



Date: November 29, 2010

To: Members of the Legislative Audit Committee

From: Sally Symanski, CPA
State Auditor

Re: Annual Executive Summary on Performance Audits of Tobacco Settlement Programs

Section 2-3-113(5), C.R.S., requires the State Auditor to provide an annual executive summary to the Legislative Audit Committee of evaluations conducted on tobacco settlement programs completed during the preceding calendar year. Section 2-3-113(2), C.R.S., requires that the evaluations assess whether the tobacco settlement programs meet their stated goals efficiently and effectively.

During 2010 the OSA completed an evaluation of the Dental Loan Repayment Program administered by the Department of Public Health and Environment, and a summary of the report is attached. The Children's Basic Health Plan is being audited for compliance with federal requirements as part of the State's Fiscal Year 2010 financial and compliance audit, which will be completed in February 2011.

The list below summarizes the programs and the dates of the most recent performance audits conducted by the OSA of tobacco settlement programs.

- Dental Loan Repayment Program (June 2010)
- Children's Basic Health Plan (May 2008, October 2008)
- Comprehensive Primary and Preventive Care Grant Program (May 2007)
- Read to Achieve (July 2006)
- Nurse Home Visitor Program (May 2006)
- Tobacco Education, Prevention, and Cessation Grant Program (December 2004)¹
- Veterans Trust Fund (June 2003)

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¹ Funding for this program with Tobacco Settlement monies was eliminated beginning in Fiscal Year 2006 and replaced with funding from the Tobacco Excise Tax authorized by Amendment 35.

Executive Summary: Dental Loan Repayment Program



We Set the Standard for Good Government

Performance Audit, June 2010

The Dental Loan Repayment Program (Program) administered by the Department of Public Health and Environment (Department) provides student loan repayment assistance to dentists and hygienists that agree to serve a traditionally underserved population. Section 25-23-101, C.R.S., states that the purpose of the Dental Loan Program is to encourage and enable dental professionals to provide care to underserved populations in Colorado by the use of a financial incentive program. The intended population to be served by participants includes clients enrolled in Medicaid, the Children's Basic Health Plan, the Colorado Old Age Pension Program, and the medically uninsured. Since the Dental Loan Program's inception in Fiscal Year 2003, Program providers have furnished about 250,000 dental client visits to underserved clients. In Fiscal Year 2010 the Program received an appropriation of \$200,000 from tobacco settlement funds and a federal grant for an additional \$100,000. As of June 2010 there were 75 dentists and 30 hygienists participating in the Program. Participants receive varying amounts of loan repayment assistance, depending on the number of underserved clients the participant agrees to serve each month over the annual contract period.

Overall, we found that the Dental Loan Program is meeting Program goals by continuing to increase dental services to underserved populations. Specifically, the number of client visits provided by Dental Loan Program participants in Fiscal Year 2010 through March 31, 2010 is more than double the number of client visits in all of Fiscal Year 2003, the first year in which patients were served under the Program. Further, the Dental Loan Program has funded dental providers in most areas of the state.

Although we found the Program is meeting its goals, we identified two areas where improvements could be made. First, the Department could strengthen its Program application solicitation and selection processes to maximize the opportunity to identify and fund dentists and hygienists willing to provide dental services to Colorado's underserved communities. Second, the Department could improve contract requirements and streamline contract monitoring practices to ensure that dental providers receiving loan forgiveness funding are providing the number of client visits agreed to in their contracts. These improvements will also help provide assurance that the performance indicator reporting required as a condition of tobacco settlement program funding is accurate and reliable.

The Department agreed with the recommendations.

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