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,

Craigian 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
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

DMA-7001(Revised 01/2010)
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

DMA-7001(Revised 01/2010)
# North Carolina Division of Medical Assistance – Quality Assurance

## ACTIVE CASE ERROR FINAL REPORT

**Date:**

**To:** County Department of Social Services

<table>
<thead>
<tr>
<th>Case Name:</th>
<th>EIS Case #:</th>
</tr>
</thead>
<tbody>
<tr>
<td>QC Review Month:</td>
<td>QC Review #:</td>
</tr>
<tr>
<td>Program/Category:</td>
<td>Last Action:</td>
</tr>
</tbody>
</table>

- [ ] 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
# CORRECTIVE ACTION REPORT

**County:**

**Date:**

**Case Name:**

**EIS Case ID #:**

**QC Review Month:**

**QC Review #:**

<table>
<thead>
<tr>
<th>County’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Please complete all information)</td>
</tr>
</tbody>
</table>

- **Error Corrected:**
  - [ ] Yes
  - [ ] No

- **Corrective Action Taken:**
  
  - [ ] Yes
  
  - [ ] No

**Name:**

**Title:**

**Date:**

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:
Date:
To: County Department of Social Services

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

Advance Notice Requirements:  N/A  Met  Not Met

Case Record Indicates:

- □ Correct Action; however,
  - □ Documentation Problems Found
  - □ Verification Problems Found
  - □ Policy Problems Found
  - □ Other; Explain:

- □ Incorrect Action, due to:
  - □ Application Denied in Error
  - □ Case Terminated in Error

Description of Error Finding(s):

Manual Citation(s):

SUGGESTED CORRECTIVE ACTION

Reviewers: , Quality Assurance Analyst

, Quality Assurance Supervisor

cc:  , MPR

Jon York, MPR Field Supervisor

, QCA