



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
DAVE RICHARD • Deputy Secretary, NC Medicaid

March 31, 2022

Re: Audit of County Medicaid Eligibility Determinations

Dear County Director of Social Services:

The purpose of this letter is to provide an update to the County Directors of Social Services regarding Round 2 of the Recipient Eligibility Determination Audit (REDA) for all 100 counties. The REDA audit will continue to review approvals of applications and redeterminations, along with denials, withdrawals, and terminations. Additionally, Round 2 of the REDA audit (Cycles 1-3) will also include an audit of inquiries, when an individual presents at the local agency but decides to not make an application. Inquiries will be audited to ensure the individual was provided accurate information and was afforded the opportunity to apply for all programs as stipulated under federal/state policy.

Under Round 1, the REDA audit had in part satisfied the Alex Monitoring provision by including application denials. To fully meet Alex Monitoring provisions, REDA has been modified to include inquiries. To prepare for the inclusion of inquiries effective 5/1/2022, counties have three options to ensure the Office of Compliance and Program Integrity (OCPI) has sufficient access to the counties' inquiry records.

- 1) For counties that currently use the NC FAST Receptionist Log, OCPI will request NC FAST to pull inquiry data into the negative sample. No additional county action is needed.
- 2) For counties that use an internal county electronic system to track inquiry documentation, the county must provide an export file (.csv or excel) of the electronic Application log to include all inquiries taken each month to OCPI. OCPI will generate a monthly sample and obtain the supporting documents from NC FAST as policy requires.
- 3) For counties that use a manual Application log, the county will send the log to include all inquiries taken each month to OCPI. OCPI will then pull a sample and obtain the supporting documents from NC FAST as policy requires. OCPI will continue to follow Round 1 REDA audit procedures as all 100 counties will be audited over a 3-year cycle, with 30 to 35 counties audited each year. The audit will continue to consist of reviewing 200 randomly selected eligibility determinations per county, per cycle. Twenty cases will be reviewed monthly (10 actives and 10 negatives) to determine the county DSS's compliance with the following accuracy standards:

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

LOCATION: 1985 Umstead Drive, Kirby Building, Raleigh, NC 27603
MAILING ADDRESS: 2501 Mail Service Center, Raleigh, NC 27699-2501
www.ncdhhs.gov • TEL: 919-855-4100 • FAX: 919-733-6608

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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

Quality Assurance (QA) analysts will work remotely and access eligibility information in the NC FAST system only. In instances where documentation is missing in NC FAST, counties will continue to have five business days to upload missing evidence into NC FAST upon receiving the list of cases to be reviewed. Counties must take appropriate action to correct error findings immediately upon notification of the audit findings.

The REDA audit falls under Article 2 of Chapter 108A of the General Statutes regarding recoupment of overpayments from the county responsible for the erroneous issuance of Medicaid and North Carolina Health Choice (NCHC) benefits. The Office of the Controller (OOC) will initiate the recoupment process for Medicaid and NCHC overpayments identified during the county audit process. County overpayment procedures are addressed in the Dear County Director letter dated February 26, 2018.

OCPI will present a webinar on the Round 2 REDA plan and process in April 2022. The webinar will be an open forum for questions and guidance regarding the audit process. The link will be sent through a listserv message. If you have questions, please contact Renee Jones at renee.jones@dhhs.nc.gov or (252) 290-0121.

Sincerely,

DocuSigned by:



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Dave Richard