

NC Department of Health and Human
Services

Division of Health Benefits

Medicaid Eligibility Monitoring Seminar: Part 1 Social Services Institute

**Office of Compliance and Program Integrity
August 1, 2019**

- **The Good We Do**



“The Gateway Team”

DHB – Eligibility &
Enrollment

County DSS

DHB – OCPI County
QA

DHB – OCPI QA Team

- ❖ County experience
- ❖ Strong Medicaid knowledge
- ❖ Passionate
- ❖ Organized
- ❖ Coachable

Discussion Goals:

- **The mandate of each audit**
- **The purpose as to why it's important to you**
- **The timeframes in preparation**
- **Roles and responsibilities**
- **Procedures/processes of each audit**
- **Financial risk associated with the audits**

Medicaid/NCHC Eligibility Determination Audits

Payment Error Rate Measurement (PERM)

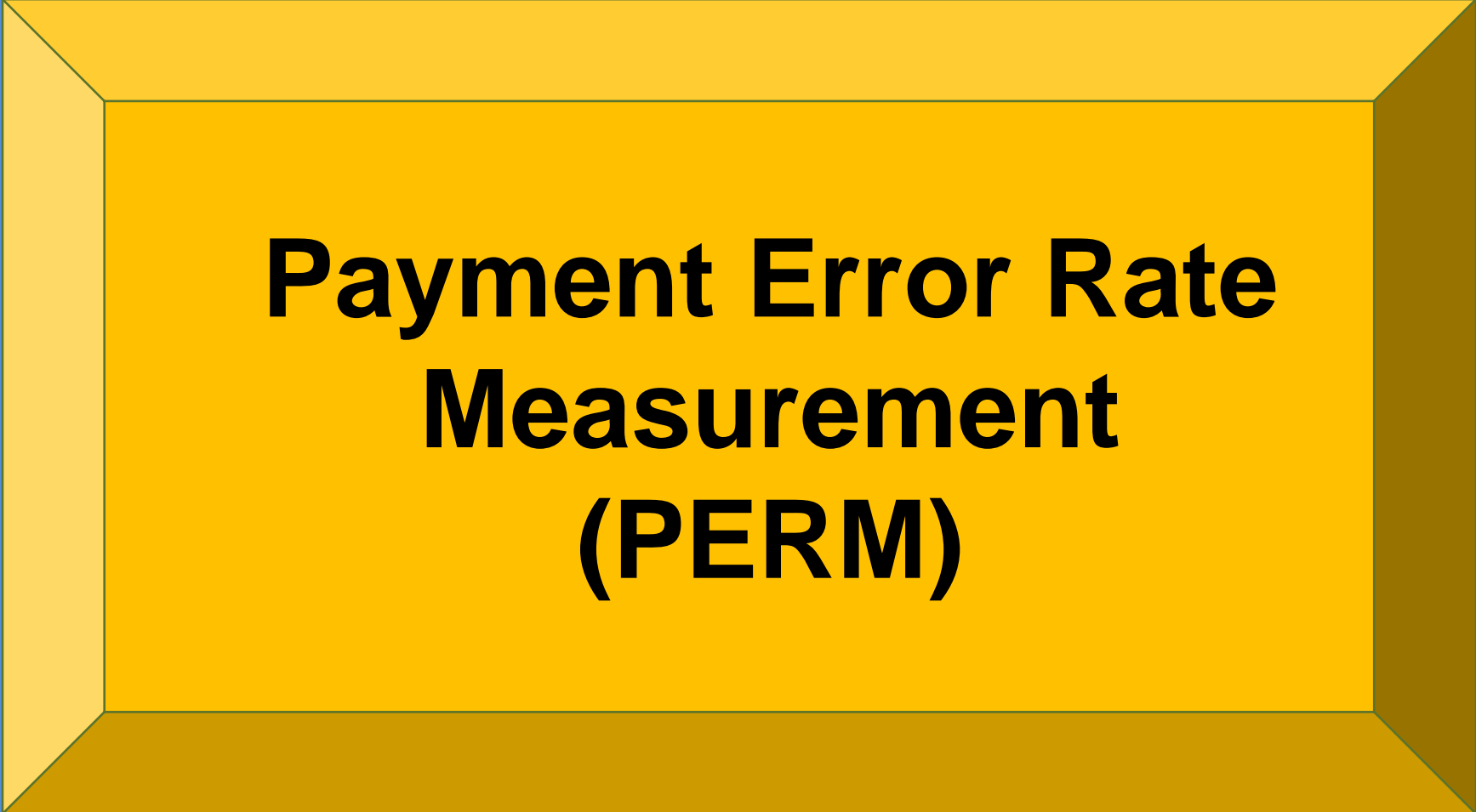
Medicaid Eligibility Quality Control (MEQC)

County Comprehensive Annual Financial Report

Statewide Single Audit

Recipient Eligibility Determination Audit

Q&A Session



**Payment Error Rate
Measurement
(PERM)**

Payment Error Rate Measurement (PERM) Mandate

- **PERM is a federally mandated audit administered by the Centers of Medicare and Medicaid Services (CMS) to satisfy the requirement to estimate the amount of improper payments in Medicaid and NC Health Choice (NCHC)**
- **A combination of 690 Medicaid and NCHC cases are being reviewed for accuracy of eligibility for claims paid in State Fiscal Year (SFY) 2019**

Payment Error Rate Measurement (PERM) Purpose & Timeframes

- **Measure and report an unbiased estimate of the true improper payment rate for Medicaid and NCHC**
- **Counties have been notified of case samples for Quarters 1, 2 and 3 both Medicaid and NCHC**
- **PERM is conducted every three years**
 - **In the off years, MEQC is conducted to allow states to focus in the areas of deficiencies identified through PERM**

Payment Error Rate Measurement (PERM) Auditors

- **Federal Eligibility Review Contractor (ERC)**
- **ERC team consists of Booz Allen Hamilton, Myers & Stauffer LC and The Rushmore Group**
- **ERC has access to NC FAST and various other eligibility systems**

Payment Error Rate Measurement (PERM) Stakeholder Responsibilities

ERC

Conduct Medicaid eligibility determination reviews remotely

Facilitate informational conference calls with OCPI

Provide audit findings to OCPI

OCPI

Liaison between County DSS & ERC

Notify County DSS of cases selected for review

Follow up on ERC requests & questions

County DSS

Upload case documentation and verification to NC FAST

Respond timely to case findings & complete case correction

Utilize OCPI as the liaison to communicate with ERC

Payment Error Rate Measurement (PERM) Process

- **ERC notifies OCPI of case selection**
- **Case samples are quarterly and based upon Medicaid and NCHC payments in SFY 2019**
- **OCPI liaison forwards case selection request to County DSS**
- **County DSS is provided 30 calendar days to upload case documentation and verification in NC FAST**
- **County DSS notifies OCPI liaison information has been uploaded**
- **OCPI liaison notifies ERC case is ready for review**

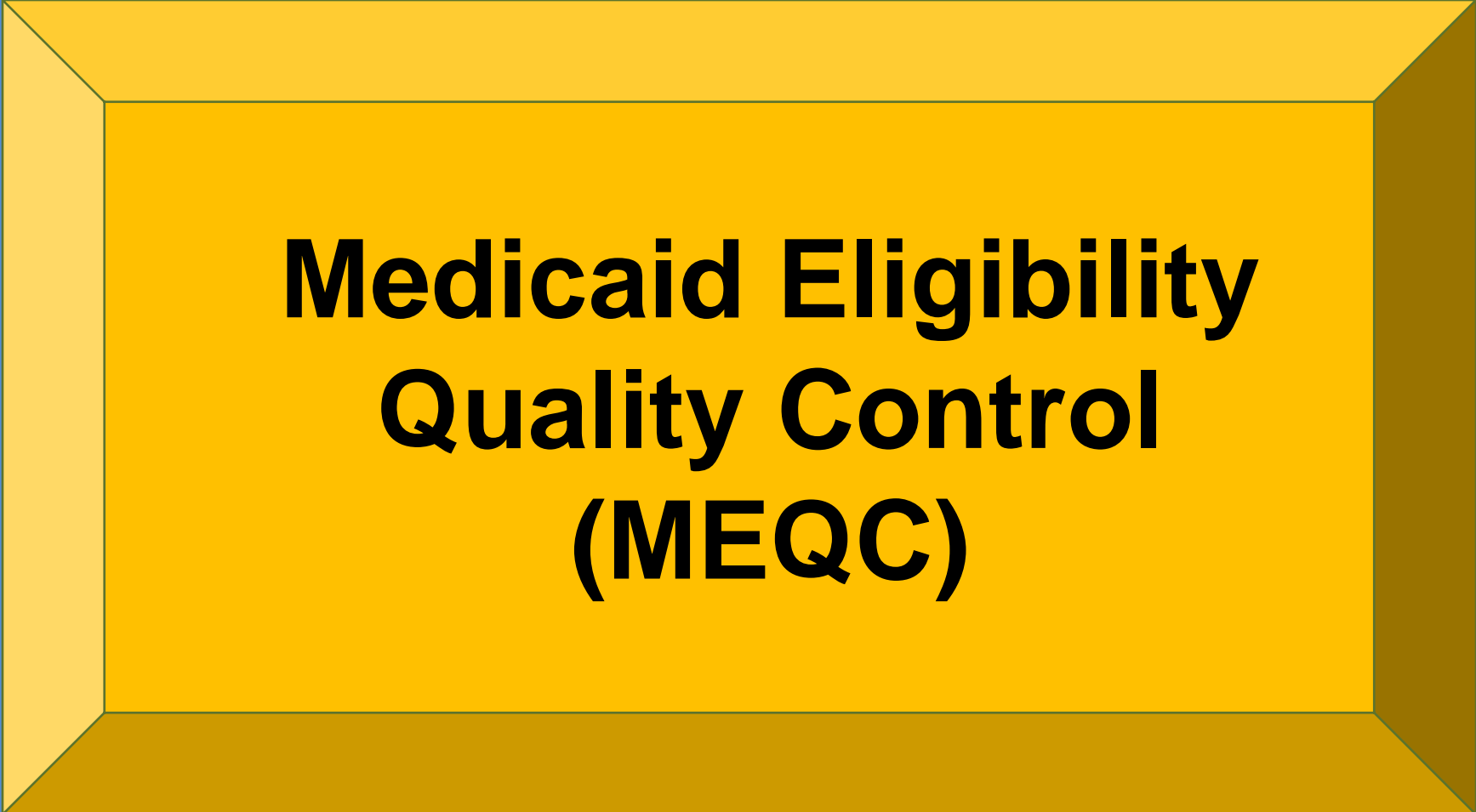
Payment Error Rate Measurement (PERM) Process (Cont'd)

- **ERC may request additional documentation and verification as needed**
- **ERC conducts case review and reports findings to OCPI**
- **Dispute Resolution timeframe 25 workdays**
 - **OCPI liaison notifies County DSS of potential error findings within 1 – 2 workdays**
 - **County DSS has 10 workdays to review findings and respond to OCPI liaison**
 - **OCPI finalizes case findings with County & ERC**
- **Appeal Process timeframe 15 workdays**

Payment Error Rate Measurement (PERM)

Current Status

- **Target Size – 690 Medicaid and NCHC cases**
- **Sample cases for Quarters 1, 2 and 3 have been received with audits currently in process**
- **Approximately 345 cases remaining to be selected**
- **Findings from PERM, thus far**
 - **Cases reviewed to date:**
 - **20 Correct findings**
 - **1 Error finding**



**Medicaid Eligibility
Quality Control
(MEQC)**

Medicaid Eligibility Quality Control (MEQC) Mandate

- **In conjunction with PERM under 42 CFR 431 Subpart Q which states the state must submit information to the Secretary for, among other purposes, estimating improper payment of Medicaid and CHIP**
- **A combination of 800 Medicaid and NCHC cases are being reviewed for accuracy of eligibility determinations for Calendar Year (CY) 2020**

Medicaid Eligibility Quality Control (MEQC)

Purpose and Timeframes

- **MEQC is a follow-up to focus on errors identified in the PERM Review to ensure the corrective action plan enacted is adequate by additional testing during the off years of PERM**
- **MEQC is slated to begin January 2020**

Medicaid Eligibility Quality Control (MEQC) Auditor & Stakeholder Responsibilities

- **QAA**
 - **Conduct Medicaid eligibility determination reviews remotely**
 - **Communicate with County DSS**
- **County DSS**
 - **Upload case documentation and verification to NC FAST**
 - **Respond timely to case findings and corrections**

Medicaid Eligibility Quality Control (MEQC) Tentative Process

- **QA provides County DSS liaison a list of cases each month over the course of twelve months**
- **County DSS has 5 workdays, from receiving list, to upload documentation and verification in NC FAST**
- **QA provides audit findings to County DSS**
- **County DSS has 5 workdays to concur or refute audit findings**
- **County DSS initiates and completes case corrections (with corrective action plan) as soon as possible to eliminate or reduce possible county overpayments**

Medicaid Eligibility Quality Control (MEQC) Overpayment Process

- **Claims paid over the first 3 months or until case corrections**
- **Recoupment letter and invoice sent to county leadership to include:**
 - **County DSS Director**
 - **County Manager and**
 - **County Finance Officer**

Payment due within 60 days

**County Comprehensive
Annual Financial
Report
(CCAFR)**

County Comprehensive Annual Financial Report Mandate

- **Under authority of 42 CFR Section 431.10 and G.S. 108A, “Medicaid Agency is the single State agency for the Medicaid program”**
- **A state may delegate authority to determine eligibility for all or a defined subset of individuals**
- **NC has delegated the Medicaid eligibility determination for Medicaid/NCHC beneficiaries to the county departments of social services**
- **Counties receive federal funding to administer the Medicaid programs**

County Comprehensive Annual Financial Report

Purpose and Timeframes

- **NC has identified Medicaid as major federal programs; therefore, the audits are to ensure federal funds are being used effectively and accurately in eligibility determinations**
- **CCAFR is conducted annually**

County Comprehensive Annual Financial Report

Auditors

- **County responsibility (auditor selection)**
- **The CPA is responsible for testing all aspects of the county's finances, such as assets, liabilities, cash flows, fund balances, and eligibility programs (Medicaid/NCHC, Special Assistance, Adoption Assistance, WIC, Work First, Foster Care, etc.)**
- **The Finance Division through the Local Government Commission coordinates all the eligibility training with DHHS**

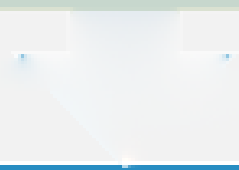
County Comprehensive Annual Financial Report Stakeholder Responsibilities

CPA Firm

Conduct Medicaid eligibility
determination reviews

Communicate with County DSS
w/Entrance & Exit Interviews

Provide audit findings to
OCPI



OCPI

Provide training for CPA Firms

Validate error findings &
calculate recoupment

Provide audit tools to CPA Firms



County DSS

Upload case documentation and
verification to NC FAST

Assign expert to work with the
CPA firms to review issues

Respond timely to case
findings and complete case
correction

County Comprehensive Annual Financial Report Process

- **CPA provides sample to County DSS**
- **Case sample size is determined by each firm based on the risk assessment for each County**
- **CPA conducts the case audits**
- **County DSS works with CPA to resolve findings and answer questions**
- **After testing is complete, the CPA pulls the test results and prepares the draft County Comprehensive Annual Financial Report (Preliminary finding) CCAFR**
- **County Director responds with a CAP on the draft CCAFR**

County Comprehensive Annual Financial Report Process (Cont'd)

- **CPA firms prepare final County Comprehensive Annual Financial Report**
- **Exit conference with the county manager and leadership to discuss the results**
- **CPA provides the findings to OCPI who will validate the results**
- **OCPI currently verifies error corrections are made by counties**
- **Management decision letters issued from Office of Internal Auditors**
- **State collaborates internally to determine state level action**

County Comprehensive Annual Financial Report

Overpayment Process

- **All claims paid in a SFY based on the erroneous eligibility determination**
- **Overpayment letters and invoices are sent out through the DHHS Office of Controller**
 - **County DSS Director**
 - **County Manager and**
 - **County Finance Officer**

Payment due within 60 days

A yellow 3D rectangular box with a blue background. The box has a slight shadow and a beveled edge, giving it a three-dimensional appearance. The text is centered within the box.

Statewide Single Audit

Statewide Single Audit Mandate

- **White House Administration proposal to add additional Medicaid Program Integrity strategies**
 - **Increase beneficiary eligibility oversight**
 - **Increase stronger audits and oversight functions**
 - **Enhance enforcement of state compliance with federal rules**

Statewide Single Audit Purpose and Timeframes

- **Seek to reduce Medicaid improper payments across the state to protect NC tax payer dollars**
- **CMS seeks higher expectation for states to ensure the accuracy and timeliness of Medicaid eligibility determinations and to ensure federal funding at the appropriate federal match rate**
- **Audit is slated to begin August 2019 for SFY 2019**

Statewide Single Audit Auditors

- **OSA will contract with a vendor to conduct case reviews**
- **Vendor will have access to NC FAST to work remotely**
- **Vendor will coordinate with OCPI to provide sample to County DSS**

Statewide Single Audit Stakeholder Responsibilities

- **Vendor/OSA**
 - Conduct Medicaid eligibility determination reviews remotely
 - Provide audit findings to OCPI
- **OCPI**
 - Provide sample and serve as liaison
 - Communicate with County DSS
 - Validate error findings
- **County DSS**
 - Upload case documentation and verification to NC FAST
 - Respond timely to case findings and complete case corrections


Statewide Single Audit Process

- **Vendor notifies OCPI of case selection**
- **The sample size of 700 cases statewide**
- **OCPI liaison forwards case selection request to County DSS**
- **County DSS is provided 5 workdays to upload case documentation and verification in NC FAST**
- **Vendor conducts case review & reports findings to OSA**
- **OSA will reach out to OCPI to validate findings**

Statewide Single Audit Overpayment Process

- **All claims paid in SFY 2019 based on the erroneous eligibility determinations**
- **Overpayment letters and invoices are sent out through the Office of Controller Office**
 - **County DSS Director**
 - **County Manager and**
 - **County Finance Officer**

Payment due within 60 days



**Recipient Eligibility
Determination Audit
(REDA)**

Recipient Eligibility Determination Audit Mandate

- **In response to Senate Bill 14, Session Law 2015-7, OSA conducted the NC Medicaid Program, Recipient Eligibility Determination Audit to examine whether county DSS determined Medicaid eligibility accurately and timely**
- **OSA concluded, in the January 2017 Performance Audit Report, eligibility determinations were not consistently performed and error rates were significant in some counties**
- **Report findings enacted Session Law 2017-57, Audit of County Medicaid Eligibility Determinations (MAGI and Non-MAGI)**

Recipient Eligibility Determination Audit Purpose & Timeframes

- **Only eligible applicants are approved for Medicaid/NC Health Choice benefits 96.8% of the time**
- **Eligible applicants are not denied/withdrawn/terminated 96.8% of the time**
- **The eligibility determination process is free of technical errors, that do not change the outcome of the eligibility determination, 90% of the time**
- **Beginning with Calendar Year 2019, all 100 County DSS must be audited within a 3 year period**

Recipient Eligibility Determination Audit Auditors

- **OCPI's Quality Assurance Analysts (QAA)**
- **Auditors consisting of temporary staff who are retired and former employees of The State of NC and County DSS**
- **All QAA and auditors have access to NC FAST and various other eligibility systems**
- **All QAA and auditors possess an extensive knowledge of NC FAST, Medicaid policy & eligibility monitoring**

Recipient Eligibility Determination Audit Stakeholder Responsibilities

- **OCPI Staff Audit Prep**
 - **Provide training, mentoring, quality control and periodic performance evaluations to temporary auditors**
 - **Provide annual County Audit webinar for onboarding counties each calendar year**
 - **Ensure peer reviews are conducted**

Recipient Eligibility Determination Audit Stakeholder Responsibilities (Cont'd)

- **County DSS**
 - **Identify department liaison for auditor questions/resolutions**
 - **Upload case documentation and verification to NC FAST**
 - **Respond timely to case findings and case corrections**
 - **Attend monthly/quarterly telephone consultations**
 - **Initiate recommendations provided during consultations**

Recipient Eligibility Determination Audit Stakeholder Responsibilities (Cont'd)

- **QAA & Auditors**
 - **Conduct Medicaid eligibility determination reviews remotely**
 - **Communicate with County DSS**
 - **Provide monthly audit findings to County DSS**
 - **Review and finalize case rebuttals**
 - **Share audit findings and trends to Medicaid Eligibility Services and OST**
 - **Collaborate with key stakeholders in developing Joint State/County DSS Accuracy Improvement Plans**
 - **Report audit findings to DHHS Leadership and NC General Assembly**

Recipient Eligibility Determination Audit Process

- QA provides County DSS liaison a list of 20 cases each month over the course of ten months**
- County DSS has 5 workdays, from receiving list, to upload documentation and verification in NC FAST**
- QA conducts case audits for the prior month's actions**
- QA provides audit outcomes of correct, eligibility errors and internal control findings to County DSS**
- County DSS has 5 workdays to concur or refute audit findings**

Recipient Eligibility Determination Audit Process (Cont'd)

- **County DSS initiates and completes case corrections (with corrective action plan) as soon as possible to eliminate or reduce possible county overpayments**
- **QA conducts monthly/quarterly telephone consultation with County DSS to discuss summary of findings**
- **Provide cumulative *adjusted* error rates to County DSS quarterly and at conclusion of audit**
- **Implement Joint Accuracy Improvement Plan, as needed**

Recipient Eligibility Determination Audit Overpayment Process

- **Claims paid from the erroneous eligibility period until case corrections completed**
- **Recoupment letter and invoice sent to county leadership to include:**
 - **County DSS Director**
 - **County Manager and**
 - **County Finance Officer**

Payment due within 60 days

Coming Soon! Monitoring of Reports

Monitoring to ensure compliance with working reports timely and accurately, such as,

- **Recipient on Review**
- **SDX**
- **PARIS**

Questions

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Future Questions

Office of Compliance and Program Integrity

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