Medicaid Oversight and Accountability Task Group

Error Rates/Accuracy Measures

September 25, 2020

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Agenda

- Documents to Review
- Audits and Error Rates
- Quality Assurance Program
- Accuracy Measures
- Next Steps
- Q & A

But first…

- Housekeeping Items
  - ➢New staff introductions
  - ➢Keeping your leadership informed of this work
  - ➢One-pager on task group progress
- Remember:
  - ➢All recordings and documents are available on the Medicaid Oversight and Accountability Task Group webpage

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Let's talk about error rates

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Documents to Review

- Available to review on the [Medicaid Eligibility Error Rates](#) webpage after this presentation:
  - ➢ 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

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

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%.

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)

- New MEQC guidance requires the Department to payback the federal share on all eligibility errors. For the FY 20-21 MEQC review, no paybacks are required due to COVID.

- 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%.

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 technical deficiency, 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 (technical deficiency)
  - 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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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

OSA 2019

When we look at the <u>actual processing error rates</u>, 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 **9% 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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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 Potential 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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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.**

- 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 worked with third party actuaries to prepare a report 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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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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Let's talk about HCPF's new Quality Assurance Program

New HCPF Quality Assurance Program

- 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 a series of accuracy measures for each eligibility site with targeted technical assistance based on that rate to improve eligibility site performance

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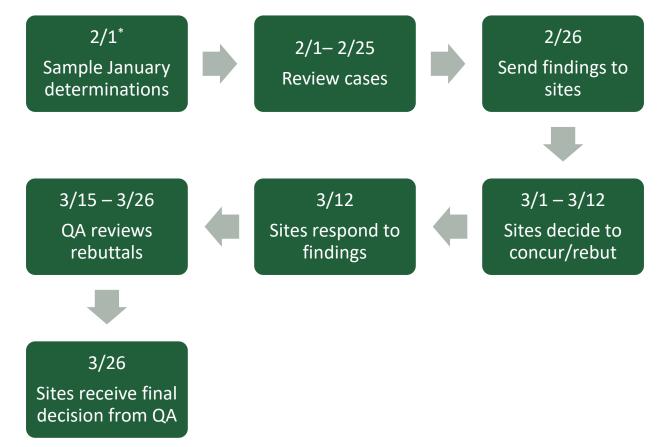Department of Health Care
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New QA Process

- Four new eligibility review staff
- Reviewing eligibility determinations for accuracy and timeliness
- Determinations will be sampled and reviewed on a monthly basis to provide more current results

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New QA Process Flow

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┌─────────────────┐     ┌─────────────────┐     ┌─────────────────┐
│      2/1*       │     │   2/1– 2/25     │     │      2/26       │
│                 │ ──▶ │                 │ ──▶ │                 │
│ Sample January  │     │  Review cases   │     │ Send findings to│
│ determinations  │     │                 │     │      sites      │
└─────────────────┘     └─────────────────┘     └─────────────────┘
                                                          │
                                                          ▼
┌─────────────────┐     ┌─────────────────┐     ┌─────────────────┐
│   3/15 – 3/26   │     │      3/12       │     │   3/1 – 3/12    │
│                 │ ◀── │                 │ ◀── │                 │
│   QA reviews    │     │ Sites respond to│     │ Sites decide to │
│   rebuttals     │     │    findings     │     │  concur/rebut   │
└─────────────────┘     └─────────────────┘     └─────────────────┘
         │
         ▼
┌─────────────────┐
│      3/26       │
│                 │
│ Sites receive   │
│ final decision  │
│   from QA       │
└─────────────────┘
```

*Dates are used as an example only – this is not an official start date

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Sampling – Current State

- Sampling methodologies vary across audits
- Different audits have different objectives
- Some differences in sampling include -
  - ➢ Size
  - ➢ Timeframe
  - ➢ Sampling unit – e.g. month of eligibility, determination date, claim date of service

Sampling – Future State

- Consistent sample sizes
- Create targeted samples based on trends in audit findings and data from CBMS
  - Identify possible "point of occurrence" – what is it, where does it happen, when does it happen, and who is involved

Sampling – Example # 1

- OSA finds multiple household composition errors in their sample

- Our analysis shows that errors are happening when Needy Newborns (NNB) are added to a case
  - ➢Pull a report of all individuals whose household size increased & select cases from the report for review

What will QA review?

- QA will review all factors of eligibility to determine if the case was*:
  - ➢ Processed timely
  - ➢ Enrolled in the correct aid code; or
  - ➢ Appropriately denied/terminated from assistance

*Not an all-inclusive list – may change if new federal guidance is issued

Factors of Eligibility

- These factors include but are not limited to –
  - ➢Citizenship/Immigration Status
  - ➢Social Security Number
  - ➢Residency
  - ➢Household Composition
  - ➢Income, all types
  - ➢Resources, all types

Reviewing Site Actions

- Considerations include, but are not limited to –
  - ➤ Did the caseworker act on information timely?
  - ➤ Did the caseworker correctly data enter information into CBMS?
  - ➤ Did the site maintain the documentation that supports the information in CBMS?

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Reviewing System Actions

- Considerations include but are not limited to –
  - ➢ Did the system make the appropriate determination based on what was entered?
  - ➢ Did the system follow the Department's verification policies?
  - ➢ Was the individual properly notified of case decisions?

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Site Responsibilities

1/29 - 2/12	2/12	2/12 – 2/26	2/26
• Review each finding • Decide if you agree/disagree • Log responses on a form provided by the QA team	• Ensure a response has been logged for each finding on the form • Return the completed form to the QA team • If the form is not returned by the due date, it will be accepted as a concurrence with all findings	• QA will review all rebuttals • Valid rebuttals will be reversed • Invalid rebuttals will not be reversed	• QA will return the final results • QA's final decision and justification will be noted on the form

Findings

- QA will send findings on the last day of the month
- Sites will have 10 business days to provide a response and concur/rebut the error
- QA will have 10 business days to review the site's rebuttal and make a final decision

Findings Schedule

Receive initial findings 2/26

Respond to initial findings by 3/12

Receive final results on 3/26

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First, a PuMP Refresher

- Process: Step 2, develop results we want from a goal; Step 3, develop measures based on the results we want.
  - ➢ Why? Goals are action oriented/hard to measure.
- Measure Elevation
  - ➢ Performance should be measured at every level of an organization based on who can take action
  - ➢ This will be noticeable in the Accuracy Measure Gallery. Some may also be internal to HCPF.

Measure Gallery and Dashboard Gallery

- Accuracy Measure Gallery
  - ➢Will showcase the proposed Accuracy Measures
  - ➢Will be held 9/29 from 9am-11am and 10/1 from 3pm-5pm
- Dashboard Gallery
  - ➢Will showcase proposed Dashboard design and all selected Performance Measures
  - ➢Will be held the week of October 19th

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Accuracy Measures

- HCPF has developed specific measures to track the accuracy of Medical Assistance approvals, denials, and terminations

- Measures will be leveraged for ME reviews and to identify opportunities for improvement

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Accuracy Measure - Example

Potential Measure: number of individuals that were incorrectly approved for, denied, or terminated from MA divided by the total number of individuals in the sample (%)

Accuracy Measure - Example

	# Individuals Sampled	# Individuals Incorrectly Approved, Denied, Terminated	Incorrect Eligibility Determination Rate
County A	33	5	15%
County B	15	3	20%
County C	5	3	60%
County D	1	1	100%
County E	0	N/A	N/A

Accuracy Measure Gallery

- This is your opportunity to review our proposed accuracy measures and share your comments, questions, and concerns
- Accuracy Measure Gallery Schedule:
  - ➢ Tuesday September 29, 9am-11am
  - ➢ Thursday October 1, 3pm-5pm

Questions?

Next Steps

- Participate in the Accuracy Measure Galleries scheduled for next week
- Review the slide deck and share with your leadership and peers