

Audit details millions in misspent funds at OHA

CONNOR RADNOVICH
SALEM STATESMAN JOURNAL
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Failure to appropriately determine Medicaid eligibility for 115,233 recipients cost the Oregon Health Authority approximately \$88 million in "avoidable expenditures," according to an audit released Nov. 29 by the Secretary of State's office.

The audit focused on various business practices at OHA, specifically that the agency should develop methods and additional oversight to prevent improper payments and strengthen procedures to recover misspent money.

The audit indicated the agency does not have sufficient processes in place to this end.

The money detailed in the audit is the most recent revelation of monetary mismanagement at OHA. The agency recently admitted to overspending approximately \$74 million on coordinated care organizations for dual Medicaid- and Medicare-eligible individuals

and \$78 million to contractors or other entities for errors around abortion, prisons and undocumented immigrants.

"The amount of wasteful and incompetent spending at OHA has been staggering and has gone on for at least the past four years," Secretary of State Dennis Richardson said in a statement accompanying the audit.

The audit's recommendations included: increased oversight of coordinated care programs; clarify rules regarding the accountability of Medicaid providers for improper payments; explore incentive programs to better prevent, detect or recover overpayments; and annually reconcile all individuals in various computer systems to verify that their eligibility is appropriately re-determined.

In his statement, Richardson suggested a positive outcome from the audit is that there is now nearly \$100 million available to spend for other purposes because the budget was created with



Oregon Health Authority Director Pat Allen said the agency was tracking close to its budget forecasts.
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more people in the system.

However, OHA Director Pat Allen said the Legislative Fiscal Office was aware of the ongoing re-determination of those 115,233 individuals and took that into account when creating the budget. He said the agency was tracking close to its budget forecasts and shouldn't need much adjusting in the 2018 legislative session.

Allen said he expects to find more problems within the agency that he was picked to lead in September, echoing his comments at legislative hearings earlier this month.

"The audit is a ... reasonable assessment of our business practices," Allen said.

While OHA agreed with the audit's eight final recommendations, the agency pushed back against some underlying assumptions and estimates that were used to arrive at those conclusions.

The agency disagreed with the audit that there were 31,300 "potential duplicate" payments in 15 months, because an analysis of 2,700 of those transactions showed that 98 percent of payments were appropriate.

They also disputed the characterization that the \$88 million in payments to cover 115,233 people was "avoidable" because federal officials approved delaying eligibility renewals after the complete failure of the Cover Oregon insurance program.

Of those people, OHA previously reported that 24,100 no longer qualified for the program and 23,500 failed to respond and were removed from the Medicaid caseload, though they could be retroactively added back.

Despite those disagreements, Allen said he was pleased that the audit

was done and that they already have begun to implement some of the audit's recommendations.

"We look forward to reporting on our progress to implement the recommendations of the audit and continue to improve our business practices," said Laura Robison, OHA's chief financial officer.

The audit also detailed ways that, under previous leadership, OHA delayed providing information or limited access to some employees during the investigation.

Managers would tell their employees not to respond directly to an auditor's follow-up questions, including questions that would take just minutes to answer, according to the report. It also indicated that auditors were directed to speak with managers who would end up having less familiarity with the information than staff.

One example the audit mentioned was when auditors requested in February a list of "carve outs" used to perform some testing, information they didn't receive for five months and was incomplete upon delivery.

But the audit also mentioned that since Robison and Allen took over in September, timeliness and access "dramatically" improved.

Contact the reporter at cradnovich@statesman-journal.com or 503-399-6864, or follow him on Twitter at @CDRadnovich.

Business

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closed permanently on Nov. 18. Along with selling electronics, owner Jason Freilinger and manager Troy Carter built a loyal gaming community, who gathered regularly at the shop, at 218 E. Main Street, to play "Dungeons and Dragons" and "Magic the Gathering."

Samarai Madame, a new takeout spot specializing in Japanese and French provincial cooking, opened Nov. 16. Owners Marty and Mar'cia Schrock, 20-year Silverton residents, share cooking duties. Mar'cia creates daily bowls - packed with nutrient-rich foods such as beef and butternut squash or chicken and vegetables over rice - that cost \$6 for students and \$7 for adults. Marty makes a variety of maki sushi, not all of which contains raw fish. Customers can take out from the shop, located across from City Hall at 202 Jersey Street, or receive a delivery at nearby Silver Falls Brewery Ale House.

A community fixture since the 1970s, **Clear and Practical Accounting Solutions**, moved on Nov. 20 from its location on 1st Street into the building most recently occupied by Almquist Studio. Jon Haynes, business owner since 2010, bought the building to acquire more space and get away from working in a two-story location. C.P.A.S. has four full-time and one part-time employees and specializes in tax preparation and payroll services. Haynes said he plans to use the additional space to hire more accountants who can serve more clients.

Whimsy Etc., Silverton's homegrown boutique gift and toy store, sold last month to Kim Knox, who also owns The Chocolate Box. Former owner Bonnie Lester started the store more than seven years ago, briefly operated two stores, and then combined them under one roof at 301 E. Main Street three years ago.

Dominos Pizza opened at 703 McClaine Street, on Nov. 1. Before that, the closest franchise was in Salem. Dominos offers takeout pizzas, seating for 20, and delivery within a 10-minute radius. Managers said deliveries reach just past Mt. Angel. Its hours are 10:30 a.m. to midnight Sunday through Thursday, and 10:30 a.m. to 1 a.m. Friday and Saturday.

Big news earlier this

year was the grand opening of **Silver Falls Brewery Ale House**. The brainchild of Eric Druliner and Andrew Fox, the offsite brewery produces beers named after landmarks at Silver Falls State Park, and the ale house pours them - and a score of guest beers, root beer and cider - from 24 taps.

Located at 207 Jersey Street, the ale house is open to patrons of all ages - not just those 21-and-older - and executive Donna Bahr keeps a selection of games and activities on hand for the younger crowd. Food is delivered onsite by Loco Ono, a BBQ food truck, as well as Old Oak Oven pizza and Madame Samarai across the street. Hours are 11:30 a.m. to 10 p.m., closed Tuesdays.

Bazaar Americana, is a new shop at 208 E. Main Street offering handmade and resale items. Owners Tom and Darlene O'Connor sell products made by 15 local handcrafters, as well as a selection of used and antique items. They hold classes in sign painting and other crafting on many Sundays. Tom can also often be found playing live bluegrass music in the store. It's open 11 a.m. to 5 p.m., closed Mondays and Tuesdays.

Silverton Art & Frame, at 105 S. 1st Street, is in the hands of new owners Scott Bruno and Molly Moreland. The partners spent six weeks in training with former owners Judi DeSantis and Debbie Farmer. Before buying the business, Bruno worked many years in picture framing, and Moreland was a diplomat. Their shop offers customer-focused, hands-on framing, as well as sells prints and crafts, many by local artists. Hours are 10 a.m. to 5 p.m. Monday through Saturday.

The Next Treasure, an antique thrift store, is a dream-come-true for owner Brandy Ager, who has been treasure-hunting at garage sales, estate sales, flea markets and auctions since she was a child. In her shop at 203 Oak Street, she offers "antiques and oddities," all "with their own stories" to customers. Hours are 10 a.m. to 5 p.m., closed Tuesdays.

A new Dollar General store is slated for construction in the spring. In town, it joins another discount franchise, Dollar Tree, which opened in September. Silverton's Planning Commission approved the proposed construction of a 9,100-square-foot store at 1095 N. 2nd Street, with driveway access off both 2nd Street and First Street, just south of Homeplace Restaurant and Seven Brides Brewing.

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503-873-8385

Fax
503-399-6706

Email
sanews@salem.gannett.com

Web site
www.SilvertonAppeal.com

Staff President
Ryan Kedziarski
503-399-6648
rkedziarski@gannett.com

Advertising
Terri McArthur
503-399-6630
tmcarthur@salem.gannett.com

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Shop
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Historic Silverton," Palmer said.

"It's not just Silverton," Wallace added. "The (Marquam Hill) alpaca farm is on the Shop Hop, and I never would have gone out to the alpaca farm. But now I know where it is and that they have a nice gift shop that I like."

Palmer said many out-of-town guests will visit Silverton, spend a day shopping and then head to a nearby Christmas tree farm or to events at Silver Falls State Park or Christmas in The Garden at The Oregon Garden.

"From our Christmas tree lighting on Dec. 1 to other community events, I really feel like Silverton is a joyous and festive place to celebrate the holiday season," Palmer said. "There's something quaint and wonderful about seeing the shops decorated and how welcoming the merchants are that makes the holidays a bit more special."

To learn more about the Shop Hop and other events in Silverton, visit www.silvertonchamber.org or call 503-873-5615. jmunch@statesman-journal.com or cell 503-508-8157 or follow at twitter.com/justinmunch