

Summer 2021 - Internal Control News



06.14.2021

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The purpose of this quarterly newsletter is to provide agencies and departments with articles on good business practices, fraud prevention, and Internal Control responsibilities. Through articles intended to promote educational and professional development opportunities for employees, this newsletter seeks to raise awareness across state government on the importance of internal control. We hope that by providing you this array of information, we can keep you informed of internal control related activities, and help you implement and maintain effective controls.

<https://finance.vermont.gov> Volume 2, Issue 06

• Internal Control Standards - Helpful Web Links

A Guide for Managers 2.0 is available with other important linked resources:

IC Standards Guide:

https://finance.vermont.gov/sites/finance/files/documents/Pol_Proc/IC/FIN-Internal_Control_Standards_Managers_Guide_Master.pdf

IC Website Resources:

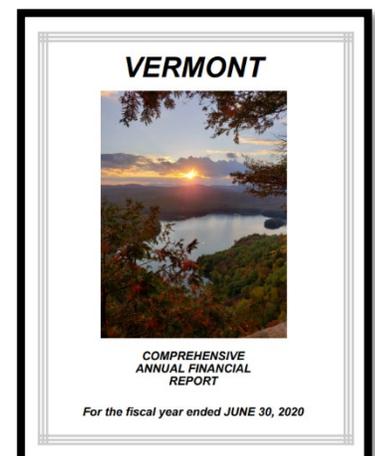
<https://finance.vermont.gov/policies-and-procedures/internal-controls>

IC Questions? Contact:

fin.internalcontrol@vermont.gov

• GASB “CAFR” to “ACFR” - Name Change

The Governmental Accounting Standards Board (GASB) has agreed to draw up a proposal to change the name of the Comprehensive Annual Financial Report (CAFR) to the **Annual Comprehensive Financial Report (ACFR)**. Effective Immediately, please refer to the report as the “Annual Comprehensive Financial Report (ACFR)”. **Hiring Managers: Please remember to update your HR Position description if responsibilities include CAFR references now ACFR.** Please notify Mr. John Becker, Director of Statewide Reporting @ john.becker@vermont.gov if you have any questions.



Important SAIC Reminders

Per the 2021 Instructions:



1. **Appointing Authorities:** There are ONLY 2 weeks that remain for submitting your Certification Report. Please submit your questionnaire **On-Time**. The project completion date runs through **close of business Monday June 28th, 2021**. This is a **hard close date** and impacts the State's overall **Participant's Submission Rate**. Please contact jeffrey.montgomery@vermont.gov immediately if your agency **is unable to meet** this hard close submission deadline.

2. **NEW** - The **Verification Box** must be checked off by the Primary Contact person completing the questionnaire, indicating the questionnaire was **discussed and approved** with the area's "Key Personnel and / or Subject Matter Experts." Please plan your time & meetings accordingly!

3. The **Certification Box** must be checked off by the Appointing Authority (i.e., Secretary, Commissioner) and cannot be delegated to Deputies or other subordinate positions. It must be **e-mailed** from the Appointing Authority's State of Vermont's e-mail account.

4. **NEW** - Effective for the **2021 SAIC DVR (Data Validation Review) Audit**, if your agency is randomly selected (5 out of 55) for an audit, you must supply an **Agency Hierarchy** that supports the State's **IC Best Practice Series #14: State Organizational Charting**. Please prepare while there is still time between the Questionnaire and the DVR Audit. Best Practice Series are located here with instructions and examples: <https://finance.vermont.gov/policies-and-procedures/internal-controls>

**Self-Assessment of
Internal Control (SAIC)**

Monday May 17th, 2021 – Monday Jun 28th, 2021
(6 Week Timeframe)

IC Risk Assessment: **Proactive or Reactive?**
Is your Agency or Department Prepared?

For those Agencies that have already submitted your 2021 Certification – Thank You!

• IC News – Fraud, Waste, & Abuse

Uncovering Prescription Drug Fraud, Waste, and Abuse during COVID-19
[Uncovering Fraud, Waste and Abuse During COVID-19 | Express Scripts \(express-scripts.com\)](#) 01.14.21

Drug fraudsters have adapted schemes to take advantage of COVID-19, but our Enhanced Fraud, Waste & Abuse (eFWA) team continues to combat these efforts and

modify its approach to curtail new strategies. Medication fraud, waste, and abuse unnecessarily costs plan sponsors and puts their members' safety at risk. Express Scripts' internal research has uncovered that for every \$1 spent on illegitimate narcotic prescription claims, an additional \$66 is incurred in medical claims related to office visits and outpatient treatment. This adds up to billions in avoidable costs. We are now seeing cases that involve drugs associated with the COVID-19 pandemic, such as hydroxychloroquine, dexamethasone, high-cost multivitamins, HIV antiretrovirals, and azithromycin. Like the aforementioned narcotics, drugs dubiously touted for COVID-19 are relatively cheap and coincide with medical claims for acute care. It is likely prescription claims for these drugs are only a fraction of the cost. Since the pandemic was declared in March 2020, our teams have been able to quickly adapt their techniques and methods to include early communication with prescribers when patterns are uncovered. They have investigated more than 30 unique cases involving 22 prescribers and 18 patients related to the pandemic, in addition to "typical" investigations. Our results are almost immediate, thanks to prescribers being receptive to our efforts.

Stockpiling COVID-19 Medications: A Family Affair

An Express Scripts member was identified through proactive analytics for stockpiling medications associated with COVID-19. Upon investigation, our team found that since February 2020. All five members of the family were involved in stockpiling efforts. The family utilized five providers and seven pharmacies to acquire COVID-19 medications. Two family members visited an emergency room (ER) on multiple occasions, requesting COVID-19 medications even though one family member repeatedly tested negative for COVID-19. One family member attempted to use different names to avoid detection in the ER. Our team learned from interviewing providers that short-days' supplies were prescribed to "placate" her. The team referred this case to the U.S. Attorney's Office.

Vigilance = Savings + Healthier Outcomes

While utilization management programs guide appropriate medication, use based on clinical guidelines and standards of practice, our eFWA program goes further. We identify and examine unusual prescribing patterns and unusual behavior, even as fraud, waste, and abuse patterns evolve during a pandemic. This can include doctor-shopping, identity theft, overprescribing, tele fraud schemes, and other actions, which can result in overall savings for plan sponsors and healthier outcomes for members. Our eFWA Member and Prescriber program helped clients avoid as much as \$150 million in prescription costs since 2019. While the global pandemic will pass, new schemes for fraud, waste, and abuse will continue to increase. Our analysts are constantly adapting models to identify new prescription fraud schemes, which results in helping to control prescription drug cost and keeping our members healthy. While our core Pharmacy Benefit Manager offering includes an ongoing proactive review of all plans claims at the pharmacy level, we have found that significant cases of fraud, waste, and abuse are not limited to preparing/dispensing medication in the pharmacy setting. They are also found with providers and members. If you or someone you know is misusing or abusing medication, you are encouraged to contact the Substance Abuse and Mental Health Services Administration (SAMHSA) National Helpline: 1-800-662-HELP (4357). Should you have any concerns of fraudulent usage of your prescription drug benefit, please contact Express Scripts' Fraud Tip Hotline at (866) 216-7096.

• DFM Staff Happenings.... New Hire:

Jordan Black-Deegan, Statewide Grants Administrator. Jordan comes from the Department of Public Safety where he was an Accounting and Audit Analyst II.

"Please help me welcome Jordan to the Department."

John M. Becker, CPA, CGFM, Director of Statewide Reporting

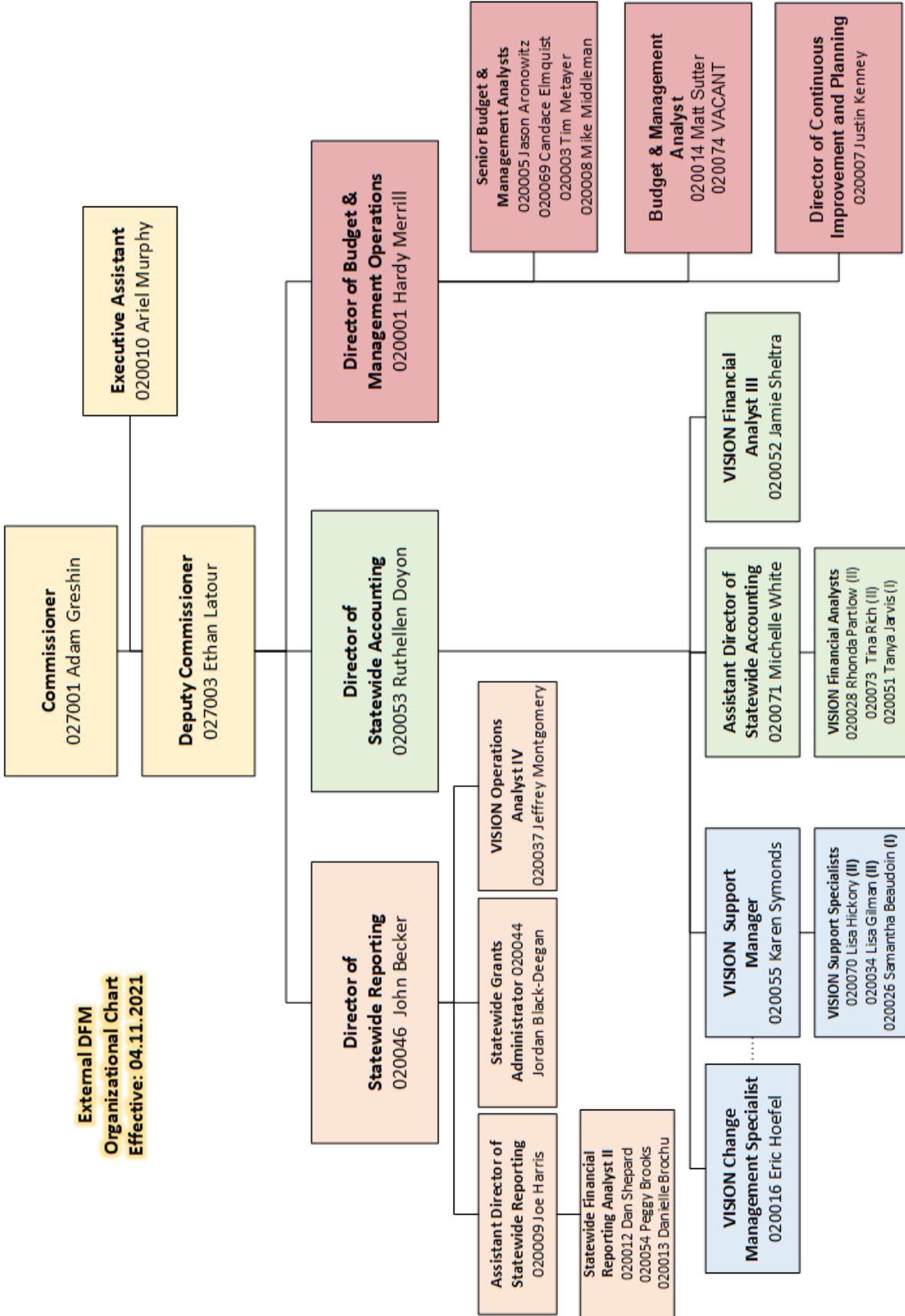


Our Internal Control News is published quarterly in the ***Spring, Summer, Fall,*** and ***Winter*** by The Department of Finance and Management (DFM), Internal Control Unit. Please contact fin.internalcontrol@vermont.gov with comments or future suggestions.

Our latest DFM – External Organizational Chart

Agency of Administration (AOA), Department of Finance & Management (DFM)

External DFM
Organizational Chart
Effective: 04.11.2021



<https://finance.vermont.gov/about-department>