

## State Medicaid Contract Scrutinized By Auditors

By Administrator

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RALEIGH - State auditors are questioning how a contract to overhaul and operate the claims processing system for North Carolina's Medicaid program became bogged down with cost overruns and a nearly two-year delay.

State Auditor Beth Wood's office is examining the state's Medicaid Management Information System office and a \$265 million contract awarded to Computer Sciences Corp. The project was supposed to be operational this year. A draft of Wood's report obtained by the Associated Press says the project now will be 22 months late and exceed initial cost estimates by \$320 million.

The audit draft report says the Medicaid office did not appear to use controls to be reasonably assured the project would be on time and on budget.

State officials overseeing the project spoke Tuesday to a legislative committee.