

# **Medicaid Administrative Claiming for Adults and Children (MAC) Compliance Monitoring Plan (Draft)**

## **Purpose**

The purpose of this compliance monitoring plan (henceforth as the plan) is to establish monitoring objectives and processes for Medicaid Administrative Claiming for Adults and Children (MAC). This monitoring plan (monitoring henceforth is synonymous with auditing) will ensure that utilization of this funding source results in compliance with applicable federal and state laws and regulations. The plan will help to ensure the integrity of claiming allowable activities that supports a Medicaid beneficiary and a non-Medicaid beneficiary to access and receive Medicaid covered services under the Medicaid State Plan Amendment (SPA). The plan will also provide baseline data to determine if MAC is applied and evaluated appropriately. The results will be derived cumulatively using the monitoring tool. The cumulative results gathered from all counties monitored may show areas of performance that may require additional consultation and training.

## **About Medicaid Administrative Claiming**

Medicaid Administrative Claiming provides reimbursement to County Departments of Social Services (CDSS) for administrative activities that directly support efforts to identify and enroll eligible clients into Medicaid, to refer, coordinate and monitor services covered by Medicaid, to remove barriers to accessing Medicaid services and to reduce gaps in Medicaid service.

Medicaid covered services are those Medicaid services in North Carolina's Medicaid State Plan. If a CDSS assists an individual to enroll in Medicaid, or obtain a Medicaid service it is likely these activities would be reimbursable according to federal MAC guidelines.

Medicaid administrative costs are allowed as claimable under Title XIX of the Social Security Act. Title XIX authorizes federal reimbursement to states for quarterly expenditures for medical assistance under the approved Medicaid State Plan, and for expenditures necessary for administration of the state plan. This joint federal-state financing of expenditures is described in section 1903(a) of the Social Security Act and sets forth the rates of federal financing for different types of expenditures. Furthermore, Title 42 CFR Part 433.15 provides the most detailed compendium on Medicaid administrative activities as allowed through Title XIX.

Medicaid Administrative Claiming is reimbursable Medicaid administrative activities performed by CDSS. It is used for both adults and children. The Division of Aging and Adult Services (DAAS) and Division of Social Services (DSS) are responsible for carrying out monitoring of MAC.

Approved MAC reimbursable activities are:

- Arranging for Transportation to Access Medical Services
- Facilitating Medicaid Program Eligibility Determination
- Medicaid Outreach and Public Awareness
- Referral, Coordination, and Monitoring of Medicaid Services

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## **Monitoring Staff**

Staff of DMA, DAAS and DSS is responsible for monitoring MAC. DAAS and DSS are responsible for management and oversight of all aspects of MAC and monitor CDSS adherence to federal MAC guidelines. DMA establishes and updates procedures for the administration and operation of MAC.

## **Performance measures reported semiannually as described in the MAC Intra-Departmental Memorandum of Agreement (IMOA).**

1. The number and names of counties claiming MAC;
2. The number and names of counties monitored during the previous period;
3. Total number of claims for each MAC code reviewed per county during the reporting period, and the percent of claims found in compliance
4. Number and percent of claims that were billed (as described in measure #3) to non-reimbursable activities necessitating a payment adjustment referral (PAR).
5. Number of counties with monitoring errors that required a corrective action plan;
6. Number and percent of counties with a completed corrective action plan remedying all corrective actions from the previous reporting period (if applicable);

## **Monitoring Tools**

MAC monitoring is responsible for maximizing compliance with federal statutes<sup>1</sup> dealing with utilization, documentation and financial reporting of MAC activities. In using the monitoring tool, DMA through its partners monitor activities under five (5) separate-areas including:

1. Required documents to claim MAC activities;
2. Requirements for Referral, Coordination and Monitoring (SIS Code 340)
3. Requirements for Facilitating an Application for the Medicaid Program (SIS Code 341)
4. Requirements for Outreach for Medicaid Services (SIS Code 342)
5. Requirements for Arranging Transportation Services for Clients to Access Medicaid Services (SIS Code 343)

The MAC monitoring tool and instructions are included with this compliance monitoring plan.

## **Monitoring Schedule**

Desk reviews and on-site monitoring of MAC activities will begin in State Fiscal Year 2015 (SFY'15). Management and monitoring staff of DAAS and DSS will determine the schedule for CDSS monitoring. MAC monitoring will be scheduled in conjunction with other planned program monitoring.

Desk reviews and on-site monitoring are conducted in accordance to the monitoring schedule established by DAAS and DSS. Each county will be provided and presented with an On-site Monitoring Notification letter at least 30 days prior to an audit review. According to the established monitoring schedules, DSS will

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<sup>1</sup> Section 1903(a)(7) of the Social Security Act; CFR §433.15

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monitor 33-34 counties each SFY and DAAS will monitor 25 counties each SFY. Access to the respective plans can be located through these links:

DAAS: [http://www.ncdhhs.gov/aging/monitor/DAAS\\_MonitoringPlan.pdf](http://www.ncdhhs.gov/aging/monitor/DAAS_MonitoringPlan.pdf)

DSS: [http://www.ncdhhs.gov/dss/Monitoring/docs/NC%20DSS%20Monitoring%20Plan-SFY10\\_11.pdf](http://www.ncdhhs.gov/dss/Monitoring/docs/NC%20DSS%20Monitoring%20Plan-SFY10_11.pdf)

### **Monitoring Sample**

Monitoring staff of Adult Services and Family Support/Child Welfare Services will monitor a representative sample of claimed MAC activities. The claims to be reviewed are selected using a simple random sample method. Each CDSS is required to achieve a minimum ninety-five percent (95%) success rate based on the sample of claims monitored. Any CDSS with an error rate below this standard value is subject to corrective action. In the event that there are fewer claims to be monitored than the sample size, all available claims will be monitored.

**Important Note:** The success rate based on the sample of claims monitored is irrespective of a CDSS financial liability of payment adjustments for disallowed claims. All non-reimbursable activities discovered during an audit are subject to repayment in accordance to MAC guidelines.

### **Monitoring Process**

Claims will be reviewed using the standardized MAC monitoring tool. CDSS will be notified of the sample of claims selected for review prior to the scheduled monitoring dates. Monitoring will occur by desk review or on-site at the county department of social services in order to review the documentation for the claims identified in the sample.

### **Reporting Findings and Follow-up**

Once the desk review or on-site monitoring is completed, results, as determined through the use of the MAC Compliance Monitoring Tool, will be summarized and communicated to the county during the exit conference. An audit summary letter will be sent to the counties according to the respective monitoring plans to identify their success rate and any areas indicating a need for corrective action.

Staff conducting the monitoring will compile the findings and provide the findings to the CDSS to develop a corrective action plan if needed and respective Division staffs will arrange additional training or technical assistance to address specific problems. Adult and Children's Programs Representatives (APRs and CPRs), assigned to CDSS will follow up on the plan to assure all areas needing remediation have been addressed and completed.

Aggregate results of the monitoring will be reported to DMA on an ongoing basis. The results will represent problems identified and areas where additional training and consultation are required. The results will establish a baseline to assist in determining level of risk due to inappropriate utilization of MAC.

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**Ongoing Monitoring of MAC**

After cumulative data from the first six months of the initial implementation of this monitoring tool are collected, the monitoring plan may be adjusted to increase or decrease the sample size depending upon results of the monitoring. On-going evaluation of the sample size will be addressed on a quarterly basis as outlined in the MAC Intra-departmental Memorandum of Agreement

**Maintenance of Monitoring Documentation**

Monitoring tools, written reports and related correspondence for MAC monitoring will be maintained by DMA, DAAS and DSS according to record retention schedules.