Medicaid and CHIP Eligibility Review Pilots

Round 3 Reporting and Corrective Action Guidance

Issued: May 2015

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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 Round 3 pilot reviews was issued in January 2015. This guidance specifies the reporting and corrective action requirements for Round 3 pilots due June 30, 2015. Due to the timing of the release of the Round 3 Pilot Review Guidance and the changes made from Round 2, CMS will allow states to submit pilot findings as late as August 31, 2015.

The Medicaid and CHIP Eligibility Pilot reviews consist of two independent components; the case review component and the test case component. The reporting and corrective action guidance is for the case review component only. Guidance for the test case reporting is issued separately.

Round 3 Reporting Overview

CMS has made significant changes to the reporting process and guidance from previous rounds. States will submit Round 3 results in two parts:

1. States will upload a findings spreadsheet to the PERM Eligibility Tracking Tool (PETT) website – this spreadsheet will provide the results of each individual case reviewed
2. States will input narrative into fields on PETT – the narrative will provide discussion/analysis of the overall findings, root cause descriptions, and corrective action information

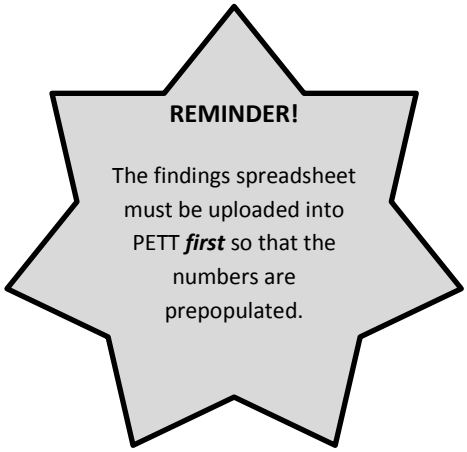
Additional changes to Round 3 reporting include:

- State assignment of case ID numbers to all reviewed cases using CMS-defined logic
- State assignment of CMS-defined error codes and findings codes to reviewed cases
- PETT will automatically populate number analysis (e.g. counts of errors/deficiencies/findings codes) into the narrative section of PETT so states are no longer required to enter numbers
- Related findings codes are grouped into sections for state discussion of corrective actions and root causes. States do not need to include case ID numbers or counts in the corrective action analysis.
- States should maintain a crosswalk that links the assigned Case ID number to the case reviewed in the event that pilot findings are subjected to Federal review.

Due Dates & Submission

Round 3 pilot findings, along with corrective action information, are due to CMS between June 30, 2015 and August 31, 2015. It is essential that all findings (both the spreadsheet and the narrative) are submitted to CMS **no later than** August 31, 2015.

States will use the PETT website to upload the Medicaid and CHIP Eligibility Review pilot findings spreadsheet. PETT will use the individual case information from the findings spreadsheet to pre-populate numbers (e.g. total cases correct) into the findings narrative section on PETT. States will enter their description of the issue, and corrective action information directly into the findings narrative section of the PETT website.



States can submit both the spreadsheet and reporting corrective action analysis at the same time, but the findings spreadsheet must be uploaded into PETT first so that the numbers are prepopulated. States do not need to wait until corrective actions have been developed to upload the findings spreadsheet. CMS recommends that states submit their findings spreadsheet as soon as it is completed, while states may still be working on the narrative and corrective action information. This will allow CMS time to review the findings spreadsheet for inconsistencies and provide feedback prior to states entering narrative information based on these findings. If a state has to make corrections on the findings spreadsheet, the state will have to re-upload the findings spreadsheet into PETT in order to update the analysis information that will be pre-populated into the native portion of PETT.

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. States are required to certify results submitted in PETT. States should specify the name of the state official (State Medicaid/CHIP Director or designee) that is attesting to the accuracy of the findings. Prior to submission, users must check the box next to the attestation "I certify that this information is accurate and understand that this information may be subject to Federal review." Users must then enter the name of the person certifying the report. **The website will not accept the pilot findings submission unless the results have been certified.**

States should plan to complete their pilot reviews well in advance of the reporting due date so that they are able to analyze the results, develop corrective actions that will effectively reduce or eliminate errors and deficiencies, and report those corrective actions to CMS. Oftentimes the state staff responsible for conducting and reporting on these pilots is not the same staff that has control over implementing necessary corrective actions. State pilot staff should plan to work with

other components (e.g., systems and eligibility policy staff) within their state as necessary to plan and report on corrective actions.

Webinar trainings and instructions for uploading Round 3 pilot findings spreadsheet and submitting narrative information will be offered prior to the findings due date.

CMS Review and Approval

CMS comments and approval will also be handled through the PETT website. If the spreadsheet and narrative are submitted together, CMS will review and provide comments or approval within 2 weeks. Similarly, if the spreadsheet or narrative is submitted separately, CMS will review the component of submission and provide comments within 2 weeks. States will have 1 week to revise the reporting template based on CMS comments.

Please keep in mind that review/comments on the spreadsheet may have an impact on the state's narrative and vice versa. If a state submits the spreadsheet prior to the narrative, the spreadsheet cannot be approved until CMS reviews the findings narrative along with the spreadsheet.

CMS' review of the spreadsheet will include the following:

- A reasonableness check. Do the findings on each case make sense?
    - A case that is identified as an E-error should have at least one finding code that relates to an eligibility determination error. For example, if a state reported a case with an error code of: *E-error*, however, the only finding code identified on that case was *15 – Case not processed within required state and federal timeframes*, CMS would question this.
    - A case is identified as a *D-deficiency* and was placed in the incorrect eligibility group, there should be another finding code associated with that case.
    - Case types should not conflict with findings codes only meant for other case types. For example, CMS would question an active case that has the finding code *01 – Case not appropriately transferred to the FFM/SBM. Negatives only.*
- A check for general consistency with the state's pilot proposal. For example, if a state's pilot proposal indicated that fax, in person, online, and mail were all channels applicable to the state, however, every row of the spreadsheet had 'in person' selected as the channel, CMS would question this.

ALERT! Change from Round 2

States will submit a review findings spreadsheet via PETT *before* providing a corrective action narrative with a discussion/analysis of the overall findings in PETT

Medicaid and CHIP Eligibility Review Pilots Round 3 Findings Spreadsheet Instructions (March 17, 2015)

States are required to submit a findings spreadsheet that lists each case ID along with the results of the review. States are required to report results on all cases that were reviewed (not just the minimum number) through the Round 3 Pilot. Additional information for uploading the spreadsheet in PETT 2.0 will be available at a later date.

General Information

A. Pilot Round: Round 3 (Prepopulated)

B. Determination Review Period: October 2014-March 2015 (Prepopulated)

States will provide the following information:

C. Total Cases Reviewed

States should enter the total number of cases reviewed. This number should match the total number of cases individually reported in the rows of this spreadsheet.

D. Total Medicaid Cases Reviewed

States should enter the total number of Medicaid cases reviewed.

E. Total CHIP Cases Reviewed

States should enter the total number of CHIP cases reviewed.

Column A

States are required to report on all cases reviewed for Round 3 pilot including correct cases. States should enter the results for the review of each case on a separate row of this spreadsheet. Results of the review should include **all** issues identified on that case. The total number of cases reviewed specified above in general information section should match the number of rows of cases reported in the spreadsheet. The spreadsheet provides 1,050 rows for reporting on cases.

Column B - Case ID

States are required to identify all cases reviewed using the case ID logic (9 digits) specified below. Column B should only include information using the 9 digit case ID logic.

Case ID's should be assigned using the following 9 digit logic:

1	2	3	4	5	6	7	8	9
State Abbreviation		Budgeting Methodology	Program	Active vs. Negative Determination	Initial vs. Redetermination	Sequence Number		
Standard postal 2 character state abbreviation		M=MAGI N= Non-MAGI	M = Medicaid C = CHIP	A = Active N = Negative	I = Initial Determination R = Redetermination	3 digit sequence number assigned by the state to ensure each case has a unique case ID		

Additional information about assigning case ID logic is available in the Medicaid and CHIP Eligibility Review Round 3 Pilot Guidance. If states are unable to specify whether negative cases are Medicaid or CHIP, states should assign all negative cases to one program and specify how negatives are identified in this pilot. States will provide information in one of the "optional fields" (columns AB-AE) and specify "all neg Medicaid" or "all neg CHIP." If states have additional state specific logic that is used to identify cases, states have the option of using one of the "optional fields" to track this information.

Column C - Program

States will identify each case as "Medicaid" (Title XIX funds) or "CHIP" (Title XXI funds) (or would have been Medicaid and CHIP) using the dropdown box provided. For negative cases, if unable to specify whether Medicaid or CHIP states should assign all negative cases to one program and specify how negatives are identified in this pilot.

Column D - Active or Negative

States will identify each case as "Active" or "Negative" using the dropdown box provided.

Column E - Point of Application

For each case, states should identify the point of application as "state agency/delegated entity", "local office/county office", "transferred from FFM/SBM", "Redetermination", or "Unknown" by selecting from the dropdown box provided. These choices are general buckets for national analysis. States should select the most applicable general bucket. "Unknown" should only be chosen when a state is unable to capture the point of application information. This information should be consistent with state's pilot proposal.

- *Example*: If the point of application is a "sister" agency, the state would select the "state agency/delegated entity" option.

States may be working with "sister" agencies and want to track the type or name of the sister agency or other more state-specific points of application for internal use. States may use the "optional fields" (column AB-AE) to capture more specific information in this section. CMS encourages states to track any state-specific information needed to be able to develop effective corrective actions.

Column F - Type of Application

For each case, states should identify the type of application as "Single-streamlined", "Multi-benefit", "Redetermination" or "Unknown" by selecting from the dropdown boxes provided. These choices are general buckets for national analysis. States should select the most applicable general bucket. "Unknown" should only be chosen when a state is unable to capture the type of application information. This information should be consistent with state's pilot proposal. States may have more specific information about the type of application beyond the dropdown choices available. CMS encourages states to continue capturing whatever state-specific information needed to be able to develop effective corrective actions. States may want to use the "optional fields" (column AB-AE) to capture more specific information in this section.

Column G – Channel

For each case, states should identify the channel of application as "In-Person", "Online", "Mail", "Telephone", "Transferred from SBM/FFM", "Fax", "Redetermination", or "Unknown" by selecting from the dropdown boxes provided. These choices are general buckets for national analysis. States should select the most applicable general bucket. "Unknown" should only be chosen when a state is unable to capture the channel information. This information should be consistent with state's pilot proposal.

States may have more specific information about the channel beyond the dropdown choices available. CMS encourages states to continue capturing whatever state-specific information needed to be able to develop effective corrective actions. States may want to use the "optional fields" (column AB-AE) to capture more specific information in this section.

Column H – MAGI vs. non-MAGI

States are required to identify cases as "MAGI" or "Non-MAGI" by selecting from dropdown box provided.

Column I – Case Action

States are required to identify cases as "Initial Determination" or "Redetermination" by selecting from the dropdown box provided.

Column J – Error Codes

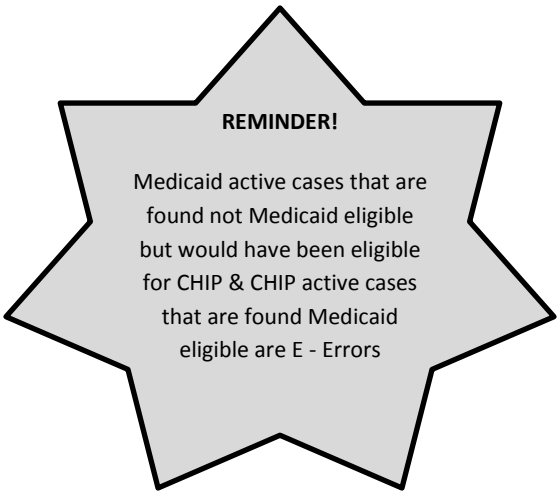
States are required to assign one error code to each case reviewed. States should identify the error code as "C – Correct", "D – Deficiency", "E – Error", or "U – Undetermined" by selecting from the dropdown box provided. States are required to use the CMS specified error codes listed below. Only one error code is assigned per case. States should report all findings that were identified during the review through separate codes called finding codes. The instructions for reporting multiple findings are included in the findings codes section. Detailed information on each of the four error codes is shown in the table below.

Code	Name	Definition	Notes
C	**Correct**	The overall eligibility determination was correct and no issues or problems were identified during the review of the case (i.e. everything was perfect).	No findings codes should be identified on these cases.
D	**Deficiency**	The overall eligibility determination was correct but an issue was identified during the review of the cases that did not impact overall eligibility.	At least one findings code should be identified on these cases.
E	**Error**	The decision about overall program eligibility was	Includes cases: • Determined eligible for

		incorrect.	Medicaid but should have been eligible for CHIP or not eligible at all • Determined eligible for CHIP but should have been eligible for Medicaid or not eligible at all • Determined not eligible for Medicaid or CHIP but should have been eligible for Medicaid or CHIP At least one findings code should be identified on these cases.
U	**Undetermined**	Insufficient information available for review to determine if the overall eligibility decision was correct or incorrect.	A case should be cited as "undetermined" only if the agency cannot verify eligibility or ineligibility using the case record documentation or other sources available at the time of review. A missing case record does not automatically make a case "undetermined." At least one findings code should be identified on these cases.

Examples:

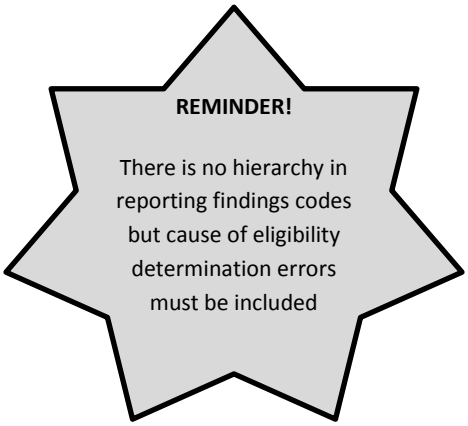
- A state reviewed a case where the decision about overall program eligibility was incorrect because the case was over the income limit. This case was also not processed within required timeframes. The state would report 'E-error' as the Error Code since the decision about overall program eligibility was incorrect. The state would report two finding codes on this case and select findings code 22 "Case over income limit" as well as code 15 "Case not processed within required state and federal timeframes". The state reports both findings codes because states are required to report all findings associated with the case even if the additional findings did not cause the eligibility determination error.



- A state reviewed a Medicaid active case where the incorrect household composition was established, causing the case to be placed in the wrong eligibility category/group, however, the individual was still Medicaid eligible. The states would report 'D-deficiency' as the Error Code and report all finding codes related to the household composition and eligibility category issues identified.

Columns K - Y– Finding Codes

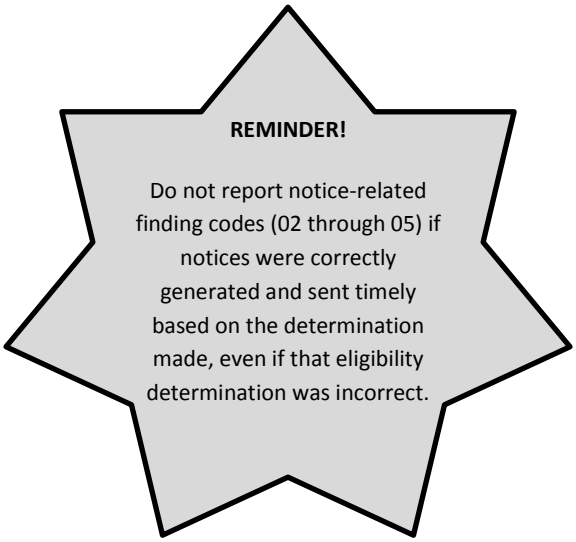
States are required to assign all finding codes that are applicable to the case. States are required to use the CMS specified finding codes listed below. Only one error code can be assigned to a case but a case can have multiple finding codes. The spreadsheet will accommodate up to eight (8) findings per case. Errors, deficiencies, and undetermined cases should have at least one finding code. Correct cases should have no findings codes. There may be situations where the findings do not clearly match the available codes listed below. States should assign findings codes that best fits based on the elements or process reviewed. The findings code of "other" should only be used for findings related to an element or process reviewed that is not listed in the chart. For any findings reported as code 99- "other" the state will be required to provide an explanation in PETT 2.0.



States will select findings from the dropdown list of codes and findings. For each reviewed case, states should assign all findings codes that are applicable to the case. States should report the first finding in Column K (Finding Code 1) using the dropdown list. In the next column, Column L, state will specify the cause (owner) of the finding. (See next section for additional instructions for Column L). If the state is reporting more than one finding on a case, the additional finding should be reported in Column M - Finding Code 2 and report the cause (owner) for as required in next column. States will have the option to report up to eight findings and causes (owner) in the additional columns.

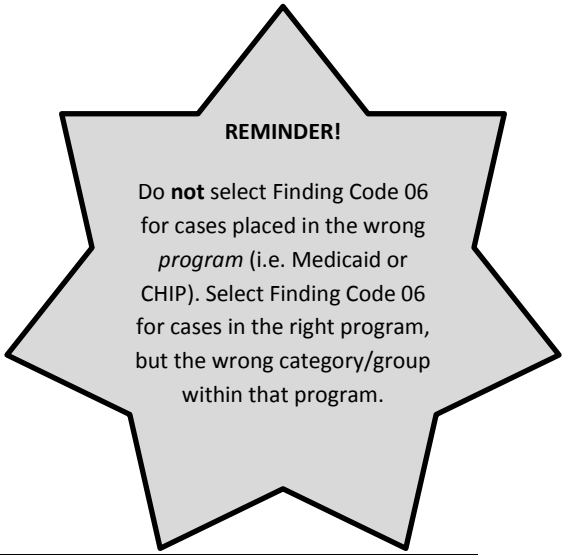
Examples:

- State assigned a case "E - Error" since the decision about overall program eligibility was incorrect due to case over income limit. State would select finding code 22- "Case over income limit." State should also report any additional findings associated with the case even if the additional findings did not cause the eligibility determination error. For example, the review also identified that the case was not processed within required state and federal timeframes. This finding should be reported as an additional finding - code 15 "Case not processed within required state and federal timeframes".
- State assigned a case as error code "D-Deficiency" since the overall eligibility determination was correct but an issue was identified during the review of the cases that did not impact overall eligibility. One finding was due to assets not calculated correctly for the non-MAGI case but the miscalculation did not result in an incorrect eligibility determination. State should select finding code 09 –"Asset not



calculated correctly". The review also identified another issue that a notice of eligibility was sent but not timely. State should select additional finding code 05-"Notice of eligibility sent but not timely".

- A state reviews a case where the incorrect income level was calculated causing the case to be over income and, therefore, not eligible. The state should select both finding code 08 "Incorrect income level calculated" and finding code 22 "Case over income limit". If the income level was calculated incorrectly because the state did not check a required third party data source the state would also select finding code 11 "Third party data source not utilized as specified in verification plan."



There is no hierarchy requirement related to reporting findings for this pilot. CMS will be analyzing the data from these reports but will not rank findings based on column numbers used.

For each reviewed case states should assign all findings codes that are applicable to the case as listed below:

Code	Finding
01	Case not appropriately transferred to the FFM/SBM. Negatives only.
02	Notice not sent upon denial or termination. Negatives only.
03	Notice sent but was not timely or did not contain correct information. Negatives only.
04	Notice of eligibility not sent. Actives only.
05	Notice of eligibility sent but not timely or did not contain correct information. Actives only.
06	Case placed in incorrect eligibility category/group
07	Incorrect household composition established
08	Incorrect income level calculated
09	Assets not calculated correctly (non-MAGI only)
10	Case did not meet medical eligibility requirements (non- MAGI only)
11	Third party data source not utilized as specified in verification plan
12	Applicant contacted before state exhausted all other efforts to verify information
13	State verified element for which self-attestation accepted
14	State did not verify element in accordance with verification plan and other state/federal policies
15	Case not processed within required state and federal timeframes
16	No action taken when reasonable compatibility standard not met
17	Citizenship/Immigration status not verified in accordance with state and federal policies
18	State did not appropriately apply reasonable opportunity period
19	Unable to complete case review due to missing records. Undetermined only.
20	No documentation available in state records/system to confirm third party data sources were verified due to caseworker issue.
21	No documentation available in system to confirm third party data sources verified.
22	Case over income limit

23	Residency not verified in accordance with state/federal policies
24	Age not verified in accordance with state/federal policies
25	Identity not verified in accordance with state/federal policies
26	Medicare/other coverage status not appropriately determined/considered
27	State did not ask for appropriate documentation related to resource transfers. Non-MAGI only.
28	State did not ask for appropriate documentation for expenses and deductions. Non-MAGI only.
29	Case did not meet expenses and deductions eligibility criteria. Non-MAGI only.
30	State did not ask for long-term care specific information appropriately. Non-MAGI only.
31	Case did not meet long-term care eligibility criteria. Non-MAGI only.
32	Case transferred from marketplace and information was not appropriately reused
33	Case processing transfers between caseworker and system did not occur appropriately
34	Information not manually entered into system appropriately/timely
35	Self-attested pregnancy information not appropriately utilized
36	Case was denied/terminated without incorporating information that was provided before the submission timeframe
37	Agency failed to follow-up on inconsistent or incomplete information
38	Agency failed to follow-up on impending changes
99	Other

Column L –Z - Caseworker or System Findings

States are required to specify if the finding reported is an issue related to "Caseworker" or "System" or "Caseworker and System" or "Other" by selecting from the dropdown boxes provided. In Column L - Caseworker or System Finding 1, state will specify the cause (owner) of the finding. For each finding codes entered, states will required to select root cause owner in the column following.

Example:

- State assigns an error code of "D-deficiency" because the income was not calculated correctly, but it did not affect the eligibility. If the assets were not calculated correctly because the caseworker excluded one of the paystubs, the state would select "Caseworker" from the dropdown box.

Column AA- Improper Payments Identified

States are required to conduct a payment review to identify improper payments. At a minimum, states are required to report payment error for active case errors (Error Code E in Column J) where the decision about eligibility determination was incorrect. States should enter the dollar value of improper payments. States have the option to enter dollar values for cases codes as Undetermined, or Deficiency.

Column AB-AE-Optional Fields 1-4

Optional fields are available for states to track any additional state specific information that may be useful in developing corrective action. States should only use these "optional fields" to track

additional state information and not use as an alternate to selecting dropdown boxes from required fields.

ALERT! Change from Round 2

States are required to assign a unique Case ID number to each case that reviewed and maintain a crosswalk. One case may have multiple errors/deficiencies but should only be assigned one Case ID number.

Narrative and Corrective Action Reporting Instructions

This section provides instruction for what information states should include in the pilot reporting form fields on PETT for analysis and corrective action. This is the next step in the reporting process after state has submitted the finding spreadsheet in PETT.

Section 1: General Information

Fields 1 through 5: State Name, Pilot Round (Round 3), Determination Review Period (October 2014 – March 2015), Date of Submission, and Reporting Period (August 2015), will be prepopulated by the PETT website.

States are required to enter information for fields # 6 through 8.

- 6. State Contact Name(s)
- 7. State Contact E-mail Addresses
- 8. State Contract Phone Numbers

This contact information will be used by CMS for any questions about state Round 3 reporting.

Section 2: Background Information

State will provide responses to the following:

9. **Has state made any changes about the pilot since approval of the pilot proposal? If yes, please, describe**. State should include information about any changes that have been made, since state's approved proposal will be a part of the reporting review. The approved pilot proposal is CMS' record of how the state chose to conduct the round 3 pilot. 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 3 pilots, please put "no" for this section.

10. **Please include any system updates that may have had an impact on the Round 3 pilot reviews.** This should include any updates or changes to the state eligibility system. States should be sure to include relevant dates.

11. **Did your state's pilot focus on any specific areas or aspects of eligibility based on findings from Round 2?** Please include in this section any information about specific areas or aspects of eligibility that your state's pilot focused on as a result of errors identified during

your round 2 pilot review. If your state reviewed additional cases to focus on a particular area, states should include this information.

12. **Please include any information that may help in the interpretation of the pilot results**. Include details of how this has an impact on the review period October- March 2015. Please include in this section any information that may help the interpretation of the pilot results. Do not include any information that does not relate to the review period of October 2014 – March 2015. The state should include any other information that someone reviewing the state's results should know.

Sections 3 through 7: Root Causes and Corrective Actions for Related Findings

In sections 3 through 7, states will provide root cause of findings and corrective action details. In order to streamline the reporting process, findings codes have been "bucketed" into findings sections. States will be able to report related issues and corrective action information once in a section, limiting the need to duplicate information in various sections as in previous rounds. CMS attempted to group finding codes together that would likely have similar corrective actions. States will be required to describe the issues identified that led to the finding codes reported in each section.

Finding codes have been grouped into the following sections:

Section 3: Notice Related Findings

- 02 – Notice not sent upon denial or termination.
- 03 – Notice sent by was not timely or did not contain correct information. Negatives only.
- 04 – Notice of eligibility not sent. Actives only.
- 05 – Notice of eligibility sent but not timely or did not contain correct information. Actives only

Section 4: Procedure/Process Related Findings

- 15 - Case not processed within required state and federal timeframes
- 19 - Unable to complete case review due to missing records. Undetermined only
- 20 - No documentation available in state records/system to confirm third party data sources were verified due to caseworker issue.
- 21 - No documentation available in system to confirm third party data sources verified.
- 34 - Information not manually entered into system appropriately/timely

Section 5: Transfer Related Findings

- 01 - Case not appropriately transferred to the FFM/SBM. Negatives only

Section 6: Eligibility Verification Process Findings

- 07 - Incorrect household composition established
- 08 - Incorrect income level calculated
- 13 - State verified element for which self-attestation accepted
- 14 - State did not verify element in accordance with verification plan and other state/federal policies
- 16 - No action taken when reasonable compatibility standard not met
- 17 - Citizenship/Immigration status not verified in accordance with state and federal policies
- 18 - State did not appropriately apply reasonable opportunity period
- 22 - Case over income limit
- 23 - Residency not verified in accordance with state/federal policies
- 24 - Age not verified in accordance with state/federal policies
- 25 - Identity not verified in accordance with state/federal policies
- 11 - Third party data source not utilized as specified in verification plan
- 12 - Applicant contacted before state exhausted all other efforts to verify information
- 26 - Medicare/other coverage status not appropriately determined/considered
- 32 - Case transferred from marketplace and information was not appropriately reused
- 33 - Case processing transfers between caseworker and system did not occur appropriately
- 35 - Self-attested pregnancy information not appropriately utilized
- 36 - Case was denied/terminated without incorporating information that was provided before the submission timeframe
- 37 - Agency failed to follow-up on inconsistent or incomplete information
- 38 - Agency failed to follow-up on impending changes

Section 7: Non-MAGI Only Findings

- 09 - Assets not calculated correctly (non-MAGI only)
- 10 - Case did not meet medical eligibility requirements (non- MAGI only)
- 27 - State did not ask for appropriate documentation related to resource transfers. (non-MAGI only)
- 28 - State did not ask for appropriate documentation for expenses and deductions. (non-MAGI only)
- 29 - Case did not meet expenses and deductions eligibility criteria. (non-MAGI only)
- 30 - State did not ask for long-term care specific information appropriately. (non-MAGI only)
- 31 - Case did not meet long-term care eligibility criteria. (non-MAGI only)

Pre-populated Numbers

In each section, based on the information submitted in the state's findings spreadsheet, PETT will show the number of cases associated with each of the findings codes. Additionally, for the relevant findings codes, PETT will show the numbers that were identified as caseworker, system, caseworker & system, or other findings. The number of cases will be prepopulated based on findings information spreadsheet submitted in PETT and state will not need to enter these numbers.

Root Cause & Corrective Action Analysis
In these fields, states will describe the issues that led to the findings codes in that section and provide relevant corrective actions. States should enter a row for each separate issue and provide corrective action information for each separate issue. An issue would be each separate problem that caused the findings to occur. States can report similar issues identified on multiple cases on the same line as long as same corrective action is planned. This formatting will allow states to report multiple findings with related issues and similar plans for corrective action on one line.

States are not required to specify the number of cases that are associated with the issues identified and corrective action reported. **However, it is essential that states address all issues and provide corrective action for all the problems identified in the pilot review.**

Example:
In section 6 (Eligibility Verification Process Findings), analysis shows that finding code 07 – Incorrect Household Composition Established was cited on 8 cases, finding code 08 – Incorrect Income Level Calculated was cited on 9 cases, and finding code 22 – Case Over Income Limit was cited on 5 cases.

- **Scenario 1**: All findings codes in this section are due to one issue (e.g. caseworker understanding of/misapplication of certain policies). The state would enter one row, describe that issue, and provide the corrective action information (e.g. additional caseworker training).
- **Scenario 2**: Half of the finding codes are due to the case worker understanding issue (from scenario 1) and half are due to a second issue (e.g. the system was programmed incorrectly). The states would enter two rows. The first would be inserted to describe the caseworker issue and the second to describe the systems issue and provide corrective action information for each.

States do not need to enter a row for each finding code. Additionally, since states have already provided case ID-specific findings information on the findings spreadsheet, states are not required to include case ID #s for the Corrective Action & Analysis reporting.

For each issue, states must enter the following information:

- **Describe Issue (Root Cause)**
  - Specify the underlying issue
  - Identify why a particular program/operational procedure caused the issue

- **Corrective Action Description**
  - Describe action to be taken to prevent the issue from occurring in the future
  - For systems issues, include both a long term fix and interim solution

- **Component/Staff Responsible for the Corrective Action**
  - Specify the component responsible for implementing the corrective action
  - States should include the name (if available) and the title/position in the agency or divisions that will oversee the corrective action; and the name (if available) and the title/position of the agency that will implement the corrective action (if different from the agency/division that will provide oversight).

- **Timeframe for Completion**
  - Include the corrective action implementation dates and the expected completion dates

- **Process for Evaluation**
  - Include expected results of corrective action
  - Specify how the state plans to monitor effectiveness of the corrective action
  - Identify the component/agency responsible for monitoring
  - Include a timeline for monitoring

- **Was this an Issue in Round 1 or Round 2?**
  - Select 'yes or 'no" from drop down box to indicate if this issue was also identified through Round 1 or 2 pilots. If yes, state must report this as "continuing issue" in Section 12.

Example 1:

Describe Issue*: System did not generate eligibility determination notices for cases reviewed. Issue related to system defect. Consumers were advised of eligibility decisions via messages provided during online process.*
Corrective Action Description: *A consolidated notice template was deployed. This consolidated template addresses the gaps in the prior system notice specifications, simplifies and streamlines notices for consumers. State pulled all eligibility determinations and manually sent appropriate notices as interim fix until correction action completed.*
Component/Staff Responsible for the Corrective Action*: Sarah Green, Director, Division of Eligibility Support Systems, State Department of Health and Human Services*
Timeframe for Completion: *System upgrade planned for August 2015 release. Manual notices being sent for impacted cases until system is updated.*
Process for Evaluation Designated: *Once implemented, system testing will be conducted with random sampling scheduled.*

Example 2:

Describe Issue*: State was unable to transfer denied cases to FFM electronically due to system update not in place. Denied cases were not sent to FFM as required.*
Corrective Action Description*: State implemented interim fix until new eligibility system is implemented in April 2015. State will review all denied cases and manually send notices with FFM information.*

Component/Staff Responsible for the Corrective Action: *Sarah Green, Director, Division of Eligibility Support Systems, State Department of Health and Human Services*
Timeframe for Completion: *interim fix already implemented Nov 2014-permanent fix scheduled for April 2015*
Process for Evaluation Designated: *Weekly review of randomly sampled cases that should have been referred to FFM to verify manual notices were sent. When permanent fix implemented, testing to verify cases are transferred to FFM by system.*

Example 3:

Describe Issue*: The eligibility technician did not apply the states reasonable compatibility policy according to the verification plan to the case. What was reported on the application by the client and what was found on the electronic interfaces were not reasonably compatible (within 10%). Worker allowed what was reported by the client on the application and determined client under review not eligible for MAGI Medicaid.*
Corrective Action Description: *The supervisor will provide one on one training to the caseworker responsible for the error. In addition, the training unit developed review training that was required. This training specifically targeted issues that were identified as errors in the first pilot. This training included focus on changes with MAGI Medicaid Policy.*
Component/Staff Responsible for the Corrective Action*: John Smith, Director, Division of Eligibility Determination Policy, State Department of Health and Human Services*
Timeframe for Completion: *April 2015- completed*
Process for Evaluation Designated: *The Division's lead case reviewer will follow up on all corrective action and case updates. Includes monthly sample reviews of caseworker determinations and specific monitoring of targeted training areas. Quarterly training will be enhanced based on the results of the monthly reviews*

Example 4:

***Describe Issue*:** *Eligibility workers requested additional documents from applicant to verify citizenship even though citizenship was already verified through the federal HUB at the FFM. Issue caused by lack of experience with new procedures.*
Corrective Action Description*: Eligibility worker refresher training scheduled to focus on State verification plan, FFM transfers.*
Component/Staff Responsible for the Corrective Action*: John Smith, Director, Division of Eligibility Determination Policy, State Department of Health and Human Services*
Timeframe for Completion: *Training held in April 2015- completed*
Process for Evaluation Designated: *Continue sample monthly 2nd reviews by state eligibility managers and evaluate effectiveness of trainings.*

ALERT! Changes from Round 2

- States will provide corrective action information based on findings codes reported. Related findings codes are grouped in these sections.
- PETT will prepopulate numbers such as counts and totals based on information submitted in the findings spreadsheet. States are not required to enter this information.
- States are not required to include case IDs in the Root Cause & Corrective Action Analysis sections.
- States are not required to specify the number of cases that are associated with the issues identified and corrective action reported. States should be sure that they have addressed all issues and provided corrective action for all the problems identified in the pilot review.

Section 8 - Other Findings Codes – Code 99

In this section, states must report on cases where the state selected 99 – Other as a finding code. States will describe the issues and provide information for corrective action for issues associated with "other" findings.

Note: This finding code "other" should only be used for findings related an element or process reviewed that is not listed in chart provided in the Round 3 Review Guidance and Round 3 Spreadsheet Instructions.

Pre-populated Numbers
PETT will show the number of cases associated with finding code 99 - Other. Additionally, PETT will show the number of 99 – Other findings that were identified as caseworker, system, caseworker & system, or other findings. The number of cases will be prepopulated based on findings information spreadsheet submitted in PETT and state will not need to enter these numbers.

Root Cause & Corrective Action Analysis
State is required to enter a row for each error finding/root cause description for any case that is assigned the finding code as 99-other. The following information will also be required. Note this information will not be prepopulated from findings spreadsheet submitted.

- **Finding Code Description**
  States should provide a finding code description that identifies the issue and should not have a root cause/finding code description that identifies a finding code already provided. If the description points to a finding code already listed the state will be required to change the case finding code to more accurate finding code. This finding code description may be useful as CMS updates findings codes in future rounds.

- **Root Cause Description**
  - Specify the underlying issue
  - Identify why a particular program/operational procedure caused the issue

- **Root Cause Owner**
  - Specify caseworker, system, both or other

- **Number of Cases Associated with Root Cause**
  - Enter the number of cases associated with the root cause

- **Corrective Action Description**
  - Describe action to be taken to prevent the issue from occurring in the future
  - For systems issues, include both a long term fix and interim solution

- **Component/Staff Responsible for the Corrective Action**
  - States should include the name (if available) and the title/position in the agency or divisions that will oversee the corrective action; and the name (if available) and the title/position of the agency that will implement the corrective action (if different from the agency/division that will provide oversight.

- **Timeframe for Completion**
  - Include the corrective action implementation dates and the expected completion dates

- **Process for Evaluation**
  - Include expected results of corrective action
  - Specify how the state plans to monitor effectiveness of the corrective action
  - Identify the component/agency responsible for monitoring
  - Include a timeline for monitoring

- **Was this an Issue in Round 1 or Round 2?**

Select 'yes or 'no" from drop down box to indicate if this issue was also identified through Round 1 or 2 pilots. If yes, state must report this as "continuing issue" in Section 12.

Section 9 - Eligibility Errors Discussion

In this section, states will provide discussion/analysis of the cases identified as actual eligibility errors with error code **E- Error**. PETT will prepopulate the number of active and negative cases with an error code of **E – Error** based on the state's findings spreadsheet.

States must provide the following information for each field:

- **What were the main contributors to active case eligibility errors?** For this question, state should identify the main causes of active case eligibility errors and consider the following questions:
  - Did state report more errors related to caseworker issues or system issues?
  - Are these eligibility errors related to ongoing issues that were identified in previous rounds or new issues?

- **What were the main contributors to negative case eligibility errors?**

State should identify the main causes of negative case eligibility errors and consider the following questions:

- Did state report more errors related to caseworker issue or system issues?
- Are these eligibility issues related to ongoing issues that were identified from previous rounds or did state identify new issues?

- **Please provide an analysis and generally describe your state's Active vs. Negative error findings.**
  For this question state should discuss any trends identified with active vs. negative error (E) findings and consider the following questions.
  - Were there any issues only identified for active cases or for negative cases?
  - Did state see any trends in the errors for active vs. negative?
  - State should provide any additional analysis that may be useful to the state.
- **Describe the state's plan for handling cases identified where incorrect eligibility determination was made (i.e. errors).**
  States should describe the steps they will take to correct cases found to be eligibility errors. States should describe the steps taken to review and correct the actual sampled case and identify any other cases where the identified system error or caseworker error would have had a similar impact on eligibility. This is different than corrective action plans discussed in Sections 3 through 8 which are steps to prevent future errors. This discussion focuses on how the state retroactively handled actual cases impacted.

Section 10 - Eligibility Group Discussion

In this section, states will provide discussion/analysis of the cases identified as placed in the wrong eligibility group/category with the finding code **06 - Case placed in incorrect eligibility group/category.** PETT will prepopulate the number cases with this finding code based on the state's findings spreadsheet. Additionally, PETT will show the number of 06 – Case placed in incorrect eligibility group/category findings that were identified as caseworker, system, caseworker & system, or other findings.

States should provide a response to the following questions:

- **What were the main contributors of cases being placed in the wrong eligibility group? Were there any particular root causes of these group errors?**
  When responding, states should consider the following:
  - What groups/categories were affected?
  - Were there any trends with the identified findings related to findings for incorrect group/category?

Section 11: State Analysis of Findings

In this section, states should generally discuss and describe the state's findings for each of the following classifications:

- Medicaid vs. CHIP

- Note: Cases should be distinguished as Medicaid versus CHIP depending on their federal funding source (i.e. Title XIX = Medicaid; Title XXI = CHIP). Medicaid vs. CHIP is not an agency distinction.

- MAGI vs. Non-MAGI
- Initial Determinations vs. Redeterminations
- Point of Application
- Type of Application
- Channel

PETT will prepopulate the number of errors and deficiencies identified for each classification based on the findings spreadsheet. States should provide high level analysis of/discussion of the errors and/or deficiencies and discuss any relevant trends. If the eligibility review pilots provided any other useful information to your state, please include information in the relevant section. While states should discuss trends, states are not required to provide numbers or cite specific case IDs in this section.

Section 12: Update on Round 2 Corrective Actions

States are required to provide an update and an evaluation of corrective actions as a result of the Round 2 findings. States must provide a list of corrective actions for both ongoing (from Round 1 or Round 2) and resolved issues. The number of rows in PETT will expand to accommodate all actions.

Continuing Issues

States must enter corrective actions implemented based on previous round findings for issues (i.e. root causes) that continued to be identified in Round 3 or that the state still knows to be a problem. If in sections 3 through 8 the state selected 'yes' for "Was this an issue in Round 1 or Round 2?", the issue is considered continuing and previous round corrective actions should be included in this section. States should enter a separate row for each corrective action. States must provide the following information for each corrective action:

- **Corrective Action:** Provide a brief description of the action. This description should summarize the action that was included in prior Round reporting.
- **Root Cause Addressed:** Provide a brief description of the root cause that the action was intended to address.
- **Root Cause Owner**: Specify root cause owner-caseworker, system, both or other
- **Corrective Action Status:** Specify if the action is ongoing, pending, or modified.
- **Evaluation:** Include an evaluation of the expected effectiveness of the corrective action. Define the methods and procedures used for evaluation purposes. For ongoing actions, evaluate the effectiveness the state has seen so far.
- **Impact on Round 3 (if any)**: Describe the impact the action had o Round 3 results. *Example: Fewer caseworker errors relating to income were identified in Round 3 especially in the months following the weekly training.*

Resolved Round 2 Issues
States must provide information on corrective actions implemented based on Round 2 issues that were resolved and were not identified in Round 3. These are actions the state took which fixed processes and prevented similar errors from occurring again. Any updates and evaluations on corrective actions from previous submissions should also be included.

- **Corrective Action:** Provide a brief description of the action. This description should summarize the action that was included in Round 1 reporting.
- **Root Cause Addressed:** Provide a brief description of the root cause that the action was intended to address.
- **Root Cause Owner:** Specify if root cause is due to 'Caseworker' for issues due to caseworker action, 'Systems' for issues due to systems issues, and 'Other' for any issues that do not fall into one of those two buckets.
- **Corrective Action Status:** Specify if the action is ongoing, pending, modified, or completed.
- **Completion date:** Enter the date the state plans to complete the corrective action or the date it was completed. States can specify 'ongoing' for any ongoing corrective actions.
- **Evaluation:** Include an evaluation of the effectiveness of the corrective action. Define the methods and procedures used for evaluation purposes. For ongoing actions, evaluate the effectiveness the state has seen so far.
- **Impact on Round 3 (if any):** Describe the impact the action had on the Round 3 results.

Section 13 - Summary and Other Information

This section is intended to capture any additional information that can be gleaned from the pilot results. 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.

- **Provide an overall summary of your Round 3 pilot findings:**
  Provide a summary of your Round 3 pilot findings and corrective actions. This summary should provide a good high-level understanding of the major issues that were identified in the state and how those issues are being addressed. States can also include information about the state's ACA implementation if it is applicable to their findings and compare results to previous rounds.
- **How did Round 3 findings compare to your state's Round 1 and Round 2 findings?**
  For this question state should consider the following:
    - Did state see any trends in issues identified?
    - Were there any expected or unexpected issues identified?
    - How did the errors/deficiencies identified through Round 3 pilot compare with issues identified in Round 2?
- **For findings identified that may have impacted numerous cases, describe how your state handled non-sampled cases that may have been impacted.**
  States should provide information on how state addressed the issue for non-sampled cases.

For example: During pilot review, state found that denial notices were not sent for any negative determinations made during a certain timeframe. The corrective action included a plan to send notices for all (not only cases reviewed during pilot) negative determinations made during this period until corrective action was implemented

- **Optional Additional State Analysis**
  In this section, states have the option of reporting any additional state specific analysis. States are not required to complete this section since it is optional.

Questions

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