



## State first needs handle on contractor costs

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When the Legislature ordered an audit of the state's Medicaid program almost a year ago, legislators said it was time to get their arms around a program which provides benefits to about one-fifth of Wisconsin's population. Well, guess what helped drive those costs?

Yep, it was the Legislature, at least in part. The recently released audit of Wisconsin Medicaid cited legislation expanding eligibility, and two recessions, as the primary factors in the vast expansion of Medicaid spending.

What is astonishing is the extent to which the state has not kept track of the money.

In its report, the Legislative Audit Bureau made such simplistic suggestions as tracking expenditures in detail, using bids to get the best price, and making sure money is available for contracted services before authorizing expenditures. Any good accounting practice in private industry or the public sector should demand that.

Another part of the audit shows a pervasive bad practice: The extensive use of contract employees. The Department of Health Services, which administers Medicaid in Wisconsin, says it had no choice but to use contract employees, because of a hiring freeze and to find necessary technical expertise. In June, the state's principal Medicaid contractor had the equivalent of 1,128 people on the job, up from 599 just 2½ years previously.

Meanwhile, DHS had 365 people working on Medicaid. DHS explanations don't wash. That ratio of three contract workers to each state worker is askew.

The state Department of Transportation was in the same spot a couple of years ago. Even though in-house engineers would have been cheaper, the state was employing outside workers at a premium.

The Medicaid audit comes at a time when the Walker administration has talked of changing the Medicaid program in such a way that some 65,000 people may lose their benefits. Democrats have predictably seized on the audit as evidence that people need not be cut if other costs could be brought under control. Democrats have a point, which should build on the Republican point of getting a handle on costs.

Delivering services most efficiently should be the goal of both parties. For one, that translates to maximum dollars for people; for the other, it means controlling the size and cost of government. The state should first seek savings by trimming its dependence on more expensive contractors and by analyzing whether the cost of these outside experts is worth the benefit. Government should provide services, first and foremost, not enrich the people in the social services-industrial complex.