



North Carolina Department of Health and Human Services  
Division of Social Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS  
  
Wayne E. Black  
Division Director

February 2, 2015

Dear County Department of Social Services Director:

Over the past months social services departments across the state have made progress in stabilizing the workload in the Medicaid program. Much has been accomplished. We commend each of you and your staff for the hard work and commitment that has been devoted to managing an increased workload due to caseload growth, the implementation of the ACA, increased workload relative to the implementation of NC FAST and conducting recertification reviews for existing Medicaid cases.

North Carolina has received approval from the Centers for Medicare and Medicaid Services (CMS) for County Social Service agencies to receive 75% reimbursement for all Medicaid eligibility functions. This approval was retroactive to June 1, 2014 and is to continue permanently.

Last June, every county submitted an Accelerated Medicaid Processing Plan (AMPP) intended to outline the steps each of you would be taking to address reducing the number of overdue Medicaid applications pending across the state. While each of these plans was approved, we noted that almost every county relied on compensatory time and/or paid overtime to reduce the number of overdue Medicaid applications. We have heard from many of you that the stress on staff has increased the amount of FMLA approved leave and increased staff turnover over the past months. We are concerned that continuing to rely on compensatory or paid overtime or temporary staff does not constitute a sustainable plan for managing the present and future workload.

At that time, DHHS strongly encouraged counties to evaluate their current staffing situation and determine staffing needs going forward. The increased reimbursement rate from 50% to 75% in many cases results in county savings that is more than enough to increase staffing to manage the increased workload.

The workload issues can be summarized as the following:

Conversion activities: This work is a one-time effort necessary to completely update active cases that were brought over from the old system into NC FAST. NC FAST will house not only all the

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information that the old system stored but also contains information that was previously captured only in a paper file. As was the case when converting Food and Nutrition Services into NC FAST, Medicaid conversion activities involve an essential one time work effort. Once this process is complete, the information is stored for future use.

**ACA applications:** This is seasonal work as a result of the federal Affordable Care Act. Each year Medicaid applications will spike during the national open enrollment period which runs from November 15th-February 15th. Since this is only the second year since implementation of the Act, data is limited and thus determining the ongoing need in this area is more difficult. DHHS has shared the number of applications each county received during the first year and we will make this year's data available as well. As we gain experience, it will become easier to predict workload and staff requirements for this seasonal work. Applications will continue to come in outside the open enrollment period but the number will be small.

**Increased caseload:** The number of individuals receiving Medicaid continues to increase. This increase directly impacts the number of staff required to manage the work. Counties must evaluate their ongoing staffing needs in order to adequately and effectively administer the program. Permanent staff are needed in this area. Processing applications and maintaining existing cases requires both policy and NC FAST knowledge.

**NC FAST:** As with any new system, additional time is necessary to become familiar with the functionality and learning new processes. Required workarounds will also adversely impact productivity. Over time, the number of workarounds will decrease as defects and enhancements are made. It is important not to compare the amount of time spent in the old system to the amount of time spent in NC FAST. The NC FAST system is much more robust and contains not only information transferred over from the old system but also requires the entering of new data that once was captured on paper or nonexistent. Much of this effort is a one-time investment since the information will be stored permanently and available for other service use moving forward.

**Medicaid Recertification Work:** At the beginning of January 2014, first quarter Medicaid recertifications were continued for a three month period. This work was done with the approval of CMS in order to prevent counties from having to review these cases under the old rules and then again under the new rules thus creating double work. While this effort helped in the short term, it is now critically important to fully review these cases. Eligibility for families and children can change over time and without a full eligibility redetermination, ineligible individuals may continue to receive benefits. This work must be current by March 31, 2015.

Many of you have already added permanent staff and the payoffs are being realized. Thank you for hard work, focused attention and determination. Other counties have stated they have plans to add staff during the next budget cycle. While there may be local reasons to delay these plans, DHHS highly discourages the delay. Hiring additional permanent staff now gives you the opportunity to begin realizing the benefits earlier for work that needs to be completed as soon as is practically possible. In addition, if your county has no plans to add additional permanent staff, you will be required to submit a letter to DHHS outlining why additional permanent staff are not needed to manage the increased workload and caseload growth. Staff from DHHS will be in touch regarding this documentation.

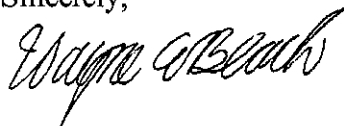
DHHS will continue to provide support to counties through both the NC FAST Help Desk and the new Operational Support Team. County Over The Shoulder Support is limited but may be considered on a case by case basis. Local Support Managers and leadership of the Divisions and Department are available as well to provide guidance and support.

With the full implementation of NC FAST, we are creating a new landscape for the administration of public assistance programs in North Carolina. New business processes will increase the efficiency of our operations and our capacity to provide assistance in a timely and accurate manner. It is imperative that every county reinvest in the resources that will help sustain these accomplishments and move our state forward.

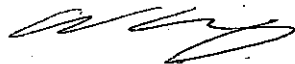
Please contact the Department with questions or for assistance in assessing and planning for needed resources to sustain success in meeting future challenges. You may contact our Local Support Managers, Christy Nash (252) 375-0553 or Darrell Renfro (828) 230-1912; or Shelia Platts (DMA) at (919) 855-4023 or Wayne Black (DSS) at (919) 527-6336.

Thank you for your continued commitment to the provision of timely and efficient services to the citizens of North Carolina.

Sincerely,



Wayne E. Black  
Director, Division of Social of Services



Robin Gary Cummings, M.D.  
Deputy Secretary for Health Services  
Deputy Secretary for Medicaid