



Executive Summary
Department of Public Health & Social Services
Medicaid Program – Client Eligibility – Part II
Report No. 26-01, February 2026

Our audit on client eligibility of the Government of Guam’s (GovGuam)-Department of Public Health and Social Services (DPHSS) Medicaid Program identified \$400.7 million (M) in benefits availed to an average of 35,381 clients (based on Client Identification Numbers) in the program for the fiscal years (FY) 2023 and 2024. Our audit reviewed 30 client files provided by DPHSS-Bureau of Economic Safety (BES) and found several issues and deficiencies, including:

- Lack of Medicaid application forms, Eligibility Specialist’s review and client’s signatures and dates, and delayed submission of Simplified Renewal Forms;
- Lack of eligibility documentation for initial/reapplication or renewals;
- Late or non-submission of requested eligibility documents;
- Late or non-submission of change reports or off-island referral forms;
- Lack of “Notice of Action” on eligibility decisions to Medicaid clients, and
- Questionable notification of eligibility decision.

The objective of this audit was to determine whether the approval of beneficiaries’ eligibility and documentary requirement submissions complied with federal and state Medicaid program laws, rules, and regulations. Although deficiencies were noted, we did not identify any questioned costs related to client-reported Medicaid benefits availed, as they could be applicable to prior years. The audit scope encompasses October 1, 2022 to September 30, 2024, or FY 2023 and 2024.

Our office is conducting a three-part performance audit series on the DPHSS Medicaid Program, which is included in the Office of Public Accountability’s (OPA) 2025 Annual Audit Plan and a directive from the Public Auditor. Part I, issued in February 2025, focused on provider eligibility, Part II focused on client eligibility, and Part III will focus on Medicaid billings to clients and payments to providers.

We provided our preliminary findings to DPHSS in October 2025, and they **disagreed with** several findings regarding documentary deficiencies we noted based on the documents they provided in July 2025. It should be noted that **DPHSS subsequently provided the deficient documents among the additional sets of documents in November 2025**. The deficiencies in documentation show that DPHSS’s filing system appeared to be still in the process of proper organization, needing improvement to ensure immediate availability during external inspections/examinations and prevent delays and confusion.

Lack of Medicaid Application Forms, Eligibility Specialist’s Review, and Client’s Signatures and Dates, and Delayed Submission of Simplified Renewal Forms (SRF)

Our review found that some files lack the initial/reopening application forms or simplified renewal forms, lacked an Eligibility Specialist’s review and Client’s signatures and dates, and delayed submission of simplified renewal forms. While acknowledging that some clients’ files in FY 2023 were deficient or had uncorrected application forms, as the client files fell under the public health

emergency (PHE), similar issues persisted in FY 2024, when continuous coverage requirements ended on June 2024. Lack of documentation was associated with Medicaid benefits availed per DPHSS report provided to the OPA for FY 2024. The report did not contain a notation nor disclosure that the total Medicaid benefits availed for FY 2024 were applicable to the prior years, which could be possible. Several of the deficiencies were subsequently provided, while others remain, as they were either not renewed or no longer applicable.

Lack of Eligibility Documentation for Initial/Reapplication or Renewals

Our analysis found that for three sampled clients' files eligibility documentation were not included in the original submission. There are cases that required birth certificates, Social Security numbers, proof of income or employment, or personal identification were absent for the client and/or dependents. The lack of supporting documentation for the three sampled clients associated with reported Medicaid benefits availed totaling \$6.7 thousand (K) for FY 2023. For the 16 FY 2024 samples, reported Medicaid benefits availed totaled \$1.9M. Most of the deficiencies were subsequently provided, or were no longer applicable as clients were deceased or Medicaid coverage had already expired. These Medicaid benefits availed could be applicable to prior years.

Late or Non-Submission of Requested Eligibility Documents

Memorandum requests from DPHSS asking for clients to submit eligibility documents to make a proper determination of the client's Medicaid eligibility were either submitted later than the deadline or not submitted at all. For one sample, the case was correctly denied and terminated for failure to submit the requested documents; however, no "Notice of Adverse Action" was included within the files.

Late or Non-Submission of Change Reports or Off-Island Referral Form

One client (Sample 4, per Appendix 4) had verification of employment for job changes, but no change report was provided, as the noted Job #1 ended on October 20, 2023, and Job #2 started on November 13, 2023. The Change Reports due by October 30, 2023 and November 23, 2023, were submitted late in one Change Report on December 29, 2023.

For Sample 3 (per Appendix 5), the client was leaving in July 2024 for off-island management and monitoring. We did not see a DPHSS Off-Island Referral Form among the files provided for the July 2024 off-island care. On file is the DPHSS off-island referral form dated December 2021.

Lack of "Notice of Action" on Eligibility Decisions to Medicaid Clients

For the 11 sampled clients in FY 2024, a "Notice of Action" were not provided in the DPHSS submission of documents on July 2025. Subsequent documents provided as of January 2026, only two client files (Sample #16 & 18) remained not provided. For Sample 11, the "Notice of Action" was not applicable because the client had died in 2022. For Samples #12, 14 & 16, the three clients had Medicaid coverage, which was terminated in FY 2023 or FY 2024. The reported Medicaid benefits availed totaling \$1.5M for FY 2024 for Samples #11, 12, 14, 16 & 18 could be applicable to prior years.

Questionable Notification of Eligibility Decision

For one case (Sample #2, per Appendix 4), a "Notice of Adverse Action" was sent by DPHSS in August 2022, informing that the child is not entitled to Medicaid coverage due to the absence of

Social Security documents, although a simplified renewal form and Social Security document were stamped received by DPHSS in August 2022. The child reportedly availed Medicaid benefits amounting to \$780 in FY 2023 without a copy of the “Notice of Action” provided.

Conclusion and Recommendations

Our performance audit of DPHSS Medicaid Program-Client Eligibility-Part II is primarily intended to provide feedback on whether Medicaid clients' eligibility and renewal processes and procedures are in accordance with local and federal laws and regulations. Our audit revealed deficiencies relative to the lack of Medicaid application forms and supporting documentation; lack of Eligibility Specialist or Clients' signatures, late or non-submission of requested eligibility documents; late or non-submission of change reports or off-island referral form; lack of notice of action on eligibility decisions; and questionable notification of eligibility decisions.

These findings need management's attention and corrective action to inspire the public's confidence in the Administrator's decisions to achieve program objectives and uphold the program's integrity.

We made seven recommendations addressed to DPHSS-BES Management. See Appendix 9 for the details and status of audit recommendations. These recommendations emphasize the need for consistent and timely compliance with application, documentation, and reporting requirements. Specifically, these call for:

- Consistency and timely compliance with initial application and renewal form requirements.
- Consistent compliance with Eligibility Specialist's review and client's signature requirements.
- Strict and consistent monitoring of client compliance with eligibility documents and their submission;
- Consistent and timely compliance with the change report and DPHSS off-island referral form.
- Consistent and timely notification of the eligibility decision to Medicaid clients.

We acknowledge the combined dedicated efforts of the officials and staff of the DPHSS Division of Public Welfare-BES and BHCFA in ensuring the eligibility and enrollment of eligible residents on Guam in the Medicaid Program to address major health challenges on Guam. We appreciate DPHSS's ongoing commitment to ensuring that Guam's Medicaid Program meets the healthcare needs of its residents in accordance with applicable laws and regulations.



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