY

Section 11.45, Florida Statutes, requires that the Auditor General conduct an operational audit of each State agency on a periodic basis. Pursuant to the provisions of Section 11.45, Florida Statutes, I have directed that this report be prepared to present the results of our operational audit.

Sherrill F. Norman, CPA
Auditor General

State of Florida
Department of Children and Families

Ron DeSantis
Governor

Taylor N. Hatch
Secretary

July 7, 2026

Sherrill F. Norman, Auditor General
State of Florida Auditor General
G74 Claude Pepper Building
111 West Madison Street
Tallahassee, FL 32399-1450

Dear Sherrill Norman:

This letter is in response to the preliminary and tentative audit findings and recommendations for the Auditor General *Operational Audit of the Department of Children and Families, Medicaid Eligibility Determinations and Prior Audit Follow-Up*, delivered June 2, 2026.

Finding 1: Excessive Delays on Audit

Throughout our audit fieldwork, Department management significantly delayed our access to certain Department records and information needed to achieve some of our audit objectives and efficiently conduct the audit.

Recommendation: In future audits, Department management should demonstrate a commitment to accountability, transparency, and compliance with State law by ensuring that access to records and information needed to facilitate a complete and timely audit is promptly provided upon auditor request.

State Entity Response: The Department strongly objects to this finding. The Department respects the responsibility bestowed upon the Auditor General's office to promote accountability, transparency, and advance the quality of service provided to Floridians. The Department's disagreement with this finding is based on the factual record which demonstrates ongoing communications, rolling submissions, requests for clarification, and meetings with the Auditor General's office throughout the audit period. It is both misleading and inaccurate for the Auditor General to suggest, through its narrative, that the Department does not support this statutory responsibility.

In response to Table 1 in the preliminary and tentative audit findings for Finding 1 "Excessive Delays In Audit," the Department has provided below an amended version of the chart with the column titled "Department Communications & Meetings with AG" to provide a wholistic picture of communication between both entities during the audit.

As reflected in the timeline below, many of the Auditor General's office's requests required clarification before the Department could provide a complete response, and in some instances were expanded after prior submissions had been completed. The Department worked in good faith with the Auditor General to meet timeframes outlined. At no point did the Auditor General's office escalate concerns related to any perceived delays or access issues, and as such, the Department was not provided an opportunity to remedy any concerns.

The Department respectfully requests that this Auditor General finding be corrected to accurately reflect the Department's continued commitment to accountability, transparency, and compliance with State law as outlined in this response and table provided below before the final audit report is issued.

Table 1: Summary of Procedural Irregularities and Lack of Procedural Integrity

2024 DCF Medicaid Operational State Auditor General Audit

Request	Audit Request Number	Number of Cases	Audit Request Date	Department Response Dates	Department Communications & Meetings with AG
Request for data including: • Underlying data associated with the Medicaid Unwinding Reports. • List of Medicaid recipients who had continuous coverage as of March 31, 2023. • List of all Medicaid clients who had procedural and nonprocedural terminations during the period April 2023 through February 2024	7	N/A	March 4, 2024	Submittals: • March 16, 2024 • March 22, 2024 • April 5, 2024 • April 10, 2024 • April 12, 2024 • April 19, 2024	• March 11, 2024 mtg • March 18, 2024 • March 21, 2024 • March 25, 2024 • March 29, 2024 • April 1, 2024 • April 5, 2024 • April 10, 2024 (mtg)
Medicaid Eligibility Inquiry on Determinations Other Benefits and TPL	10	N/A	March 26, 2024	Submittals: April 5, 2024 April 15, 2024	• April 3, 2024 • April 12, 2024
3-31-2023 Universe File Summary by PIN	21	N/A	April 30, 2024	Submittal: May 7, 2024	
Data Exchange Archive Retrieval List	23	216	May 22, 2024	Submittal: May 24, 2024	
Single Case	24	1	May 28, 2024	Submittal: June 7, 2024	
MFAM Foster Care Renewal Support Request	26	22	June 7, 2024	Submittal: June 19, 2024	• June 7, 2024
Inquiry associated with Medicaid recipient cases where Medicaid coverage was terminated.	28	127	June 28, 2024 *The Dept. had to start over on this request in August because	Submittals: • August, 9, 2024 • August 23, 2024 • November 25, 2024	• August 9, 2024 • August 14, 2024 • August 16, 2024 • *October 3, 2024 (asking them for clarification) • November 22, 2024

Request	Audit Request Number	Number of Cases	Audit Request Date	Department Response Dates	Department Communications & Meetings with AG
			AG'S spreadsheets were cumbersome and fragmented. This was resolved in 8/16 meeting.	• February 7, 2025 *Completed but received more requests for case information on May 23, 2025. This info request was added on to #36.	
Inquiry associated with Family-related Medicaid recipient cases where Medicaid coverage was renewed.	33	60	September 5, 2024	Submittals: • November 22, 2024 *Completed but more requests for case information were received on December 4, 2024 December 12, 2024 *Completed but more requests for case information received. • February 6, 2025 *Completed but received more requests for case information. AG later decided follow-up was not needed.	• September 19, 2024 • October 3, 2024 • *December 6, 2024 • January 15, 2025 • January 17, 2025 • January 21, 2025
Inquiry associated with Family-related Medicaid recipient cases where Medicaid coverage was renewed.	35	20	October 11, 2024	Submittal: December 12, 2024	
Follow-up inquiry associated with request number 28 – Medicaid recipient cases where Medicaid coverage was terminated, and inquiry associated with unwinding data	36	193	May 23, 2025	Submittals: • August 14, 2025 *requested more case	• May 30, 2025 mtg • June 13, 2025 • June 16, 2025 mtg • June 24, 2025 mtg • June 25, 2025 mtg

Request	Audit Request Number	Number of Cases	Audit Request Date	Department Response Dates	Department Communications & Meetings with AG
and continuous eligibility coverage. Complexity of request: The inquiry seeks to obtain the reason for a case error. However, before providing a reason the Department had to re-review the cases to determine if we agreed with the error-citations and provide rebuttal response with documentation for those the Dept. disagreed with.		(auditors said 135)	*ESS expressed concerns with this request on May 30, 2025	information including new case info on August 21, 2025 • August 26, 2025 • September 12, 2025 • October 6, 2025 • January 22, 2026	• July 21, 2025 • August 8, 2025 • August 15, 2025 • August 21, 2025* (*meeting asking them for clarification) • August 25, 2025 • August 26, 2025* • August 27, 2025 • August 29, 2025 • September 5, 2025 • September 19, 2025 mtg • September 23, 2025* • October 16, 2025 (ESS no longer piecemealing) • November 25, 2025 • December 16, 2025 • December 23, 2025

*Indicates where the Office of Economic Self Sufficiency sought clarification on the Auditor General's request. For the majority of case information requests, auditors asked for information to be provided as it becomes available rather than holding it for a single response, e.g. request numbers 28, 33, and 36.

Finding 2: Medicaid Eligibility Renewals

The Department did not always promptly terminate Medicaid coverage after determining recipients to be ineligible nor consider all required information in continuing Medicaid eligibility.

Recommendation: We recommend that Department management enhance eligibility determination processing controls to ensure that Medicaid benefits are only provided to eligible recipients.

State Entity Response: The audit identified eight recipients for whom Medicaid eligibility was not terminated during the audit period. Due to case specific information, these recipients are excluded from the auto-closure process, requiring a worker to complete a manual review to make the determination. System enhancements were implemented on September 24, 2025, to ensure appropriate action is taken for this population. Documentation of those enhancements was provided to the Auditor General during the audit period.

The audit identified one recipient with a Public Assistance Reporting Information System (PARIS) match. As stated during the audit period, in February 2024, the Department

implemented a system enhancement that excluded cases with a PARIS match from the passive renewal process. These cases returned to normal processing procedures on February 22, 2024, and documentation of this enhancement was provided to the Auditor General during the audit period.

Additionally, the Department requests that the final report clearly reflect that the recipient cases cited as having an error for this Operational Audit are the same cases cited in the prior State's Financial and Federal Single Audit Report No. 2025-162 (Finding No. 2024-053). Thus, these cases were previously identified, and corrective action was already underway prior to this Operational Audit.

Finding 3: Appropriateness of Medicaid Eligibility Terminations

The Department did not always appropriately maintain or terminate recipient Medicaid eligibility.

Recommendation: We recommend that Department management strengthen controls over Medicaid eligibility terminations by implementing measures such as enhanced Florida Online Recipient Integrated Data Access (FLORIDA) system edits, staff training, and supervisory or quality-assurance reviews.

State Entity Response: The Department concurs with four of the eight cited errors and has taken corrective action on each applicable case. The Department will review current processes and training materials to ensure staff are fully informed of and compliant with all applicable eligibility requirements.

The Department disagrees with the remaining four cited errors in this finding and asserts that it has fully complied with all applicable federal regulations. In advance of this report, the Department provided detailed citations, case documentation, and regulatory references that directly support its position and demonstrate adherence to federal and/or state requirements. The Department's analysis reflects a comprehensive review of each case and confirms that the actions taken were consistent with federal regulations. The Department requests that this documentation be fully considered and reflected in the final report.

Finding 4: Untimely Termination of Medicaid Coverage and Premature Ending of Continuous Coverage

The Department did not always timely terminate Medicaid coverage for ineligible recipients nor provide child Medicaid recipients continuous coverage in accordance with Federal law.

Recommendation: We recommend that Department management strengthen termination and continuous coverage controls to ensure that Medicaid coverage is ended timely for deceased or ineligible recipients and that eligible recipients receive the full continuous coverage required by Federal law.

State Entity Response: The audit identified three recipients where Medicaid was not terminated timely, and two recipients where continuous coverage was not correctly

applied. The Department has reviewed the cited cases and will continue to provide targeted training and technical support to staff as appropriate. The Department is also evaluating its auto action/manual closure process to determine whether any adjustments to system functions or staff guidance are necessary when a manual review is required.

Finding 5: Medicaid Eligibility Termination – Notice of Case Action

The Department did not always provide a Notice of Case Action to recipients informing them that their Medicaid coverage had been terminated and the Notices of Case Action that were provided to recipients did not include all information required by Federal law.

Recommendation: We recommend that Department management ensure that Notices of Case Action are provided to all applicable Medicaid recipients and that Notices of Case Action clearly state the required fair hearing notification, the specific reasons for the Department's intended action, and the specific regulations or applicable Federal or State law changes that require or support the action. The Department should also review and update its Notice of Case Action template and any applicable Department policies and procedures to ensure that future Notices of Case Action conform to applicable Federal regulations.

State Entity Response: The Department acknowledges the importance of clear and complete Notices of Case Action and provided clarification during the audit process that it is already engaged in a multi-year system modernization effort that includes comprehensive updates to notices, reason codes, corresponding citations, and related processes. The planned revisions were initiated prior to this Operational Audit, and work is actively underway to ensure that all notices include the appropriate regulatory citations supporting the actions taken.

Finding 6: Medicaid Eligibility Notices – Notice of Eligibility Review

The Department's Notice of Eligibility Review did not inform recipients that information needed to renew their Medicaid coverage was required to be provided to the Department within 30 calendar days from the date of the Medicaid renewal form.

Recommendation: We recommend that Department management ensure that all Notices of Eligibility Review inform recipients that information needed to renew their Medicaid eligibility is required to be provided to the Department within 30 calendar days from the date of the renewal form.

State Entity Response: The Department disagrees with this finding. In full compliance with federal requirements outlined in 42 CFR 435.916(b)(2), the Department issued notices to recipients during the month prior to the end of their coverage and provided the federally mandated 30 calendar day period for them to respond. These individuals did not take action within that required timeframe. As a result, and consistent with federal regulations, the Department proceeded with the auto-closure process. Each individual received a notice informing them that their coverage would end at the close of the month due to the failure to complete their renewal within the 30-day federal response period.

Finding 7: Mobile Communication Device and Text Message Retention Controls

Department controls over mobile communication devices, including the maintenance of a list of all Department devices, termination of unused lines, and the retention of text messages in accordance with State public records law, continue to need improvement.

Recommendation: We recommend that Department management enhance mobile communication device controls, including policies and procedures, to ensure that:

- A comprehensive list of all Department mobile communication devices, including cellular telephones, is maintained. Maintenance of such a list would require Program offices authorized to purchase mobile communication devices to maintain an inventory of all such devices that documents that all devices are accounted for and justifies the public purposes for purchasing additional devices when unassigned devices are available.
- Periodic reviews of mobile communication device carrier invoices are performed to identify prolonged device nonuse and appropriate and prompt action is taken to terminate the services associated with such devices.
- All applicable Department mobile communication devices are enrolled with the vendor for text message retention services and that text messages are retained in accordance with State law.

State Entity Response: The Department concurs with this finding. In October 2024, the Department implemented a process to ensure text messages are retained in accordance with State public records law.

The Department will continue to enhance controls over mobile communication devices, including, but not limited to, maintaining a comprehensive list of all Department-issued devices, performing periodic reviews to identify unused lines, and taking appropriate action to terminate or otherwise address such lines timely.

Finding 8: Motor Vehicle Records

Department controls over the maintenance of motor vehicle records need enhancement to promote the correct reporting for and proper accountability over Department motor vehicles.

Recommendation: We recommend that Department management revise policies and procedures to specify a time frame for promptly recording property acquisitions to Department property records and strengthen property management controls to ensure that property records are accurate, complete, and timely updated.

State Entity Response: The Department acknowledges this finding. Corrective actions are underway and will include a full reconciliation of vehicle records in the State's accounting system of record, updates to policies establishing clear requirements and timeframes for recording transactions, strengthened internal controls and approval processes, clarification of roles and accountability, and enhanced training and ongoing monitoring.

The Department appreciates the opportunity to respond to the preliminary and tentative audit findings. We value the Auditor General's review as an important component of accountability and continuous improvement and remain committed to collaborating to address identified risks and enhance the effective administration of our programs.

Sincerely,

Kate Williams

Kathryn Williams
Deputy Secretary