

Medicaid and CHIP Eligibility Review Pilots

Round 1 Reporting and Corrective Action Guidance

Issued: March 2014

Background

State Health Official Letter 13-005, issued on August 15, 2013, directs states to implement Medicaid and Children's Health Insurance Program (CHIP) Eligibility Review Pilots in place of the Payment Error Rate Measurement (PERM) and Medicaid Eligibility Quality Control (MEQC) eligibility reviews for fiscal years (FY) 2014 – 2016. States will conduct four streamlined pilot measurements over the three year period. The pilot measurement results should be reported to CMS by the last day of June 2014, December 2014, June 2015, and June 2016.

Guidance for conducting the first round of pilot reviews was issued in October 2013. This guidance specifies the reporting and corrective action requirements for that first round of pilots due June 2014. Guidance for later pilots will be released at a later date.

Due Dates & Submission

First round pilot findings, along with corrective action information, are due to CMS no later than June 30, 2014. States will use the PERM Eligibility Tracking Tool (PETT) website to submit the Medicaid and CHIP Eligibility Review pilot findings. Attached to this guidance is a pilot reporting template that contains the information states are required to enter on the PETT website. Instructions for registering for and using the site will be issued to states, and website trainings via webinar will be offered prior to the findings due date.

States are required to enter findings directly on the PETT website. An upload function will not be available, and CMS will not accept an excel version of the template. However, to make the PETT submission process easier, users will be able to save the findings as draft before submitting as final to CMS. States should keep in mind that the PETT submission is a final report to CMS and is not intended to collect information as reviews are being completed.

Once the final report is submitted to CMS, CMS will review and provide comments or approval within 2 weeks. If CMS does not approve the report, states will have 1 week to revise the reporting template based on CMS comments. CMS comments and approval will also be handled through the PETT website.

Corrective Actions

Along with the pilot review findings, CMS will collect information on corrective actions through the PETT reporting template.

For errors identified through the Medicaid and CHIP eligibility review pilots, states are required to discuss corrective actions to avoid such errors in the future. States should describe the corrective actions that the state will implement and how these actions will reduce or eliminate errors. For each corrective action the state should discuss, with as much detail as possible (at a minimum):

- What state key personnel and components will be responsible for implementing the corrective action.

- How the root cause of the error will be addressed with the corrective action.
- Details on the action to be taken, providing a step-by-step process, where applicable. States should identify the specific actions that will be taken (e.g., systems changes, new and/or updated trainings, policy clarifications).
- The corrective action implementation dates and the expected due dates for resolving problems.
- Expected results of the corrective action and how the state plans to monitor the effectiveness of the corrective action.
- Any other corrective action information CMS should know.

While states must discuss corrective actions for errors, it remains the state's decision on which corrective actions to take to decrease or eliminate errors. States are encouraged to use the most cost effective corrective actions that can be implemented to best correct and address the root causes of the errors. If the state determines that the cost of implementing a corrective action outweighs the benefits then the final decision of implementing the corrective action is the state's decision. In cases where the state chooses not to implement an action, the cost benefit analysis and the final decision should be included as the corrective action discussion.

States will be required to provide an update on these corrective actions, including an evaluation of the effectiveness of the corrective actions, when reporting on the round 2 pilots in December 2014. Therefore, a thorough and detailed description of the state's corrective action strategy will benefit states in conducting the second round of pilots later this year.

Reporting Instructions

This section provides instruction for what information states should include in the pilot reporting form fields on PETT. Please refer to the attached template for a listing of fields. Please note that states are asked to report on Medicaid and CHIP separately throughout the reporting form. Cases should be distinguished as Medicaid versus CHIP depending on what they were sampled as (i.e. the case was pulled from the Medicaid sampling frame or pulled from the CHIP sampling frame; it is an eligibility determination distinction, not an agency distinction).

CMS expects states to complete this reporting form in accordance with the sampling, review, and reporting approach the state took as documented in the approved pilot proposal.

Section 1: General Information

- **State Name:** Pick your state from the drop down list
- **Name of Pilot:** Include the name of the pilot you are reporting results for; this should match the name of your pilot from the pilot proposal
- **Date of Submission:** PETT will automatically populate this value when the form is submitted as final
- **Reporting period:** Pick June 2014 from the drop down list

Section 2: Background Information

- **Date State Implemented MAGI Determinations:** This is the date your state started determining Medicaid/CHIP eligibility using new MAGI rules (e.g. if the state began making MAGI determinations on November 15, 2013 for applicants applying for Medicaid benefits starting January 1, 2014, the state would enter 11/15/13 in this field).
- **State Marketplace Model During Pilot Timeframe. Please specify if state changed models during pilot timeframe:** Please specify state marketplace model utilized from October 2013 through March 2014. If an FFM or partnership model state, please indicate if the state delegated determination authority to the FFM during the pilot timeframe. If the pilot timeframe includes an overlapping period of both the assessment and determination model, please indicate such and include relevant date ranges.
- **Please discuss aspects of the state's implementation of new ACA requirements that had an impact on the pilot and may help interpretation of pilot results:** The state should describe its implementation of ACA requirements for Medicaid and CHIP eligibility, including any delays, systems issues, and relevant mitigation plans. Please also include relevant dates. The types of information CMS intends to collect in this section includes, but is not limited to:
 - Delays in implementing MAGI eligibility determinations
 - Interim MAGI solutions used (e.g. manual MAGI calculations, MAGI in a cloud) along with the date span these interim solutions were used
 - Timeframes for implementing inbound and outbound FFM transfers if relevant to pilot
 - Changes in eligibility systems and relevant dates
 - Targeted enrollment strategies utilized
 - Relevant waivers (i.e. FFM Flat File waiver)
 - Relevant mitigation plans

CMS understands that information in this section may impact a state's ability to report on certain elements contained in the reporting form. If the state was timely with implementation, experienced no delays, did not implement any targeted enrollment strategies, etc., please state that in this section.

- **Has anything changed about the pilot since approval of the pilot proposal? If yes, please describe:** The approved pilot proposal is CMS' record of how the state chose to conduct the round 1 pilots. If there is anything in the approved proposal that is no longer accurate or anything missing from the proposal, the state should include a description in this section. If the approved pilot proposal accurately reflects the state's round 1 pilots, please put "no" for this section. Note: CMS expects that most states will indicate "no" in this section since states should submit an updated proposal to CMS for approval when changes occur to the originally approved proposal.
- **Please include any other information that may help interpretation of the pilot results:** The state should include any other information that someone reviewing the state's results should know. For example, if your state will be entering "0"s in an entire section of this reporting template because it is not something your state is able to report on, this field can be used to describe that. CMS understands that all states may not be able to provide information for every element and only requires that the state provide reasoning why. This field is optional and may be left blank.

Section 3: Overall Findings

- **Please describe the sampling unit and the level at which the state is reporting errors (the level at which the state reports errors is how the state defines a “case” throughout reporting):** States should describe whether they sampled at the individual or household level.

If your state sampled at the individual level, describe whether you are reporting on the sampled individual or opted to review the entire household and are reporting on each individual in the household. For reporting purposes, a “case” = an individual.

If your state sampled at the household level, describe whether you are reporting on each individual in the household (for reporting purposes, a “case” = an individual; example: Four individuals in a household. One is in error and three are correct so the state would report one error and three correct cases) or if you are reporting on the household itself (for reporting purposes, a “case” = a household; example: a household is reported as one case. Two out of four household members had an eligibility error so entire household is counted as one error for reporting purposes). Please remember that sampling at the household level and reporting on only one individual in the household is not an option.

Please note that depending on the sampling level and reporting level, CMS understands that the reporting numbers may not match up with the sample size numbers which is acceptable since no error rates or other valid statistics are being based on these pilots.

- **Figures for Medicaid active, Medicaid negative, CHIP active, and CHIP negative**
 - Number of cases reviewed – number of cases reviewed and determined correct or in error (number of cases correct and number of cases in error should add up to this number)
 - Number of cases correct – number of cases found to be correct based on the state-specific definition of what constitutes a “correct” case, per the state’s approved pilot sampling plan
 - Number of cases in error – number of cases found to be in error based on the state-specific definition of what constitutes an “error,” per the state’s approved pilot sampling plan
 - Dollar value of improper payments identified – total dollars for active cases identified by the state as “errors” based on the state-specific definition of an “error” and collected according to the timeframes specified in the state’s approved pilot sampling plan
 - Dollar value of payments for correct cases – this field is optional; if you were a state that opted to conduct payment reviews on all sampled cases, you can record the dollar value of correct payments here

Section 4: Analysis by Error Code

For Medicaid active, Medicaid negative, CHIP active, and CHIP negative:

- **Please list all of the error codes/classifications that the state used:** States should list all error classifications/codes used for the pilot (e.g., E – eligible; IE – ineligible; TE – technical errors; V – valid negative action; I – invalid negative action). This should match information from the “Specify how errors will be identified and classified” section of

your state's approved pilot proposal. Please note that the number of rows in PETF will expand to accommodate as many error codes/classifications as the state used.

- **Number of errors:** The state should include the number of errors identified for each error code.
- **Dollar value of improper payments:** The state should include the dollar value of improper payments associated with each error code. This is not required for eligible codes (i.e., E – eligible) or negative cases.

Section 5: Was the decision about program eligibility correct?

For Medicaid active, Medicaid negative, CHIP active and CHIP negative:

- **Number of decisions about program eligibility correct:** Include the number of cases for which the decision about program eligibility was correct.
- **Number of decisions about program eligibility incorrect:** Include the number of cases for which the decision about program eligibility was incorrect.
- **Dollar value of improper payments due to this measure:** Include the dollar value of improper payments for cases where the decision about program eligibility was incorrect.
- **Provide a general description of each error identified:** States should enter a general description for each case where the decision about program eligibility was incorrect. The general descriptions should briefly describe the errors (e.g., the state caseworker did not verify income information from the hub as required, and the recipient was over the Medicaid income limit).
- **Provide root cause of each error:** For each error, states should provide the root cause of the error. States should describe the underlying causes of each error, not just the surface causes, and why a particular program/operational procedure caused the specific errors (e.g., no internal controls in place at the state to ensure the caseworker is completing each required verification; caseworkers not completing all required verifications).
- **Provide corrective actions for each root cause:** The state should provide corrective action information in this field. Please see the corrective action section above for guidance on what must be included in this discussion.

Sections 6 through 13: Follow the same guidance as section 5 above for each additional required reporting element per the pilot sampling plan guidance. CMS expects states to report on each element in accordance with review and reporting approach included in the state's approved pilot proposal. Please note that states may report a case in more than one section should multiple problems be identified on a case.

- Was the decision of eligibility category correct?
- If the decision has been finalized and denied, was the case transferred to the FFM appropriately?
- If the decision has been finalized and denied, have appropriate final notices been sent?
- If the application was transferred from a FFM, were appropriate steps taken to ensure reuse of application and verification information?
- Were the appropriate attestations or verifications made for data collected in the application as identified in the state's verification plan before disposition?
- If additional information was sought from the applicant or beneficiary, was such information properly requested based on attestation and verifications, or existing data, and utilized properly in the eligibility determination?

- Based on the information supplied, attested, and verified, was the household composition and income level for the applicant properly established?
Note: For this measure, states are asked to separately report the number of cases where household composition was/wasn't properly established (and associated improper payments) and the number of cases where the income level was/wasn't properly established (and associated improper payments).
- Based on the information supplied, attested, and verified, was the citizenship and immigration status for the applicant properly established?

Section 14: Analysis by Point of Application

For Medicaid active, Medicaid negative, CHIP active and CHIP negative:

- **Please list point of application captured:** States should list the points of application (e.g., state agency, transferred from marketplace) that the pilot captured information on. Pilot guidance required that states report analysis on “Applications received at state agency/delegated entity” so that point of application is prepopulated. Please note that the number of rows in PETT will expand to accommodate as many points of applications the state captured.
- **Number of decisions reviewed:** The number of cases reviewed for each point of application.
- **Number of decisions in error:** The number of cases in error for each point of application.
- **Dollar value of improper payments:** Dollar value of improper payments identified for each point of application.
- **Dollar value of correct payments:** If you were a state that opted to conduct payment reviews on all sampled cases, you can record the dollar value of correct payments here for each point of application.
- **Provide a high-level analysis of the accuracy of eligibility determinations by point of application. Was one point of application more problematic than others?:** States should provide a discussion of any trends or analysis relevant to the point of application. The state may also indicate that there were no apparent trends.
- **Provide the reasons for errors as they relate to point of application:** For any error trends or error findings that were associated with the point of application states should provide a description of the errors and the cause of errors. If there were no trends/error findings associated with this particular measure, the state can indicate that in this field.
- **Provide corrective actions implemented focused on specific points of application:** States should provide a general description of any corrective actions implemented that were focused on a particular point of application or any corrective actions implemented to resolve trends or error findings associated with the point of application. If there were no corrective actions implemented relating to this particular measure, the state can indicate that in this field.

Sections 15 and 16: Follow the same guidance as section 14 above for Type of Application and Channel. For section 16, Channel, the required prepopulated channels are “In Person” and “Online”.

Section 17: Additional Analysis/Findings

This section is intended to capture any additional information that can be gleaned from the pilot results that was not captured above. States are asked to provide information in each of the fields below. If the question/item is not relevant to the state's pilot findings, please specify that in the field.

- **Did the state notice any trends by timeframes? (i.e. Oct-Dec findings different than Jan - March findings) If yes, please describe.**
- **Did the state observe any other trends in errors? If yes, please describe. Were the trends expected/unexpected?**
- **Were there any unexpected findings?**
- **Provide a description of any technical or procedural errors that were identified through the pilot along with actions your state took to address the issues.**
- **Did the errors identified through this pilot line up with previous PERM/MEQC errors identified in your state? What was different/similar about pilot findings to previous PERM/MEQC findings?**
- **For sections that had no or few errors identified, what processes does the state have in place that helped lead to accurate determinations? Are there any best practices that other states would benefit from?**
- **Include any additional analysis/findings/comments the state would like to report**

Section 18: Pilot Feedback

CMS asks that states provide candid feedback on the round 1 pilots so the pilot process can be improved in future rounds. States are asked to answer the following questions:

- **Based on prior experiences with PERM and MEQC, did your state identify any differences or difficulties performing eligibility reviews for MAGI cases?**
- **What was the most useful information you gained from the pilot? What information is most likely to help you improve systems, processes, policies, etc.?**
- **Is there any information you wish you'd gained from this pilot?**
- **What were your thoughts on the overall pilot process? What factors would have made the pilot process easier for the state?**
- **Are there any elements this pilot did not review that would be worth including in future pilots?**
- **Did you identify any issues that would be beneficial to focus on in future pilots?**

Questions

Please submit all questions to FY2014-2016EligibilityPilots@cms.hhs.gov.