NC Department of Health and Human Services

Accuracy Improvement Plan (AIP)
Recipient Eligibility Determination Audit (REDA)
Cycle 3 Counties, Calendar Year 2021

Office of Compliance and Program Integrity

June 21, 2022
Today’s Talking Points

• REDA Cycle 3 Standings
• Initial Joint Partnership Meeting
• AIP Development & Approval
• Implementation, Immersion, & Monitoring of AIP
• Auditing of Cases & Case Correction Process
• Successful Closeout or Extension of AIP
• AIP Cycle 1 & 2 Lessons Learned
• Individual County AIP Timeline
• Internal Control Activities for Compliance
REDA Cycle 3 Standings
35 Counties CY 2021

https://medicaid.ncdhhs.gov/reports/transformation-reports/legislative-reports
Initial Joint Partnership Meeting

**Required**
- County DSS Director
- County DSS Medicaid Leadership
- Office of Compliance and Program Integrity’s (OCPI)
  AIP Lead & AIP Representative
- Operational Support Team (OST) Representative

**Optional**
- County Manager
- County Commissioner Chair or Designee
- County DSS Board Chair or Designee
- Any others determined by DSS Director
Initial Joint Partnership Meeting
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 reassess the new controls & progress
  • Internal monitoring plan (2nd 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 State approval.
**Joint State/Local Agency Accuracy Improvement Plan**

**Local County** Department of Social Services

**State Use Only**
Date AIP Approved:
Month Monitoring Begins:
For Sample Month:

**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.

<table>
<thead>
<tr>
<th>STATE POINT OF CONTACT</th>
<th>COUNTY POINT OF CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>E-mail address:</td>
<td>E-mail address:</td>
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<tr>
<td>Phone number:</td>
<td>Phone number:</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>COUNTY METRICS</th>
<th>COUNTY SELF-ASSESSMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>[List programs and months out of compliance and associated accuracy metrics]</td>
<td>[Brief summary of county self-assessment that lists reasons for failure to meet accuracy standards]</td>
</tr>
<tr>
<td>Approval Actions = 95% Denial/Terminations Actions = 95% Technical Errors = 85%</td>
<td>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.</td>
</tr>
</tbody>
</table>

**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

### Strategy/Action #1: Failure to evaluate for all Medicaid programs prior to disposition

<table>
<thead>
<tr>
<th>Desired Outcome (including associated metrics)</th>
<th>Target Dates and Checkpoints (including targeted completion date)</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></td>
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</tr>
<tr>
<td>Error identified: Failure to evaluate for FPP in the Adult and Family and Children’s Medicaid programs</td>
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</tr>
<tr>
<td><strong>Evaluation &amp; training conducted in June 2019 when the error was identified in the REDA audit.</strong></td>
<td><strong>Conducted refresh training and revised new hire training to address evaluation of FPP program.</strong></td>
<td><strong>Lead Workers/Supervisors</strong></td>
<td><strong>County MA-3265, MA-3200, MA-3410, MA-3270, MA-2300, MA-2352</strong></td>
<td><strong>Reach out to assigned OST as needed for clarification of policy.</strong></td>
</tr>
<tr>
<td><strong>Error was reduced but continued per REDA findings and 2nd party self-assessment reporting.</strong></td>
<td><strong>An application checklist was implemented in August 2019 which included reminders of FPP evaluation; the checklist was part of the 2nd party self-assessment as mandatory best practice.</strong></td>
<td><strong>Lead Workers/Supervisors jointly. Surveys given to staff for evaluation of training.</strong></td>
<td><strong>Learning Gateway, NCFAST Help</strong></td>
<td><strong>Request training from OST as needed.</strong></td>
</tr>
<tr>
<td><strong>Errors significantly reduced but, still present per REDA findings and 2nd party self-assessment reporting</strong></td>
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</table>

### Additional Notes

- Knowledge checks provided to trainees to capture retention of material. Attendees must pass with 90%. If goal not achieved, then 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.

### AIP Template Development

- Request training with NC Fast technology – not properly working, etc.
- Notify State of any concerns with OCPI if needed.
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 reassesses 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

**Summary (key findings of review):**

**Key Steps Prior to Next Review:**

### 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>☐ Achieved</td>
<td>☐ Remove from AIP</td>
<td>-</td>
</tr>
<tr>
<td>STATUS AT LAST REVIEW:</td>
<td>☐ In Progress – On Schedule</td>
<td>☐ Revise/Re-evaluate goal</td>
<td>-</td>
</tr>
<tr>
<td>CURRENT:</td>
<td>☐ In Progress – Behind</td>
<td>☐ Continue to Implement</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>☐ Not Started</td>
<td>☐ Continue to Monitor</td>
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#### Strategy/Action #2 [List associated action]:

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<td>☐ Continue to Implement</td>
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</tr>
<tr>
<td></td>
<td>☐ Not Started</td>
<td>☐ Continue to Monitor</td>
<td>-</td>
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</table>

#### Strategy/Action #3 [List associated action]:

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<thead>
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<th>Recommendations for Enhancement and Monitoring of AIP</th>
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<tbody>
<tr>
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<td>☐ Remove from AIP</td>
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<tr>
<td></td>
<td>☐ Not Started</td>
<td>☐ Continue to Monitor</td>
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</tbody>
</table>
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 rebut error finding
  
  • Ten calendar days for case corrections
  
  • Medicaid Overpayments are applicable during the AIP
  
  • Full Eligibility Review
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 Example

• Completion of AIP
  • County meets the 96.8% active and negative accuracy rates in October 2022, November 2022, and December 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 County Administration
Extension Example

- **Extension of AIP**
  - County meets the 96.8% active accuracy rate in October 2022, November 2022, and December 2022
  - County meets the 96.8% negative accuracy rate in October 2022 and November 2022 but does not meet the accuracy rate in December 2022
  - The County’s AIP continues for **negative actions only**, starting with January 2023 as the first month of the next possible three consecutive months
QUESTIONS
AIP Cycle 1 & 2
Lessons Learned
AIP Cycle 1 & 2 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!
AIP Timeline
Cycle 3 Counties
## Group A Counties

### GROUP A
- Brunswick
- Camden
- Columbus
- Craven
- Graham
- Greene
- Johnston
- Jones
- Lincoln
- Macon
- Mitchell
- Pender
- Richmond
- Stanly
- Surry

### GROUP A TIMELINE

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2022</td>
<td>Joint Partnership Meeting</td>
</tr>
<tr>
<td>July 2022</td>
<td>AIP Developed &amp; Jointly Approved</td>
</tr>
<tr>
<td>Through Sept 2022</td>
<td>County Immersed in AIP</td>
</tr>
<tr>
<td>October 2022</td>
<td>Auditing begins for Sept actions</td>
</tr>
<tr>
<td>December 2022</td>
<td>Possible Successful Completion</td>
</tr>
<tr>
<td>GROUP B TIMELINE</td>
<td></td>
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<tr>
<td>--------------------------</td>
<td></td>
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<tr>
<td>August 2022</td>
<td></td>
</tr>
<tr>
<td>Joint Partnership Meeting</td>
<td></td>
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<tr>
<td>August 2022</td>
<td></td>
</tr>
<tr>
<td>AIP Developed &amp; Jointly Approved</td>
<td></td>
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<tr>
<td>Through Jan 2023</td>
<td></td>
</tr>
<tr>
<td>County Immersed in AIP</td>
<td></td>
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<tr>
<td>January 2023</td>
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<tr>
<td>Auditing begins for December actions</td>
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<tr>
<td>March 2023</td>
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<tr>
<td>Possible Successful Completion</td>
<td></td>
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</tbody>
</table>

### GROUP B

<table>
<thead>
<tr>
<th>County</th>
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<tbody>
<tr>
<td>Beaufort</td>
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<tr>
<td>Carteret</td>
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<tr>
<td>Chowan</td>
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<tr>
<td>Cleveland</td>
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<tr>
<td>Duplin</td>
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<tr>
<td>Hyde</td>
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<tr>
<td>New Hanover</td>
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<tr>
<td>Northampton</td>
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<tr>
<td>Pitt</td>
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<tr>
<td>Robeson</td>
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<tr>
<td>Stokes</td>
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<tr>
<td>Wayne</td>
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</table>
The Importance of INTERNAL CONTROL ACTIVITIES for Compliance and Success
Purpose of Internal Control Activities

1. Achieves Effective & Efficient Operations
2. Minimizes & Controls Risks
3. Identifies Defects

Improves Medicaid Accuracy Standards
Internal Control Activity Example

NORTH CAROLINA DIVISION OF MEDICAL ASSISTANCE
ADULT BUDGET SHEET

Case Name: __________________________ Case Number: __________________________
Date: __________________________

Individual Applying to: Medicaid Individual - Complete Section A.
Medicaid Group - Complete Section C.
Medicaid Household with Eligible Spouse (Special scoring):
Compliance with deceased relative to the Youth Rule C.

SECTION A

INDIVIDUAL CALCULATION

UNEARNED INCOME
1. Enter A10's total GROSS Unearned Income.
2. Subtract S01 General Exclusion (Subtract S0 from UI Pension).
3. Net Unearned Income (Line 1 minus Line 2) $0.00 $0.00 $0.00 $0.00

EARNED INCOME: (Go to Line 11 if no earned income).
4. Enter all earned GROSS Income and/or additional operational expenses. $0.00
5. Subtotal (Line 4 minus Line 5) $0.00 $0.00 $0.00 $0.00
7. Subtotal (Line 6 minus Line 7) $0.00 $0.00 $0.00 $0.00
9. Net Earned Income (Line 7 minus Line 9) $0.00 $0.00 $0.00 $0.00

TOTAL INCOME $0.00 $0.00 $0.00 $0.00

10. Total Net Countable Income (Line 3 plus Line 10) $0.00 $0.00 $0.00 $0.00
11. INDIVIDUAL Maintenance Amount (CM/WI/MW/M-WI) $0.00 $0.00 $0.00 $0.00
12. Excess (Line 11 minus Line 12) [For MA/M/WI + 6 month deductible] $0.00 $0.00 $0.00 $0.00

ADJ PROGRAM CATEGORY More

Number of Months In Deductible 0 $0.00 $0.00 $0.00 $0.00

Deductible $0.00 $0.00 $0.00 $0.00

CUSTOMER ANALYSIS PROCESS STRATEGY QUALITY CONTROL
SUCCESS TEAM PRODUCTION
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
DETECTING

CORRECTING

PREVENTING

ELIMINATING
Next Steps

- **Joint Partnership Meeting**
  - Group A Counties – July 2022
  - Group B Counties – August 2022

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

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