NC Department of Health and Human Services

Accuracy Improvement Plan (AIP)
Recipient Eligibility Determination Audit (REDA)
Cycle 2 Counties, Calendar Year 2020

Office of Compliance and Program Integrity

October 15, 2021
Today’s Talking Points

• REDA Cycle 2 Standings
• Initial Joint Meeting with Key Stakeholders
• AIP Development & Approval
• Implementation, Immersion, & Monitoring of AIP
• Auditing of Cases & Case Correction Process
• Successful Closeout or Extension of AIP
• Individual County AIP Timeline
• AIP Cycle 1 Lessons Learned
• Internal Controls for Compliance
REDA Cycle 2 Standings
35 Counties CY 2020

9 Counties
26%

26 Counties
74%

https://medicaid.ncdhhs.gov/reports/transformation-reports/legislative-reports
Initial Joint Meeting with Key Stakeholders
Required Representatives

• **County**
  - County DSS Director
  - County DSS Medicaid Leadership
  - County Manager
  - County Commissioner Chair or Designee
  - County DSS Board Chair or Designee

• **State**
  - Office of Compliance and Program Integrity’s (OCPI) AIP Lead & AIP Representative
  - Operational Support Team (OST) Representative
Initial Joint Meeting with Key Stakeholders
Roles & Responsibilities

• **OCPI**
  - Schedule and facilitate meeting
  - Brief presentation on the background of the REDA audit including the County’s individual audit results
  - Key reminders

• **County**
  - Present an overview of the County’s current corrective action measures implemented and results
  - Submit a draft copy of the agency’s accuracy improvement plan (AIP Template)

• **OST**
  - Case correction process
  - Serve as Subject Matter Expert (SME) for Medicaid Policy questions
Stages of the “AIP Plan”
AIP Development

• **County DSS Liaison & AIP Representative Consultations**
  • Assess the risk areas identified in the REDA audit
  • Review measures implemented or will be implemented
  • Review progress and continued challenges
  • Implement/revise measures for SUSTAINABLE results in meeting the federally required accuracy rates of 96.8%

**WHO?**

**WHAT?**

**HOW?**

**WHEN?**
Approval of AIP

• **A County’s AIP MUST Clearly Incorporate and Define:**
  - List of identified errors & the root cause of the errors
  - Responsible staff & their role in the process
  - Dates when new controls were/will be implemented
  - Timeframes to reassesses the new controls & progress
  - Internal monitoring plan (2\textsuperscript{nd} party review)
  - Tools the County will use to document their progress

Once the County’s plan has been approved by the Agency’s Director, the plan is submitted to the AIP Representative for approval.
Joint State/Local Agency Accuracy Improvement Plan

**Local County Department of Social Services**

Date AIP Submitted to AIP Representative: 

**REQUIREMENT:** Accurate processing of Medicaid applications/redeterminations to meet the State standards.

**ACCURACY STANDARDS**
- Only eligible applicants are approved for Medicaid benefits 96.8% of the time.
- Eligible applicants are not denied/terminated 96.8% of the time.

Note: The eligibility determination process is free of technical errors that do not change the outcome of the eligibility determination 90% of the time.

**STATE POINT OF CONTACT**

<table>
<thead>
<tr>
<th>Name:</th>
<th>Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail address:</td>
<td>E-mail address:</td>
</tr>
<tr>
<td>Phone number:</td>
<td>Phone number:</td>
</tr>
</tbody>
</table>

**COUNTY POINT OF CONTACT**

<table>
<thead>
<tr>
<th>COUNTY METRICS</th>
<th>COUNTY SELF-ASSESSMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval Actions = 95%</td>
<td></td>
</tr>
<tr>
<td>Denial/Terminations Actions = 95%</td>
<td></td>
</tr>
<tr>
<td>Technical Errors = 85%</td>
<td></td>
</tr>
<tr>
<td>[List programs and months out of compliance and associated accuracy metrics]</td>
<td></td>
</tr>
</tbody>
</table>

| [Brief summary of county self-assessment that lists reasons for failure to meet accuracy standards] |
| REDA audit identified that the County failed to meet accuracy standards in both active and negative actions. Errors identified in REDA audit have also been identified in the County’s internal quality control. County misinterpreted policy: therefore, caseworkers applied policy incorrectly. The error trend and data analysis report were reviewed and considered when developing corrective action plan. |

**CURRENT INITIATIVES**

- **Lead Workers,** since July 2018, conduct 2nd party reviews utilizing the DMA-7078 State 2nd Party Audit Tool. Lead Workers review a combination of Active and Denied/Terminated cases of 10 cases per worker per month.
- Based on analysis of error trends conducted each month, Lead Workers and Supervisors assess the need for refresher training. Based on the analysis, individual worker retention, coaching conducted and/or group training is performed monthly. Coaching memos are given and signed off by supervisor and caseworker. Training agendas and sign in sheets are available for monthly trainings.
- Based on analysis of job performance and staff input, SOP’s are evaluated amongst Medicaid leadership at least quarterly or soon if risk appears. Leadership meeting minutes are available.
- County has created an “Accuracy Journal” (running spreadsheet) that identifies roles and responsibilities, timeframes, challenges, desired outcomes, and updates. Accuracy Journal is saved on County shared drive for Director, Program Manager, Supervisor and Lead Worker to access and update.
## ACTION PLAN

**KEY GOAL:** Meet the 96.8% accuracy standard rate for eligibility approval and denial/termination.

### Strategies & Actions for Improvement

<table>
<thead>
<tr>
<th>Desired Outcome (including associated metrics):</th>
<th>Target Dates and Checkpoints (including targeted completion dates):</th>
<th>Strategy/Action Owner</th>
<th>Resources Needed</th>
<th>State Actions/Support Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet required accuracy standard of at least 96.8% at application disposition of approvals and denials/terminations</td>
<td>Conducted refresher training and revised new hire training to address evaluation of FPP program. Evaluation &amp; training conducted in June 2019 when the error was identified in the REDA audit. Error was reduced but continued per REDA findings and 2&lt;sup&gt;nd&lt;/sup&gt; party self-assessment reporting. An application checklist was implemented in August 2019 which included reminders of FPP evaluation; the checklist was part of the 2&lt;sup&gt;nd&lt;/sup&gt; party self-assessment as mandatory best practice. Errors significantly reduced but, still present per REDA findings and 2&lt;sup&gt;nd&lt;/sup&gt; party self-assessment reporting</td>
<td>Lead Workers/Supervisors reviewed applicable manual sections in June 2019. Lead Worker/Supervisors conferenced with county’s OST representative for clarification of policy in June 2019. These measures were captured in our quarterly leadership minutes. Trainings are conducted by Lead Workers/Supervisors jointly. Surveys given to staff for evaluation of training. Survey feedback is considered for training enhancement/improvement. Knowledge checks provided to trainees to capture retention of material. Attendees must pass with 90%. If goal not achieved, then one on one policy training. Knowledge check amended and retaken. If failure to achieve 90% after amended recheck, individual would be subject to corrective action. Knowledge checks included in employee file and captured in annual employee evaluation. Lead Workers provide quality control for staff not assigned to their unit. Lead Workers conference with Supervisors monthly on error trends identified for their staff. Summary sheet is provided and signed by LW and Supervisor and a copy is forwarded to PM.</td>
<td>MA-3265, MA-3200, MA-3410, MA-3270, MA-2300, MA-2352</td>
<td>Reach out to assigned OST as needed for clarification of policy. Request training from OST as needed. Request Networking contact list from OCPI if needed. Notify State of any concerns with NC Fast technology – not properly working, etc.</td>
</tr>
</tbody>
</table>

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**AIP Template Development**
Implementation, Immersion, & Monitoring

• **Implementation**
  • County incorporates measures outlined in the AIP defined by the root cause analysis

• **Immersion**
  • County immerses in the AIP’s measures to allow adequate time to correct and prevent future errors

• **Monitoring**
  • County reassess the AIP measures, within the stated timeframes, to ensure the objectives are or will be met

When the AIP appears to not be on track to meet the objectives, revisions to the plan should be immediate AND a revised AIP Template submitted to the AIP Representative for review.
# AIP PROGRESS REVIEW AND UPDATES

Section to be completed by authorized reviewer _______ (frequency) and findings reviewed by _______ (Director).

## SUMMARY (key findings of review):

<table>
<thead>
<tr>
<th>KEY STEPS PRIOR TO NEXT REVIEW:</th>
</tr>
</thead>
</table>

## TARGETED IMPROVEMENT UPDATES

Complete 1 row for each targeted improvement identified in the original AIP

### STRATEGY/ACTION #1 [List associated action]:

<table>
<thead>
<tr>
<th>Metrics</th>
<th>Status</th>
<th>Actions</th>
<th>Recommendations for Enhancement and Monitoring of AIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>TARGET GOAL:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATUS AT LAST REVIEW:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- □ Achieved
- □ In Progress – On Schedule
- □ In Progress – Behind
- □ Not Started

- □ Remove from AIP
- □ Revise/Re-evaluate goal
- □ Continue to Implement
- □ Continue to Monitor

### STRATEGY/ACTION #2 [List associated action]:

<table>
<thead>
<tr>
<th>Metrics</th>
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<tr>
<td>CURRENT:</td>
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<td></td>
</tr>
</tbody>
</table>

- □ Achieved
- □ In Progress – On Schedule
- □ In Progress – Behind
- □ Not Started

- □ Remove from AIP
- □ Revise/Re-evaluate goal
- □ Continue to Implement
- □ Continue to Monitor

### STRATEGY/ACTION #3 [List associated action]:

<table>
<thead>
<tr>
<th>Metrics</th>
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<th>Actions</th>
<th>Recommendations for Enhancement and Monitoring of AIP</th>
</tr>
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<tbody>
<tr>
<td>TARGET GOAL:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATUS AT LAST REVIEW:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CURRENT:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- □ Achieved
- □ In Progress – On Schedule
- □ In Progress – Behind
- □ Not Started

- □ Remove from AIP
- □ Revise/Re-evaluate goal
- □ Continue to Implement
- □ Continue to Monitor
QUESTIONS
AIP Case Auditing
Case Auditing
Begins After AIP Immersion Period

- **Similar Procedures as REDA Audit**
  - 7000 AIP forms
  - Auditing of prior month’s actions
  - Five Cases per month per applicable action (Active and/or Negative)
  - Three workdays to upload supporting documentation to NC FAST
  - Three workdays to concur or refute error finding
  - Ten calendar days for case corrections
  - Medicaid Overpayments are applicable during the AIP
Successful Completion or Extension of AIP

• **Completion of AIP**
  - County meets the 96.8% accuracy rate(s) for THREE consecutive months
  - County able to sustain the accuracy rates without a State monitored AIP (not including 100% QA check)

• **Extension of AIP**
  - County does not meet the 96.8% accuracy rate(s) for THREE consecutive months
  - AIP will continue until the 96.8% accuracy rate is achieved for THREE consecutive months

Let’s look at some examples
• Completion of AIP
  • County meets the 96.8% active and negative accuracy rates in Jan 2022, February 2022, and March 2022
  • Appears the County will sustain the accuracy rates with the measures implemented and frequent reassessment of the Medicaid program
  • County’s AIP is considered successfully completed and an official letter of completion is issued to the County DSS Director and key stakeholders
• Extension of AIP
  
  • County meets the 96.8% active accuracy rate in January 2022, February 2022, and March 2022
  
  • County meets the 96.8% negative accuracy rate in January 2022 and February 2022 but does not meet the accuracy rate in March 2022
  
  • The County’s AIP continues for negative actions only, starting with April 2022 as the first month of the next possible three consecutive months
  
  ➢ If a County’s AIP extension is in excess of six months, OCPI may coordinate a follow-up meeting to re-collaborate with key stakeholders including County administration
QUESTIONS
AIP Timeline
Cycle 2 Counties
Group A Counties

<table>
<thead>
<tr>
<th>GROUP A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alleghany</td>
</tr>
<tr>
<td>Bladen</td>
</tr>
<tr>
<td>Caswell</td>
</tr>
<tr>
<td>Cherokee</td>
</tr>
<tr>
<td>Currituck</td>
</tr>
<tr>
<td>Dare</td>
</tr>
<tr>
<td>Davidson</td>
</tr>
<tr>
<td>Halifax</td>
</tr>
<tr>
<td>Person</td>
</tr>
<tr>
<td>Scotland</td>
</tr>
<tr>
<td>Washington</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP A TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 2021</td>
</tr>
<tr>
<td>November 2021</td>
</tr>
<tr>
<td>Through Jan 2022</td>
</tr>
<tr>
<td>February 2022</td>
</tr>
<tr>
<td>April 2022</td>
</tr>
</tbody>
</table>
# Group B Counties

<table>
<thead>
<tr>
<th>GROUP B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexander</td>
</tr>
<tr>
<td>Anson</td>
</tr>
<tr>
<td>Avery</td>
</tr>
<tr>
<td>Bertie</td>
</tr>
<tr>
<td>Burke</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GROUP B TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2021</td>
</tr>
<tr>
<td>December 2021</td>
</tr>
<tr>
<td>Through April 2022</td>
</tr>
<tr>
<td>May 2022</td>
</tr>
<tr>
<td>July 2022</td>
</tr>
</tbody>
</table>
QUESTIONS
AIP Cycle 1
Lessons Learned
AIP Cycle 1
Lessons Learned

• Input from all levels of Medicaid staff
• Rely on the data – it’s available
• Drill down to the root cause (isolate it!)
• Monitor best practices & internal controls
• Keep county administration in the “KNOW”
• 100% quality check will NOT sustain results
• Supervisors to manage staff, not be absorbed in casework
• Need help? ASK!
The Importance of INTERNAL CONTROLS for Compliance and Success
Purpose of Internal Controls

- Achieves Effective & Efficient Operations
- Minimizes & Controls Risks
- Identifies Defects

Improves Medicaid Accuracy Standards
Internal Control Example

NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
ADULT BUDGET SHEET

Case Name: __________________________ Case Number: __________________________

Date: __________________________

Individual Applying for: Medicaid Individual - Complete Section A.

Medical Care - Complete Section B.

Medical Care with Intensive Support (Special needs)

Complete Section A and Section B to give Section B Review.

For eligibility, see MED-19000 (Special needs).

SECTION A

INDIVIDUAL CALCULATION

<table>
<thead>
<tr>
<th>Model</th>
<th>Model</th>
<th>Model</th>
<th>Model</th>
<th>Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNREASONED INCOME</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Enter A/II's total GROSS Unearned Income</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>2. Subtract Social Security (Subtract SS from VA Pension)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>3. Net Unearned Income (Line 1 minus Line 2)</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

EARNED INCOME: (Go to Line 11 if no earned income).

4. Enter A/II's gross AGGREGATE Earned Income and other earned income.

5. Subtract applicable of 32 Days of Employment or earned income.

6. Net Earned Income (Line 5 minus Line 6) | $0.00 | $0.00 | $0.00 | $0.00 |

7. Subtract 50% Earned Income Eligibility.

8. Subtract (Line 1 minus Line 7) | $0.00 | $0.00 | $0.00 | $0.00 |

9. Subtract 2/3 of Line 8 | $0.00 | $0.00 | $0.00 | $0.00 |

10. Net Earned Income (Line 8 minus Line 9) | $0.00 | $0.00 | $0.00 | $0.00 |

TOTAL INCOME | $0.00 | $0.00 | $0.00 | $0.00 |

11. Total Net Countable Income (Line 2 plus Line 10) | $0.00 | $0.00 | $0.00 | $0.00 |

12. INDIVIDUAL Maintenance Amount (3/6/14/16/18/18/20)

13. Excess (Line 11 minus Line 12) (For MWD + 6 month deductible) | $0.00 | $0.00 | $0.00 | $0.00 |

AD PROGRAM CATEGORY | Model 1 | Model 2 | Model 3 | Model 4|

| Number of Months in Deductible | 0 | 0 |
| Deductible | $0.00 | $0.00 | $0.00 | $0.00 |
DETECT
Identify the Risk
Quality Control
Internal Second Party Reviews (DHB-7078)
Targeted Reviews
Staff Engagement/Feedback at ALL Levels
Stakeholder Surveys
Audit Results
REDA Error Trend & Data Analysis Report
CORRECT
Prioritize the Risk
Education
Effective New Hire Training & Mentorship
Learning Gateway/Fast Help Job Aids
County Facilitated Refresher Trainings
Training Surveys (Feedback is Important)
Program Newsletter
Networking with Counties
PREVENT

Eliminate the Risk

Implement Measures

Communicate Requirements to Staff
Working Documents
Eligibility Checklists
Deadline Calendar
Uploading Document Standard
Quality Assurance for Effectiveness
Reassess within Determined Timeframe
OBJECTIVES MET

Monitoring of Internal Controls

Favorable Outcomes

- Achieved Required Accuracy Standards
- Benefits Approved & Denied/Terminated Correctly
- Elimination of Overpayments
- Equitable Distribution of Work
- Employee Engagement/Feedback
- Increase in Employee Morale
- Program & Individual Accountability
Next Steps

- **Key Stakeholder Meeting**
  - Group A Counties – November 2020
  - Group B Counties – December 2020

- **Monthly Meetings with County DSS & AIP Representative**
  - Begin After Stakeholder Meeting
  - Implementation, Immersion, & Monitoring of AIP
QUESTIONS
Contacts

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