

NC Department of Health and Human Services
NC Medicaid

Medicaid Eligibility Determinations County Audit Plan

Office of Compliance and
Program Integrity

February 2019

Vision

- **Ensure benefits are provided only to those individuals eligible for Medicaid and NC Health Choice benefits**
- **Identify and eliminate ineligible individuals from receiving Medicaid and NC Health Choice benefits**



Content

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- **Accuracy Standards**
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Background Performance Audit 2017

- **Office of the State Auditor (OSA) conducted a Medicaid eligibility determination in 10 selected counties**
- **Report noted eligibility determinations were not consistently performed and error rates were significant in some counties**
- **Findings enacted NC Session Law 2017-57 Section 11H.22., Audit of County Medicaid Determinations:**
 - **Develop accuracy and quality assurance standards**
 - **Develop an audit plan to review and evaluate the counties' performance in relation to the standards**

Session Law 2017-57 Components

"§ 108A-70.46	Audit of County Medicaid Determinations
"§ 108A-70.47	Medicaid Eligibility Determination Processing Accuracy Standards
"§ 108A-70.48	Quality Assurance
"§ 108A-70.49	Corrective Action
"§ 108A-70.50	Temporary Assumption of Medicaid Eligibility Administration
"§ 108A-70.51	Reporting

Accuracy Standards

- **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- **Eligible applicants are not denied/withdrawn/terminated 96.8% of the time**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**

Accuracy Rate Approach

- **Number of cases cited in error divided by the number of cases reviewed (per accuracy standard)**
- **Monthly stats provided to allow county to conduct policy training for improvement over the annual audit reporting cycle**
- **Annual accuracy rate provided at the completion of the county audit**

Strategic Plan Development



- **Developed and tested audit workbook and reporting process**
- **Results shared with Medicaid Eligibility Services (MES) and Operational Support Team (OST) for input**
- **OCPI/QA conducted a Quality Assurance Training for County DSS/Local Entity staff (August 2018)**
- **Collaborations:**
 - **County DSS Director's Association**
 - **Economics Program Committee**
 - **NC FAST (access, training and document management)**
 - **Operational Support Team**
 - **Medicaid Eligibility Services**

County Audit Process

Sample Methodology Options Considered:

1. Pull one sample annually for accuracy rate percentage
2. Pull quarterly sample for accuracy rate percentage
3. Pull monthly sample for accuracy rate percentage

Option 3 selected

Monthly sample will provide the County DSS/Local Entity the proactive opportunity to improve their annual accuracy rate

County Audit Process – Cont'd

- **Option 3 will be implemented as follows to determine the annual accuracy rate**
- **NC FAST generates a random sample of cases monthly**
- **20 cases (10 active & 10 negative) consisting of:**
 - **Combination MAGI/Non-MAGI**
 - **Application Approvals**
 - **Denials/Withdrawals**
 - **Redetermination Approvals**
 - **Terminations**

County Audit Process - Cont'd

- **List of cases will be provided to County DSS/Local Entity's Director and identified staff**
- **Counties have 5 business days to scan any additional evidence into NC FAST to verify eligibility upon receiving the list of cases**
- **Preliminary & Final Process for Errors Cited**
 - **Counties will be given 5 business days to refute errors**
 - **State will make final decision on errors cited**
 - **Counties will have 30 calendar days to provide verification of case correction**

NOTE: The auditor will work remotely and have access to eligibility information in NC FAST only

County Audit Process - Cont'd

A total of 200 cases for each County DSS/Local Entity

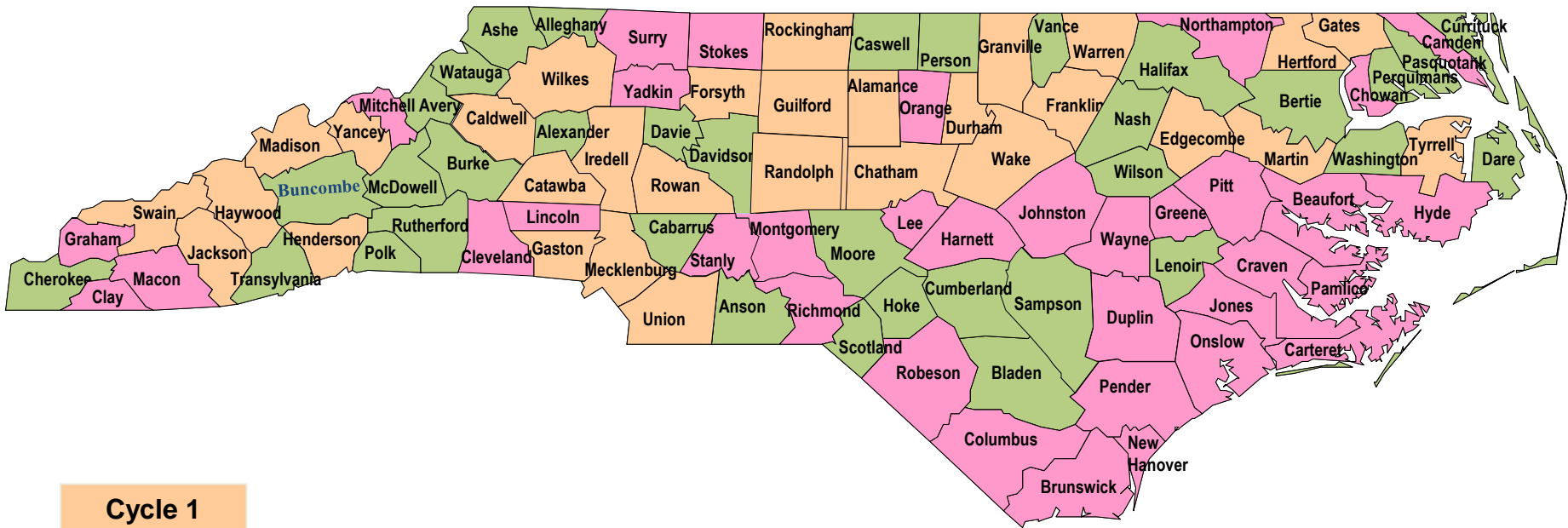
Cycle 1	Cycle 2	Cycle 3
Calendar Year 2019	Calendar Year 2020	Calendar Year 2021
30 Counties	35 Counties	35 Counties

20,000 cases reviewed over 3 year audit plan

County Prioritization Criteria

- Prior Single Audit Compliance results SFYs 2016 & 2017**

County Cycle Assignment



County Cycle Assignment

CYCLE 1 2019 Calendar Year

Alamance	Caldwell	Catawba	Chatham	Durham
Edgecombe	Forsyth	Franklin	Gaston	Gates
Granville	Guilford	Haywood	Henderson	Hertford
Iredell	Jackson	Madison	Martin	Mecklenburg
Randolph	Rockingham	Rowan	Swain	Tyrrell
Union	Wake	Warren	Wilkes	Yancey

County Cycle Assignment

CYCLE 2 2020 Calendar Year

Alexander	Alleghany	Anson	Ashe	Avery
Bertie	Bladen	Buncombe	Burke	Cabarrus
Caswell	Cherokee	Cumberland	Currituck	Dare
Davidson	Davie	Halifax	Hoke	Lenoir
McDowell	Moore	Nash	Pasquotank	Perquimans
Person	Polk	Rutherford	Sampson	Scotland
Transylvania	Vance	Washington	Watauga	Wilson

County Cycle Assignment

CYCLE 3 2021 Calendar Year

Beaufort	Brunswick	Camden	Carteret	Chowan
Clay	Cleveland	Columbus	Craven	Duplin
Graham	Greene	Harnett	Hyde	Johnston
Jones	Lee	Lincoln	Macon	Mitchell
Montgomery	New Hanover	Northampton	Onslow	Orange
Pamlico	Pender	Pitt	Richmond	Robeson
Stanly	Stokes	Surry	Wayne	Yadkin

Questions



Contractor Solution and Preparation

- **Contractor - Vanguard Professional Staffing**
 - **Existing Medicaid eligibility & NC FAST experience**
 - **Conducted Medicaid reviews for Office of the State Auditor**
- **NC FAST Training/Access**
- **Medicaid Eligibility Policy Training**
- **Quality Assurance Training**

Contractor Solution and Preparation – Cont'd

Contractor Tools

- Reporting documents prepared by contractor
 - DMA-7002CA (Case Findings Report)
 - DMA-7001CA (County Department Error Response)
 - DMA-7005CA (Case Correction Verification)
- During the first two months of the audit process, OCPI/QA will conduct a targeted review the Contractor's eligibility determination and identification of errors prior to the Contractor's notification to the County DSS/Local Entity (part of the State's quality control review)
- After the first two months of the audit process, OCPI/QA will conduct quarterly random quality checks on the Contractor's accuracy

Case Findings

Correct Case

- **DMA-7002CA Case Findings Report**
 - **Auditor sends FINAL DMA-7002CA to County DSS/Local Entity, OCPI/QA and OST**
 - **No further action required on the case**

Case Findings

Preliminary Error

- **DMA-7002CA Case Findings Report & DMA-7001CA County Department Error Response**
 - **Auditor sends Preliminary DMA-7002CA & DMA-7001CA to County DSS/Local Entity OCPI/QA and OST**
 - **County DSS/Local Entity has 5 work days to respond to the auditor with a concurrence or rebuttal using the DMA-7001CA**

Rebuttal Process

Rebuttal Not Requested

- **County DSS/Local Entity returns DMA-7001CA within 5 work days to concur with the error finding**
 - **Auditor sends FINAL DMA-7002CA with the DMA-7005CA to the County DSS/Local Entity, OCPI/QA and OST**
 - **The County DSS/Local Entity has 30 calendar days or less to provide verification of case correction to the auditor**

NOTE: Delays in making case corrections may result in a possible increase of county responsible overpayment amounts. Immediate action is crucial in reducing additional months of ineligibility and/or erroneous claims/overpayments for cases where eligibility was incorrectly determined

Rebuttal Process

Rebuttal Requested – Error Stands

- **County DSS/Local Entity returns DMA-7001CA within 5 work days to refute the error finding**
- **Auditor sends the DMA-7001CA rebuttal request to the QA Manager/Lead Analyst to review and render a final decision**
- **If the error finding stands, the DMA-7001CA is updated by the QA Manager/Lead Analyst and returned to the auditor**
- **Auditor sends FINAL DMA-7002CA with the DMA-7001CA & DMA-7005CA to the County DSS/Local Entity, OCPI/QA and OST**
- **The County has 30 calendar days or less to provide verification of case correction to the auditor**

NOTE: Delays in making case corrections may result in a possible increase of county responsible overpayment amounts. Immediate action is crucial in reducing additional months of ineligibility and/or erroneous claims/overpayments for cases where eligibility was incorrectly determined

Rebuttal Process

Rebuttal Requested – Error Overturned

- **County DSS/Local Entity returns DMA-7001CA within 5 work days to refute the error finding**
- **Auditor sends the DMA-7001CA rebuttal request to the QA Manager/Lead Analyst to review and render a final decision**
- **If the error finding is overturned, the DMA-7001CA is updated by the QA Manager/Lead Analyst and returned to the auditor**
- **Auditor sends a revised FINAL DMA-7002CA with the DMA-7001CA to the County DSS/Local Entity, OCPI/QA and OST**

Reporting Process

- **Contractor will provide monthly status on the county's accuracy and quality standards**
- **At the completion of the 10 month audit process, the county will be provided their annual accuracy rate**
- **The Department will submit an annual report to the Joint Legislative Oversight Committee on Medicaid and Health Choice detailing the county's performance under the Audit of County Medicaid Determinations**

Questions



Recoupment Methodology

County Overpayment Calculation

The state will conduct a review of state expenditures paid for the month of initial determined eligibility through the month of case correction/termination to calculate the overpayment

County Overpayment Calculation – Cont'd

Application Example

When Sample Month falls within the certification period for the action under review

- **1/07/2019 application date**
- **Approved on 2/21/2019 for an Authorization Period of 1/01/2019-12/31/2019**
- **Case is pulled in 3/2019 for sample month 2/2019, beneficiary determined not eligible**
- **Payment Review Month starts with 1/2019 (month of application)**
- **All state expenditures pulled for Dates of Service from 1/2019 through the month of case correction are subject to county overpayment recoupment**

County Overpayment Calculation – Cont'd

Redetermination Example

When Sample Month does not fall within the certification period for the action under review – future eligibility being determined

- **2/21/2019 for an ex parte redetermination**
- **Approved on 2/21/2019 for an Authorization Period of 4/1/2019-3/31/2020**
- **Case is pulled in 3/2019 for sample month 2/2019, beneficiary not eligible for new authorization period**
- **Payment Review Month starts with 4/2019 (month of new authorization)**
- **All state expenditures pulled for Dates of Service from 4/2019 through the month of case correction are subject to county overpayment recoupment**

Questions



Joint Accuracy Improvement Plan (AIP)

- **If a County DSS/Local Entity's annual audit results do not meet the accuracy standards, an AIP will be implemented**
- **Key Stakeholders for developing the AIP**
 - **County DSS/Local Entity (Director and Identified staff)**
 - **NC Medicaid Office of Compliance & Program Integrity**
 - **NC Medicaid Operational Support Team**
 - **NC Medicaid Eligibility Services**

Responsibilities & Review Process Quality Assurance Team – OCPI/QA

- **Contractor consultation**
- **Conduct contractor quality assurance training**
- **Evaluate preliminary error findings**
- **QA Manager/Lead Analyst review rebuttal requests**
- **Report findings to OST/MES**
- **Joint State/Local Agency Accuracy Improvement Plan (QA, OST, MES & County DSS/Local Entity)**
- **Evaluate contractor's performance to include**
 - **Accuracy Standards**
 - **Timeframes**

Responsibilities & Review Process

Quality Control Contractor

- **Conduct Medicaid eligibility determination reviews, in accordance with OCPI/QA review guidelines and operation processes, utilizing program review tools**
- **Communicate with the County DSS/Local Entity liaison identified by the county**
- **Provide monthly audit findings to the County DSS/Local Entity**
- **Forward all County DSS/Local Entity communications to OCPI/QA within required timeframes**

Responsibilities & Review Process County DSS/Local Entity

- **Identify a county liaison for contractor questions/resolutions**
- **Ensure all case documentation and verification is available in NC FAST**
- **Make case corrections as stipulated in the audit finding results documents (DMA-7001CA, DMA-7002CA & DMA-7005CA) within 30 calendar days or less**
- **Take proactive opportunity to improve annual accuracy rate**

Questions



Resource Links to Reference

Session Law 2017-57, Section 11H.22.(e)

[SL 2017-57, Section 11H.22.\(e\) - Report on Support Improvement in the Accuracy of Medicaid Eligibility Determinations Audit of County Medicaid Determinations](#)

Dear County Director Letter (DCDL), January 23, 2019:

Audit of County Medicaid Eligibility Determinations

<https://medicaid.ncdhhs.gov/director-social-services-letters>

Terminal Message, January 25, 2019:

DCDL Audit of County Medicaid Eligibility Determinations and Webinar Schedule

<https://lists.ncmail.net/mailman/listinfo/dssterminalmessage>

Medicaid Eligibility Determinations County Audit Plan Webinar

<https://medicaid.ncdhhs.gov/training>

Additional Resource Links to Reference

Eligibility Review Document – Auditor’s Tool for Single Audit

https://files.nc.gov/ncdma/documents/files/Dear_County_2017_04_19_Update_2.pdf

Second Party Review Tool (DMA 7078)

<https://www2.ncdhhs.gov/info/olm/forms/dma/DMA-7078.pdf>

Future Questions

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