



North Carolina Department of Health and Human Services
Division of Medical Assistance

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Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Craig L. Gray, MD, MBA, JD, Director

January 19, 2010

**Re: Quality Assurance Referral
Procedures**

Dear County Director of Social Services:

As part of the response to findings from audits conducted for FY 2008, the Office of the State Auditor requires amendments related to the QC corrective action process. They have requested changes to the QC error forms and procedures used to document county action taken to correct errors found during QC reviews.

DMA management has agreed to amend the QC error forms and outline the QC reporting process in this letter. As part of the amendments, the DMA-7003, Corrective Action Report, will now contain a section for signature and documentation by the Medicaid Program Representative that QC findings have been reviewed with the county and corrective action has taken place.

This information is being published in DCDSS format to ensure that the procedure for findings, corrective action and reporting are available to county and state staff as needed. Attached you will find an overview of the QC reporting process and copies of the revised forms.

Please note that instructions related to the Payment Error Rate Measurement (PERM) will be communicated separately from the information found in this letter.

Please direct questions to your Medicaid Program Representative.

Sincerely,

Craig L. Gray, MD, MBA, JD



QC ERROR LETTER NOTIFICATION PROCESS

Active Errors - Agency Only Error & Agency and Client Combined Error (excluding overstated liability errors):

STEP 1

- For all cases with agency responsible errors or agency/client responsible errors (excluding overstated liability errors), the QC Supervisor will **Zixmail** the Active Case Potential Error Report (DMA-7001) to the DSS and the MPR.
- The DSS has three work days to respond either by concurring or rebutting **via Zixmail**. The response is submitted on the DMA-7001 in the space provided along with evidence to support the rebuttal. **Submit evidence via fax if necessary**. The county must copy the MPR on any rebuttals submitted to QC.
- Once the rebuttal is received, QC will evaluate the rebuttal information provided by the DSS. The QC Supervisor notifies the DSS via the DMA-7001 of the final decision **via Zixmail**.
- If the QC Supervisor agrees that there is no error, the case will be entered as a correct case in the QC database. A computer generated letter will be sent to the county notifying them that the case was cited as correct for the QC review month.
- If the final decision results in a finding of an error, or the DSS concurred with the original finding or failed to respond, the QC Supervisor prepares a DMA-7002, Active Case Error Final Report and a DMA-7003, Corrective Action Report and forwards the case to the QC Assistant Chief for review and to finalize the error.

STEP 2

- Upon completion of the final review, the finalized Active Case Error Final Report (DMA-7002) along with the Corrective Action Report (DMA-7003) is sent **via Zixmail** to the DSS, the Field Staff Supervisor, and the MPR.
- The Corrective Action Report (DMA-7003) must be completed by the DSS and returned **via Zixmail** to QC and a copy sent **via Zixmail** to the MPR within 60 days of receipt of the DMA-7003.
- The MPR must follow up with the DSS within the 60 day period to ensure any corrective action has been implemented and will sign off on the form and return a copy to QC **via Zixmail**.
- QC will keep both copies in the record.

Active Errors - Client Only Errors for all types of errors and Agency Responsible overstated liability errors:

- There is no rebuttal process for client only errors or overstated liability errors.
- The Active Case Error Final Report (DMA-7002), along with the Corrective Action Report (DMA-7003), is sent **via Zixmail** to the DSS, the Field Staff Supervisor, and the MPR.
- The Corrective Action Report (DMA-7003) must be completed and returned **via Zixmail** to QC and a copy sent **via Zixmail** to the MPR within 60 days of receipt of the DMA-7003.
- The MPR must follow up with the DSS within the 60 day period to ensure any corrective action has been implemented and will sign off on the form and return to QC **via Zixmail**.
- QC will keep both copies in the record.

Negative Errors:

- There is no rebuttal process for negative errors.
- The Negative Case Error Final Report (DMA-7004), along with the Corrective Action Report (DMA-7003), is sent **via Zixmail** to the DSS, the Field Staff Supervisor, and the MPR.
- The Corrective Action Report (DMA-7003) must be completed and returned **via Zixmail** to QC and a copy sent **via Zixmail** to the MPR within 60 days of receipt of the DMA-7003.
- The MPR must follow up with the DSS within the 60 days to ensure any corrective action has been implemented and will sign off on the form and return **via Zixmail** to QC.
- QC will keep both copies in the record.

Listing of Attached Forms:

DMA-7001 (Revised 01/2010) - NOTICE OF ACTIVE CASE POTENTIAL ERROR

DMA-7002 (Revised 01/2010) - ACTIVE CASE ERROR FINAL REPORT

DMA-7003 (Revised 01/2010) - DEPARTMENT OF SOCIAL SERVICES CORRECTIVE
ACTION REPORT

DMA-7004 (Revised 01/2010) – NEGATIVE CASE FINAL ERROR REPORT

North Carolina Division of Medical Assistance – Quality Assurance

NOTICE OF ACTIVE CASE POTENTIAL ERROR

Response due by _____ .

FAX TO: (919) 715-7706, ATTENTION:
or RESPOND VIA ZIXMAIL to _____

***If this form is not received by the due date, the error stands as described below.

Date:

To:

County Department of Social Services

Case Name:	EIS Case ID #:
QC Review Month:	QC Review #:
Program/Category:	Last Action: Eff. Date:

- Entire Case Ineligible Ineligible for _____ but eligible for _____
 Certain Persons Ineligible Liability Overstated Liability Understated

Agency Error Found

Cause of Error(s):

Manual Citation(s):

Client Error Found

Cause of Error(s):

Manual Citation(s):

(Note: If a case error is a combination of both Agency and Client errors, the Client Error cannot be rebutted. Overstated liabilities cannot be rebutted.)

Summary of Findings:

Reviewers: _____, Quality Assurance Analyst
 _____, Quality Assurance Supervisor

County's Response: (Check One) Concur with Finding Rebut (Explain)

**Note: Please fax proof/documentation/verification, etc. to support rebuttal. Fax to: _____, QC Supervisor, at 919-715-7706.*

Reason for Rebuttal:

Name: _____ Title: _____ Date: _____

Quality Assurance Response to Rebuttal:

QC Supervisor: _____ Date: _____

CC: _____, MPR
Jon York, MPR Field Supervisor

North Carolina Division of Medical Assistance – Quality Assurance

ACTIVE CASE ERROR FINAL REPORT

Date:

To:

County Department of Social Services

Case Name:	EIS Case #:
QC Review Month:	QC Review #:
Program/Category:	Last Action: Eff. Date:

- Entire Case Ineligible Ineligible for _____ but eligible for _____
 Certain Persons Ineligible Liability Overstated Liability Understated

Agency Error Found

Cause of Error(s):

Manual Citation(s):

Client Error Found

Cause of Error(s):

Manual Citation(s):

Summary of Findings:

Reviewers: _____, Quality Assurance Analyst
 _____, Quality Assurance Supervisor

Suggested Corrective Action:

CC: _____, MPR
 Jon York, MPR Field Supervisor
 _____, QCA

North Carolina Division of Medical Assistance – Quality Assurance

**DEPARTMENT OF SOCIAL SERVICES
CORRECTIVE ACTION REPORT**

County:	Date:
Case Name:	EIS Case ID #:
QC Review Month:	QC Review #:

<i>County's Response</i> (Please complete all information)	
Error Corrected:	<input type="checkbox"/> Yes If checked, describe action taken. <input type="checkbox"/> No If checked, explain reason no correction was made.
Corrective Action Taken:	<input type="checkbox"/> Yes If checked, describe action taken. <input type="checkbox"/> No If checked, explain reason no correction was made.

Name:	Title:	Date:
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ZixMail Response to: _____ at _____@dhhs.nc.gov
, MPR at _____

DESCRIPTION OF CORRECTIVE ACTION PLAN FOLLOWUP
(To Be Completed by MPR):

MPR:

Date of Contact with DSS:

North Carolina Division of Medical Assistance – Quality Assurance

NEGATIVE CASE FINAL ERROR REPORT

Date:

To:

County Department of Social Services

Case Name:	EIS Case ID #:
QC Review Month:	QC Review #:
Program/Category:	County:

Advance Notice Requirements: <input type="checkbox"/> N/A <input type="checkbox"/> Met <input type="checkbox"/> Not Met
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Case Record Indicates: <input type="checkbox"/> Correct Action; however, <input type="checkbox"/> Documentation Problems Found <input type="checkbox"/> Verification Problems Found <input type="checkbox"/> Policy Problems Found <input type="checkbox"/> Other; Explain: <input type="checkbox"/> Incorrect Action, due to: <input type="checkbox"/> Application Denied in Error <input type="checkbox"/> Case Terminated in Error
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Description of Error Finding(s): Manual Citation(s):
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SUGGESTED CORRECTIVE ACTION

Reviewers: _____, Quality Assurance Analyst _____, Quality Assurance Supervisor
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cc: _____, MPR
Jon York, MPR Field Supervisor
_____, QCA

