

Director Bimestefer Conversation with County Leadership

Medicaid Eligibility Error Rates

June 23, 2020



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Agenda

- Application Surge
- “Locked In” Population Disenrollment Planning
- Error Rates
- Ways to address quality together



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HCPF Staff on the call

Medicaid Operations Office - Eligibility and Compliance Divisions:

- Chief Operating Officer, Ralph Choate
- Lisa Pera, Eligibility Division Deputy Director
- Tim Sokas, Compliance Division Director
- Kieu Pham, Eligibility Claims Review Manager

Policy, Communications and Administration Office - Government Relations Division

- Tom Massey, Dept Deputy
- Rachel Reiter, Deputy Office Director
- Joshua Montoya

Finance Office - Audits Division

- Donna Kellow, Audits Division Director



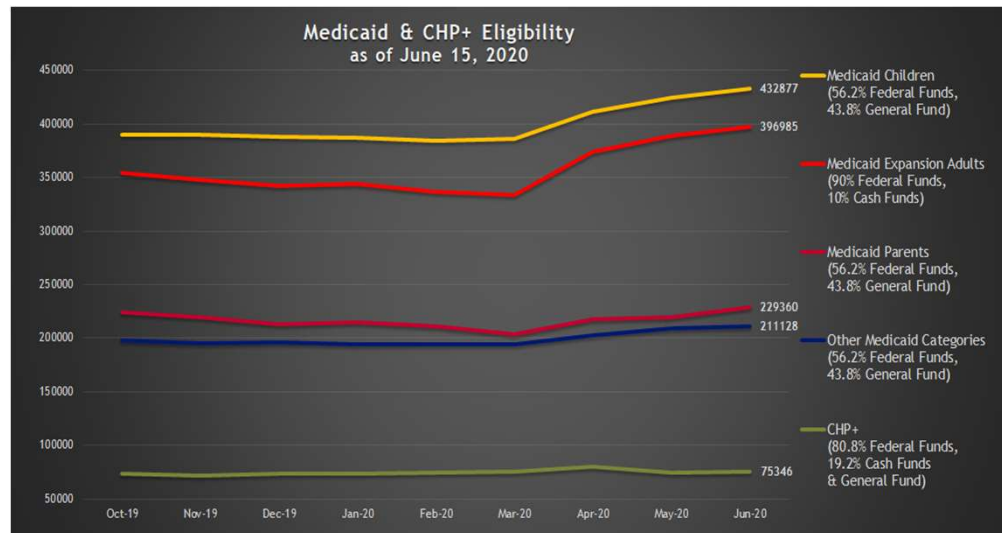
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Medicaid Category Enrollment

Count of Clients enrolled by aid code. Chart shows total enrollments by time periods and the changes in its composition over time.



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Continuous Enrollment Impact through 6/16/2020

	New Members 2020	Disenrolled Members 2020	Locked-in (disenrolled)	Locked-in (lower category)	Net Change in enrollment	Total enrollment (MA) 2020	COVID-19 Testing Only
January	34,699	38,251	0	0		1,261,140	
February	26,890	33,859	0	0	-7,026	1,254,114	
March	31,964	41,265	0	0	-9,244	1,244,870	
April	38,823	5,183	49,069	4,239	33,640	1,278,510	139
May	22,132	7,354	50,818	8,553	14,778	1,293,288	155
June	10,537	6,707	38,808	8,211	3,830	1,297,118	74

New Member: Members who started receiving MA benefits in that month, and who were not eligible the previous month

Disenrolled: Members who terminated *as of the end of previous month* (Members are locked in the first of the month after their benefits would have ended)

Locked-in (disenrolled): Members who would have been disenrolled at the end of the previous month, but were locked-in their MA benefit due to Maintenance of Effort (MOE)

Locked-in (lower category): Members who would have switched to a lower MA benefit, but were locked in due to Maintenance of Effort (MOE)

Net Change: Net change in Total Enrollment compared to previous month

Total Enrollment (MA): Total unique members eligible and receiving Medical Assistance benefits

COVID-19 Testing Only: Members eligible for COVID-19 testing benefit only. NOTE: April includes March numbers

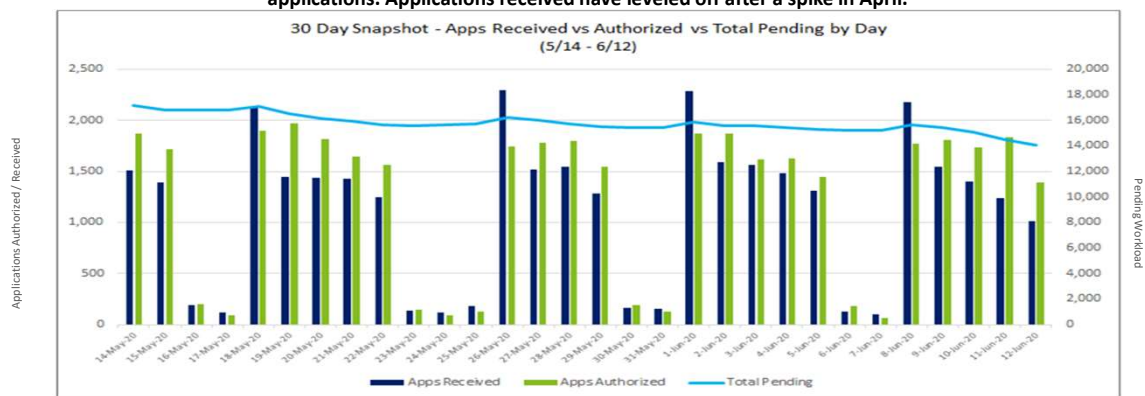


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Snapshot of Application Processing

Eligibility workers are processing more applications than are being received resulting in a decrease in pending applications. Applications received have leveled off after a spike in April.



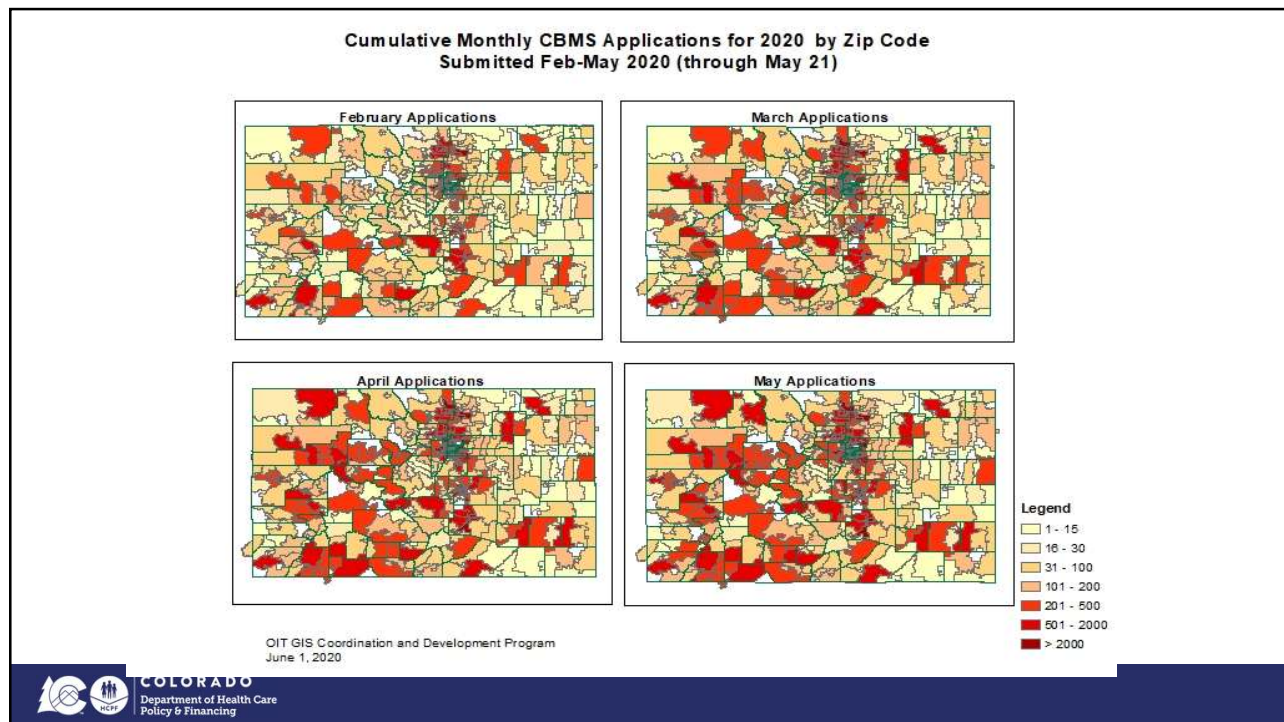
Value Definitions

- **Apps Received** – includes all applications received through PEAK and all applications started by an eligibility worker in CBMS
- **Apps Authorized** – Means a determination of eligible or denied has been made on the application
- **Total Pending** – all applications received that have not yet had a determination made
- **NOTE:** This includes both HCPF and CDHS Applications.



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Colorado's Unemployment Rate Increase

February: 2.5%

March: 5.2%

April: 11.3%

May: 10.2%

- Doubled Feb to March and March to April
- Highest since state began tracking in 1976
- Prior record was 8.9% during Great Recession in Fall 2010
- Compares to 14.7% nationally - highest since U.S began tracking in 1948

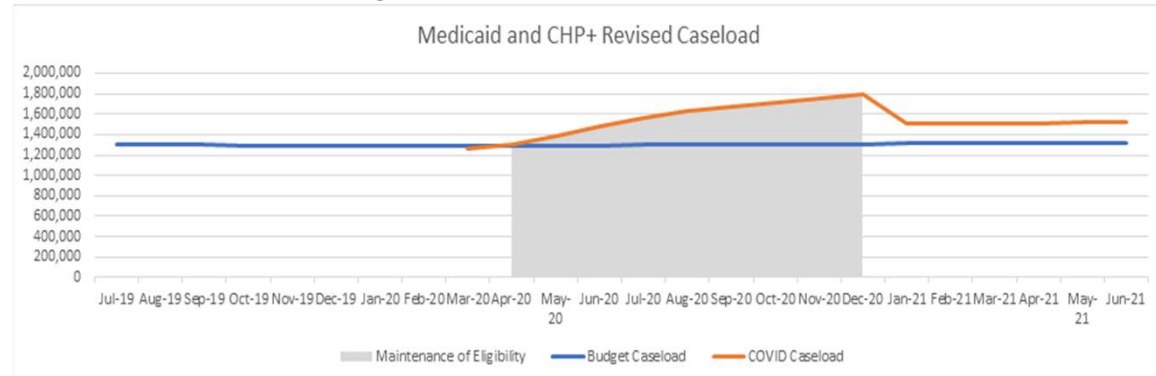
517,000 Coloradans filed initial unemployment claims since mid-March

Source: Colorado Department of Labor and Employment

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Medicaid, CHP+ Membership Surge Forecast

- **Member surge of 500k+ Coloradans** btw April 1 and end of FY2020-21, over 1.3M members covered in Medicaid and CHP+ as of March 2020.
- **Est disenrollment of ~ 300k members** who do not meet eligibility criteria after MOE.
- **Net membership surge of an est 300k+** covered members



Keeping Up with “Locked In” Workload

- Still need to work cases even though the following are in place:
 - Maintenance of Effort/Continuous Coverage
 - Self-Attestation at Application Intake for Income, Resources and SSN
- At the end of the federal Public Health Emergency (PHE), follow up on missing documentation must occur. Collecting needed items now will enable us to "fill gaps", and "clean up missing docs". 90 days is NOT sufficient for full doc gathering (at end of PHE).
- "Locked-in" report being created to help process and prepare for workload. Also trying to create "gap" report.



Let's talk about error rates


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Documents to Review

- Sent to CHSDA prior to meeting:
 - Eligibility Audits 6.23.2020 - describes OSA/OIG audits
 - MEQC Errors 2015 to Present - describes MEQC audits
 - 2017-2018 Desk Review Data - last round of eligibility desk reviews before model changed
 - 2019 OIG Report - latest federal audit
 - 2019 OSA Report - latest state audit
 - 2020 HCPF Response to OSA, RE: extrapolation
 - 2020 HCPF OSA Extrapolation Report
 - PERM/MEQC Final Guidance July 2017

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How is eligibility quality reviewed?

- The Department is audited by the following agencies:
 - Office of State Auditor in the Single Statewide Audit (SSWA)
 - Office of Inspector General (OIG) in the U.S. Department of Health and Human Services
 - Audits by the Centers for Medicare and Medicaid Services (CMS), including quarterly reviews
- CMS federally-mandated audits also include:
 - Medicaid Eligibility Quality Control (MEQC)
 - Payment Error Rate Measurement (PERM)
- The Department also conducts internal reviews and desk reviews

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Why is addressing error rates important?

Our mission includes the sound stewardship of financial resources, so we must consider:

- Consumption of > 25% of the state General Fund (before crisis - will go up)
- Serving Coloradans well when they need us the most
- Complying with directives as iterated by Office of the State Auditor (OSA), Centers for Medicare and Medicaid Services (CMS), the Office of the Inspector General (OIG) and Legislative Audit Committee (LAC)

Recognizing and preparing for the impact of new federal rules that enable them to claw back federal match dollars when the eligibility determination error rate is greater than 3%.

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Different Auditors, Different Processes

- Auditors don't use same methodologies, terminologies and extrapolations
- Auditors don't break results down to county-level
- CMS has changed their federal match claw/pay back rules for eligibility and claim audit findings and those new rules are in the process of taking effect. (MEQC/PERM rules)
- MEQC paybacks start taking place as soon as the July - September 2021, based on the CMS 2020 audit
- PERM clawbacks take place in 2023, auditing funds paid from July 1, 2021 to June 30, 2022.
- Colorado could have to pay back federal funds for an error rate above 3%.



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Using a common language

- Not all audits use common methodology or language
- MEQC rules have two error types: technical or eligibility (42 CFR 431.804)
- **For this presentation, we will use:**
- Technical Deficiency= didn't follow process, policy or guidance but individual was still eligible
- Eligibility error = same as procedural, but individual was made eligible or ineligible inappropriately



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MEQC Errors

- Since 2015, has reviewed 750 cases over four audits (one audit was CMS contractor)
- Cumulatively, these audits found 41 eligibility errors
- These reviews also found 87 technical deficiencies
- The breakdown of these is found in the MEQC spreadsheet previously sent



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2017-18 Desk Reviews

- Reviewed 545 cases across 10 counties
- In those 545 cases:
 - 479 procedural errors
 - 302 eligibility errors
- One case can have multiple errors. For this review:
 - Eligibility errors are those reflecting errors that impacted the eligibility determination
 - Procedural errors are those reflecting errors that did not impact eligibility determinations



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OSA 2019

When we look at the actual processing error rates, we are achieving the 3% error rate federal threshold target. In other words, individuals are eligible even though some of the information is missing from the file.

- If we improve the data entry errors and the document retention processes, statistical performance will markedly change to reflect the actual accuracy of eligibility processing performance.
- In the 2019 OSA audit, auditors found issues with **8% of case files missing documentation** necessary to support the eligibility determination.
- Auditors also found data entry mistakes in **16% of cases - that is, the data in CBMS system did not match** supporting documentation due to caseworker data input error.



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What is our error rate vs 3% fed target? OSA/OIG Audits

Year	Audit	Error Rate	Sample Size
2015	OSA: SSWA (State)	3%	60
2015	OIG: A-07-18-02812 (Federal)	4%	140
2015	OIG: A-07-16-04228	28%	60
2017	OSA: SSWA (State)	18%	40
2018	OSA: SSWA (State)	28%	200
2018	OSA: SSWA System Issues (State)	14%	29
2019	OSA: SSWA (State)	26%	125



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The 2019 OSA audit results

- Reviewed 125 case files
- Overall error rate was 26%
- \$95,785 in questioned cost
- Extrapolated to \$80,255,528 - \$485,851,363 with a projected likely cost of \$283,053,446
- OSA Press Release title “\$286M Projected at Risk Due to Potentially Ineligible Medicaid Claims”
- We need to work with LAC to address extrapolation/ sampling concerns
- Most frequent errors were missing case file documentation, data entry and incorrect income

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Error Trends Across Audits

- Lost case file documentation: if something was data entered in CBMS, it MUST be in the case file
 - Biggest culprits: missing citizenship documentation, missing resource documentation
- Incorrect data entry: CBMS data entry MUST match the documentation in the case file
 - Biggest culprits: names, income and resources don't match case file
- Incorrect income used
 - Incorrect amount or prior income used instead of recent
- Individuals on the rosters who are not eligible.
- Following program policies/regs relative to determinations

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Our Concerns on these audits

- Concerns with these audit findings - especially related to the **sampling and extrapolation** methodology and some of the emerging data mining methodologies used by the auditors.
- Recommended to LAC to come to agreement on an approach to an **extrapolation methodology going forward - one that aligns with federal guidance for Medicaid audits.**
- Concerns that the reported extrapolation calculation is biased upwards due to audits sampling criteria. This methodology targets higher cost claims for the audit and therefore bias the results. Then that higher number is extrapolated incorrectly.

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Extrapolation Report

- The Department has worked with third party actuaries to prepare a letter to the Auditor that specifies our concern with the sampling and extrapolation process.
- This report and a response to OSA's methodology was sent to Legislative Audit Committee
- We will continue to work with LAC trying to get agreement before next audit

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New Regulations - PERM/MEQC

- Changes in PERM Regulations
 - Eligibility clawback rules begin in Colorado 2023
 - Auditing funds paid from July 1, 2021 to June 30, 2022 (eligibility could be from earlier determination)
 - Colorado could have to pay back any federal funds for an error rate above 3%, requiring a 97% accuracy rate to avoid the clawback
 - These regulations may also apply to audits conducted by other agencies including OSA



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Legislative Audit Committee

- Hearing on June 12 to discuss most recent OSA strategies and activities in process to address 26% error rate. We committed to:

Implementing the Centralized Returned Mail Center	Restructured CBMS Executive Steering Committee
Refining/refocusing training efforts at the Staff Development Center	Centralized our existing HCPF Eligibility staff under Medicaid Operations Office
Working with Deloitte/OIT to address systems issues and quality , including from CBMS Transformation	Moving County Incentives payments towards quality
Adding new County Eligibility Determination Reviews	Implementing a new Eligibility Oversight and Accountability Model



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You should be aware of:

- The Centralized Returned Mail Center, a joint initiative with CDHS
- Restructured CBMS Executive Steering Committee
- Continued refinement of training efforts at the Staff Development Center in collaboration with CDHS



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Eligibility Staffing Consolidation

- Consolidated all Eligibility Staff at HCPF under one Director
- Consolidated CBMS/PEAK, audits/quality, performance improvement
- Adds new on-site visits and technical assistance to focus on quality and performance (ME Reviews) and scorecards



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System Issues & Quality

- Hundreds of fixes implemented since CBMS Transformation
- Working on system audit capabilities and data mining
- Using CBMS to query where possible errors could be
- Greater accountability from Deloitte/CBMS contract
- Addressing system quality is joint effort - we need help desk tickets!

County Incentives Quality Payments

- New for FY 2020-21
- Focuses on quality/accuracy of determination
- Creates quarterly check-ins with county staff to review state and county QA data, follow up on help desk tickets and policy clarification requests, review the county's QA program and more
- Attendance at all 4 quarterly meetings required to meet Incentive

New county eligibility determination reviews

- Replacing MEQIP county self-reporting
- Leverage new eligibility review staff to perform determination reviews on all counties and MA Sites
- Also uses data mining in CBMS to help focus reviews
- Goal is to create an error rate for each eligibility site with targeted technical assistance based on that rate to improve county performance

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New Eligibility Oversight and Accountability Model

- Includes three components:
 - Complete revision of county administration rules
 - New Management Evaluation Review Program
 - New county dashboard with performance measures and error rates

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County Administration Rule Revisions

- Completed a six-month research project to review all federal requirements for state/county Medicaid agencies
- Found numerous deficiencies which will be addressed in the rule revision and will clarify processes for Improvement Action Plans and Corrective Action Plans
- Our goal is to ensure any new rule is specifically tied to a federal requirement, if possible
- Will be looking for county feedback in the next few months



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Management Evaluation (ME) Reviews

- New Management Evaluation Reviews start later in 2020
- On-site review looks for compliance with Medical Assistance rules/requirements and includes interview/questionnaire sessions with directors, supervisors and front-line staff
- Includes new QA module to address error rates
- Biggest focus is technical assistance to improve quality - let's work together to address review findings



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County Dashboard

- New county dashboard will be similar to the CDHS C-STAT process, but will look and feel different
- HCPF dashboard uses a new methodology (PuMP) that not only provides details about measures, but lists recommendations to address
- Need to conduct Measure Gallery with county partners on potential measures - stay tuned

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Engagement Opportunities

- We want your feedback and input!
- Would like county recommendations for a specific workgroup/taskforce to collaborate on what we've done thus far
- Examples: Measure Gallery for dashboard, reviewing new rules, making recommendations on external processes for ME Reviews
- Do you want to work with us to set up work groups?
- Other suggestions??

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Thank You...Next Steps

- You all have done a phenomenal job thus far with processing applications - my thanks to you and your staff for your continued commitment
- But we have to address this error rate
- We are partners together through this journey and we're committed to working together
- Now, we'd like to hear questions, comments and feedback on error rates



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Thank You!



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