

A Performance Audit of Medicaid Eligibility

October 2012

Office of the Legislative Auditor General



Audit Scope and Objectives

- The accuracy rate of workers' eligibility determinations
- The possibility that duplicate recipient data
- The agency's overpayment error amounts
- The cost benefit of utilizing Medicaid ID cards



Chapter II

Most Medicaid Recipients' Case Information Is Accurate

Audit Report pp. 7-17



Medicaid Case Review Shows Few Procedural Errors

- 13 (5.3 percent) of 245 sampled Medicaid cases contained procedural errors
- Only one of the 13 case errors affected eligibility
- Another sampled case may have inappropriately allowed two recipients to receive benefits



Most Procedural Errors Did Not Affect Eligibility

- Five of the cases contained income calculation errors
- Six of the cases contained citizenship and identity documentation errors.



Procedure to Issue Recipient IDs Needs Stronger Controls

About 2,300 recipients of public assistance programs have been issued multiple PIDs

- Multiple PIDs can result in duplicate benefits
- Health problems can occur
- Eligibility information may be lacking
- Resolving multiple PIDs is costly



Inconsistent Information Submitted by a Multiple-PID Recipient

| | PID A | PID B |
|------------------------|----------|---------|
| First Name | Same | |
| Middle Name | Blank | Initial |
| Last Name | Same | |
| Birth Date | Same | |
| Social Security Number | Verified | Blank |



DWS Is Adding a Control

- myCase is an online program that permits recipients to view benefit information
- myCase will automatically attempt to match recipient data
- The goal is to reduce the creation of new multiple PIDs by 99 percent



Chapter II Recommendation

We recommend that DWS regularly report to the Legislature on the progress of achieving its goal to reduce multiple PIDs.



Chapter III

ESD Has Reduced Its Error Rate, But More Can Be Done

Audit Report pp. 19-31



Agency Errors Contribute to Medical Overpayment Costs

| Type of Error | Count | Percent | Amount | Percent |
|---|--------------|-------------|---------------------|-------------|
| Agency Error | 483 | 44 % | \$ 937,963 | 34 % |
| Inadvertent Household Error | 434 | 40 | 814,674 | 30 |
| Suspected Intentional Program Violation | 176 | 16 | 990,629 | 36 |
| Total | 1,093 | | \$ 2,743,266 | |

Fiscal Year 2011 Data



Pre-Benefit Reviews Correct Errors and Prevent Overpayments

- As of October 2011 the ESD began pre-benefit case reviews division-wide
- ESD's decision to conduct earlier reviews should avoid about \$180,000 in agency error overpayments



Multiple Initiatives Focus on Reducing Error Rate

- Supplemental support is provided to poorly performing teams
- Pay-for-performance encourages additional determinations with high accuracy
- Error definitions have been clarified to provide better feedback



Chapter III Recommendation

We recommend that ESD develop a process that tracks the impact of individual worker initiatives and case review changes to clarify the benefits from improvement initiatives.



Additional Policy Changes Can Further Enhance Improvements

- DWS cannot collect on agency error overpayments
- The cost to calculate agency errors increases agency error overpayments by 14 percent



Chapter III Recommendation

- The DOH should collaborate with DWS and the OIG on how to estimate the costs of benefits paid to ineligible recipients, or
- THE DOH should consider aligning the time period considered in overpayment calculations for agency errors in medical programs with other benefit programs.



Chapter IV Eligibility Card Process Needs to Be Updated

Audit Report pp. 33-37



Potential Identification Card Savings

| Description | Cost per Card | Annualized Amounts |
|---------------------------------------|---------------|---------------------|
| Monthly Eligibility Card Costs | \$ 0.546 | \$ 1,624,800 |
| High Estimate of ID Card Costs | 1.44 | 357,100 |
| Annual Savings (Low Estimate) | | \$ 1,267,700 |
| Monthly Eligibility Card Costs | \$ 0.546 | \$ 1,624,800 |
| Low Estimate of ID Card Costs | 0.94 | 233,108 |
| Annual Savings (High Estimate) | | \$ 1,391,701 |



Other States Provide a One-time Card

States within the same region as Utah:

- Colorado
- Montana
- North Dakota
- South Dakota
- Wyoming



Focus Has Been on Standardized Health Benefit Cards

- Utah Code 31A-22-636 requires standardized health benefit plan cards
- Utah Health Insurance Network (UHIN) workgroup has been developing standardized protocols



Chapter IV Recommendation

We recommend that the Medicaid program provide Medicaid recipients with a one-time, plastic eligibility card.



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