



## Georgia Department of Audits and Accounts Performance Audit Division

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### Why we did this review

We conducted this follow-up review to determine the extent to which the program addressed recommendations from our 2016 performance audit (Report #15-16).

The original report examined victim compensation program operations with a focus on claims processing and benefits offered. The audit concluded that CVCP could make changes to improve the timeliness, consistency, and security of claims processing. In addition, the audit included factors the program should consider in evaluating benefits and additional steps CVCP should take to ensure the collection of probation fees.

### About Crime Victims Compensation

All states operate a crime victim compensation program that provides monetary assistance to victims of violent crimes. Federal grants require the coverage of certain victim/claimants and benefits, but allow for broader coverage at the state's discretion. Georgia's program covers crime-related expenses for medical care, counseling, funerals, crime scene cleanup, lost wages, and loss of financial support. Total benefits are limited to \$25,000 per claim. The program is housed within the Criminal Justice Coordinating Council (CJCC).

## Follow-Up Review Crime Victims Compensation Program

### Program has made system and procedural improvements

#### What we found

The Crime Victims Compensation Program (CVCP) has taken steps to improve the efficiency and consistency of claims processing. CVCP implemented a new website, claims system, and online portal. In addition, the program streamlined certain aspects of the claims process and enhanced internal procedures. These changes facilitate better documentation and consistent decision making. While notable progress was made in many areas, neither CVCP nor the General Assembly pursued implementation of a fee schedule that would reduce medical payments and cover a larger portion of a victim's financial obligations.

Since the original report, CVCP implemented several new tools to improve the processing of victim compensation claims. The program's new website provides information about victim compensation tailored for different users: victims, advocates, and service providers. The online portal allows victims and advocates to check the status of claims online and upload required documents. CVCP also implemented a new claims system, enhancing the program's capability to monitor progress and share information among staff. The system allows CVCP to operate in a paperless environment where documents are scanned into the claims system and shredded, thus reducing the risk associated with sensitive paper claims.

In addition to upgrading the program's technology, CVCP modified internal procedures to promote timely and consistent claims processing. Regarding timeliness, the program switched to "parallel processing" where staff conduct bill verification and eligibility determination concurrently. This provides the

opportunity for claims investigators to deny clearly ineligible claims before waiting for bill verification. Moreover, CVCP added a section to the application allowing applicants to provide good cause for missing deadlines. Previously, the program denied claims that missed statutory deadlines, but it almost universally overturned the denials upon appeal. The appeals added an average of 36 days to the processing times for these claims. The updated application eliminates this delay, as well as the additional work for victims and program staff. CVCP staff indicated that the impact of these procedural changes on processing times has not yet been fully realized as technology upgrades and staffing changes required training and time to resolve unexpected system issues.

Changes to CVCP's policies and procedures provide staff with better guidance to ensure consistent eligibility decisions. The updated policies discussed below address two eligibility factors that can be particularly complex.

- **Contributory Conduct** – CVCP added a new section to its policy manual to assist staff in determining if a victim's behavior contributed to his/her injuries. Based on Texas's policy about evaluating behavior, Georgia's guide to contributory conduct outlines how the program handles common circumstances and the factors staff should consider when assessing behavior.
- **Other Violent Crimes** – CVCP updated its policy manual to include a more extensive list of eligible crimes as written in statute and instituted a process to address violent crimes not explicitly listed. This process better ensures that eligible victims of violence receive compensation. When a claim's criminal offense is not explicitly identified in statute, but an element of violence was present, the claims investigator can refer the claim to management for review. Management decides the claim's eligibility under the statute's provisions that consider the elements of a crime rather than a specific criminal offense (e.g., other offenses involving the threat, attempt, or use of physical force). Previously, the program would deny certain claims based on the crime listed, regardless of the elements of the crime.

Compensation program benefit categories and monetary limits as outlined in Georgia statute have not changed since the original report; however, CVCP has made changes within the existing benefit categories to better serve victims. For example, the program removed the weekly cap for lost wages allowing the program to replace wages at a level commensurate with the victim's loss. According to CVCP leadership, the program has not pursued statutory changes to program benefits and monetary caps, partly due to funding availability. While federal funding for compensation has experienced only a modest increase over the past five years, CJCC recently received a large influx of federal funding for victim assistance programs. Staff suggested that some potential benefits, such as housing assistance, could be provided by agencies receiving victim assistance funding rather than through the victims compensation program. As shown in **Exhibit 1**, victim compensation revenues have decreased over the past three years and the funds carried over each year have decreased.

Since the original audit, CJCC has taken steps to promote compliance regarding the remittance of probation fees. In collaboration with the Department of Community Supervision (DCS), CJCC publicized its probation fee remittance policy in a newsletter to providers. CJCC staff also recently attended a provider meeting to explain how the fees support the victim compensation program. Lastly, CJCC has begun the process of analyzing probation fee remittance data to identify noncompliance. To date, CJCC's analyses have examined annual and multi-year remittances in comparison to data reported to DCS. CJCC has yet to analyze monthly remittances by provider. This analysis would allow identification of missing or irregular payments which could be investigated during regular DCS audits.

While many issues identified in the original report have been addressed, CJCC did not implement a fee schedule for the program's medical benefits and the General Assembly did not amend state law to require

providers to accept the program's medical payments as payment in full. The program currently pays the full, unadjusted charges of the provider, despite virtually all providers accepting much lower negotiated amounts from insurance companies or self-pay patients. Implementing a fee schedule would allow the program to cover a greater portion of victims' expenses. At the same time, it has the potential to save millions and preserve the crime victims emergency fund. The payment in full provision would protect victims from providers attempting to collect remaining balances.

**Exhibit 1**  
**Victim Compensation Revenues and Expenditures, FY 2016-2018**

	2016	2017	2018	% Change, FY16-18
<b>Revenue – Carryover from Prior Fiscal Year</b>				
<b>Carryover</b>	\$47,180,034	\$43,683,140	\$35,913,834	-23.9%
<b>Revenue - Crime Victims Emergency Fund</b>				
Fines and Penalties	\$13,561,452	\$11,052,508	\$10,721,631	-20.9%
Other Revenue <sup>1</sup>	563,190	750,423	633,406	12.5%
Interest	135,361	262,447	483,643	257.3%
<b>CVEF Revenue</b>	\$14,260,002	\$12,065,379	\$11,838,680	-17.0%
<b>Revenue - Federal Grant</b>				
<b>VOCA Revenue</b>	5,043,914	7,567,979	6,272,931	24.4%
<b>Total Revenue</b>	\$66,483,950	\$63,316,498	\$54,025,445	-18.7%
<b>Expenditures</b>				
<b>Direct Benefits</b>	\$17,739,860	\$18,246,408	\$19,828,733	11.8%
Personal Services	2,797,467	2,115,967	1,938,370	-30.7%
Regular Operating	395,887	375,732	323,595	-18.3%
Equipment	18,175			
IT Expenditures	139,603	60,928	476,314	241.2%
Real Estate Rentals	198,691	98,895	99,028	-50.2%
Communication Services	28,796	16,781	22,141	-23.1%
Contractual Services	1,321,328	2,845,935	1,951,601	47.7%
<b>Total Expenditures</b>	\$22,639,806	\$23,760,646	\$24,639,782	8.8%
<sup>1</sup> Other revenue includes refunds, restitution and subrogation				
Source: TeamWorks				

***CJCC Response:*** CJCC generally agreed with the status of the findings as presented; however, CJCC reiterated its disagreement with some of the original recommendations. For example, CJCC did not implement a fee schedule for medical payments because the agency does not believe the recommendation is the best fit for Georgia. In addition, CJCC maintained its opinion that legislative approval of benefits and monetary caps provides a necessary check on the program's activities. The agency is still working to enhance its quality control efforts and procedures related to probation fee collection.

***DCS Response:*** DCS agreed with the status of the probation fee collection finding as presented on page 7.

The following table summarizes the findings and recommendations in our 2016 report and actions taken to address them. A copy of the 2016 performance audit report #15-16 may be accessed at <http://www.audits.ga.gov/tsaAudits>.

<b>Crime Victims Compensation Program Follow-Up Review, May 2019</b>	
<b>Original Findings/Recommendations</b>	<b>Current Status</b>
<p><b>CVCP can take steps to substantially reduce medical payments and ensure that victims are not subject to balance billing.</b></p> <p>We recommended that CVCP establish a fee schedule to limit medical payments. To the General Assembly, we recommended the passing of legislation requiring providers accept CVCP payments as payment in full.</p> <p>We also recommended CVCP continue working with DCH to obtain access to Medicaid eligibility data and begin checking medical dates of service against insurer coverage records, potentially requiring a third-party vendor.</p>	<p><b>Partially Addressed</b> – While CVCP regained the ability to check Medicaid eligibility data, the program did not pursue substantial actions that would reduce medical payments and protect victims from balance billing.</p> <p>CVCP's response reiterated that the current medical payment model is the most victim-centered approach and a fee schedule is not the best fit for Georgia. Moreover, agency leadership stated that it does not have the authority, knowledge, or capacity to implement a fee schedule, and it expressed concern about the potential negative effects to victims and providers. In addition, the General Assembly did not pass legislation requiring providers accept CVCP funds as payment in full.</p> <p>By not implementing a fee schedule in tandem with ensuring providers accept payments as payment in full, victims may be held accountable for medical bills that exceed CVCP's medical payment cap. There are a range of fee schedule options that could be used by the program, some of which may be more amenable to providers, such as worker's compensation. As noted in the original report, CVCP already has a fee schedule for counseling services with no "payment in full" protection in place. Concerns regarding expertise could be alleviated by contracting with a vendor who can review medical bills for reasonable and customary charges. For example, New Jersey's program contracted with such a vendor and it reduced medical payments by approximately one-third during each year from fiscal year 2013 to 2017. By working with the General Assembly, CVCP could help more victims by using the same amount of funds for a greater amount of medical bills.</p> <p>CVCP worked with the Department of Community Health to access to Medicaid eligibility data that assists with the program's verification process. CVCP confirmed that it has not considered the use of a third-party vendor to verify insurance status.</p>
<p><b>CVCP can take steps to ensure more consistent treatment of claims when the compensability of the crime or the behavior of the victim is uncertain.</b></p> <p>We recommended that CVCP develop clear policies and procedures to guide the eligibility determination process, build a formal knowledge base using prior decisions and directives, amend the law enforcement questionnaire to include additional information, and create a quality assurance process to monitor decisions for consistency.</p>	<p><b>Partially Addressed</b> – CVCP has taken action to better document decision-making processes and to provide clear guidance to staff. It is in the process of implementing additional quality assurance activities to facilitate consistent decisions.</p> <p>Further documentation is required to ensure staff consistently follow the program's process for determining if a crime is compensable.</p> <p>Since the original audit, CVCP updated its policies and procedures to include detailed guidance instructing staff how to determine if a claim involves contributory conduct. CVCP used the Texas compensation program's policy as a model for its own guide about assessing contributory conduct. According to CVCP, staff and the victim compensation board regularly use this document to ensure decisions are consistent.</p> <p>CVCP also added information regarding eligible crimes to its policy manual and implemented a process that allows management to make awards for claims involving other violent crimes per statute without relying on the board. When a crime is not explicitly listed in statute, staff review the details of the case</p>

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	<p>(e.g., there is a criminal offense and evidence of physical force threatened, attempted, or used) and refer it to management for approval. The director of the Justice and Compliance Division reviews the case to determine if there is sufficient legal standing to award the claim.</p> <p>As part of building the program's knowledge base, CVCP developed a process for documenting board guidance. In 2018, CVCP began utilizing a process wherein program staff present policy proposals to the compensation board for review and approval. These policies inform future claims decisions. For example, an appeal request prompted staff to examine how the program establishes financial dependency for minors of deceased victims. The new board-approved policy shapes how staff will determine eligibility and award these claims.</p> <p>CVCP has not established a quality assurance process for victim compensation claims; however, CJCC is recruiting a compliance monitor position that would perform this function. According to CVCP staff, the program recently incorporated new quality assurance activities into the claims process. A supervisor audits a random selection of the work performed by the intake specialists responsible for the initial steps in the claims process.</p>
<p><b>While timely claim processing is impacted by victim and law enforcement actions, there are steps the program can take to improve processing efficiency.</b></p> <p>We recommended that CVCP determine claimant eligibility prior to bill verification, ensure its claims systems tracks relevant data points, and provide applicants with clear and complete information about all required materials. Additional recommendations include the continuation of plans to allow victims and advocates to track claim status as well as the timeliness of law enforcement responses.</p>	<p><b>Fully Addressed</b> – CVCP has made significant changes that allow for a more streamlined claims process, better real-time performance data, and greater access to program information. Major changes initiated in fiscal year 2017 are outlined below.</p> <ul style="list-style-type: none"> <li>• <i>Website</i> – CVCP launched a new website that provides access to information about all program benefits and how to apply. According to CJCC, the website was publicized at regional stakeholder meetings.</li> <li>• <i>Claims System</i> – CVCP implemented a new claims management system. This system provides each employee a work queue where items “age” and change color when a deadline is approaching or is missed. According to CVCP, supervisors actively monitor the queues of each employee to assess timeliness and determine if there are workload imbalances.</li> </ul> <p>The new system also enhanced the program's ability to pursue missing documents. Previously, advocates manually reviewed files to identify which required additional documents, including law enforcement questionnaires. Now, advocates can use a filter to see which documents are missing in each claim. Claims investigators can send a task to an advocate's queue asking for assistance in obtaining missing documentation.</p> <ul style="list-style-type: none"> <li>• <i>Online Portal</i> – CVCP launched an online portal which allows victims and advocates to submit claims and check statuses online. Starting in 2018, the program allowed portal users to access program correspondence online, eliminating the lag created by hardcopy letters. According to program staff, these changes decreased the call volume for customer service representatives.</li> </ul>

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	<p>While CVCP has made significant changes to enhance claims processing efficiency, it is too soon to determine the decrease in processing times. Program staff indicated that processing efficiencies have been impacted by significant technology and staffing changes. In fiscal year 2017, CVCP implemented a new claims system to which staff needed time to become acclimated. In fiscal year 2018, the program promoted three staff members to supervisory roles, leaving half of the investigator positions in need of new hires and training. According to CVCP staff, the program has been fully staffed as of the third quarter in fiscal year 2019.</p>
<p><b>CVCP's method for processing claims that missed initial deadlines results in preventable delays and denied benefits.</b></p> <p>We recommended that CVCP should not deny claims for missing deadlines without providing victims with an opportunity to show good cause.</p>	<p><b>Fully Addressed</b> – CVCP's application now includes a section in which applicants can provide good cause for missing deadlines. Staff review this section while processing the claim, and a decision is made about whether the applicant showed good cause before the application is denied.</p> <p>According to CVCP staff, the implementation of this change caused a notable decrease in the volume of appeals received. The decrease in appeals means staff have fewer appeal summaries to prepare and claims to research.</p>
<p><b>Georgia does not provide victims with the range of benefits provided by many peer states.</b></p> <p>We recommended that CVCP routinely use information to determine whether current program benefits meet victim needs.</p> <p>We also recommended the General Assembly consider granting the Georgia Crime Victims Compensation Board the authority to change the benefits available to victims.</p>	<p><b>Partially Addressed</b> – While overall benefit categories and monetary caps have not changed, CVCP has adjusted program benefits to better meet victim needs.</p> <p>CVCP benefit categories and limits are defined in Georgia statute. The General Assembly has not changed statute to allow CVCP greater latitude to change program benefits as necessary. Moreover, CJCC reiterated that it does not support such a change because legislative approval provides a necessary check on the program's activities that affect the crime victims emergency fund. However, CVCP has worked within the statutory limits to enhance the benefits available to victims. For example, CVCP removed the weekly cap for lost wages, thus allowing the program to replace victim wages at a level that matches the individual's income. CVCP also improved access to economic support benefits by allowing victims to apply for both loss of support and lost wages. In addition, CVCP enacted a policy to allow the program to pay for tattoo/branding removal in instances of sex trafficking under its medical benefit.</p> <p>Interest in formally changing program benefits has declined as the balance of the crime victims emergency fund has decreased in the past three years. At the same time, funding to victim assistance programs has increased dramatically. According to CVCP staff, some of the potential benefit additions included in the original report (e.g., relocation assistance) could be provided by victim assistance programs. Agency leadership indicated that the program will continue to evaluate the extent to which statutorily defined benefits meet victim needs.</p>

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<p><b>CJCC has most likely not received all crime victim fees owed but can take additional actions to promote compliance by those remitting the fees.</b></p> <p>We recommended that CJCC adopt written policies to educate probation providers, compile data to identify non-compliance, compare amounts remitted to amounts providers reported to DCS, contact probation providers that fail to remit, and communicate issues to DCS.</p> <p>We also recommended that DCS incorporate CJCC analysis results into its audit process.</p>	<p><b>Partially Addressed</b> – CJCC has taken steps to educate probation providers about fee remittance requirements and has begun analyzing probation fee remittance data. However, additional analyses are required to identify specific instances of noncompliance that DCS can pursue.</p> <ul style="list-style-type: none"> <li><i>Written Policies</i>– CJCC worked with DCS to distribute its probation fee remittance policies through a newsletter to providers. In addition, representatives from CJCC attended a quarterly provider meeting to share information about the fee and how it supports the compensation program. CJCC officials indicated that they will take immediate action to make the probation fee policy available online.</li> <li><i>Data Analysis</i> – CJCC has compiled fee remittance data for annual and multi-year comparisons to DCS data. CJCC has not analyzed its data to identify noncompliance in the form of missed monthly payments or unusually high or low monthly payments. Without this more detailed level of analysis, CJCC cannot communicate to providers and/or DCS actionable instances of noncompliance with the statutory requirement of monthly payments. Similarly, DCS cannot examine the potential problem without specific provider names and suspected months of noncompliance.</li> </ul> <p>DCS indicated that staff are willing to incorporate CJCC's work into its annual audits once the analysis has yielded specific concerns DCS staff can investigate. DCS reviews probation fee remittance in its annual provider audits, but there have been no significant findings in this area. Officials from both agencies expressed their commitment to working together in ensuring accountability in fee remittance.</p>
<p><b>CJCC can more effectively address information security and fraud prevention within CVCP as part of a broader risk management effort.</b></p> <p>We recommended that CJCC formally assess the risks posed by the collection of information necessary to process claims and the risks associated with claim payments.</p>	<p><b>Fully Addressed</b> – CJCC has taken action to address security risks associated with CVCP.</p> <p>Since the original audit, CVCP has transitioned to a new digital claims system that mitigates the risks associated with its previous paper-based environment. Staff shred paper documents after they are scanned into the claims system. As a result, claim files are no longer kept in open areas.</p> <p>With the transition to digital records and the launch of its online portal, CJCC shifted its focus to securing electronic data and associated hardware. In 2017, CJCC underwent an assessment contracted by the Georgia Technology Authority's Cyber Security Review Board to identify potential vulnerabilities. According to CJCC, the agency has continued to work with the review board and make improvements to its cyber security framework and activities.</p>
<p><b>7 Findings</b></p>	<p><b>Fully Addressed - 3</b></p> <p><b>Partially Addressed - 4</b></p> <p><b>Not Addressed - 0</b></p>

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The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision makers. For more information, contact us at (404)656-2180 or visit our website at [www.audits.ga.gov](http://www.audits.ga.gov).