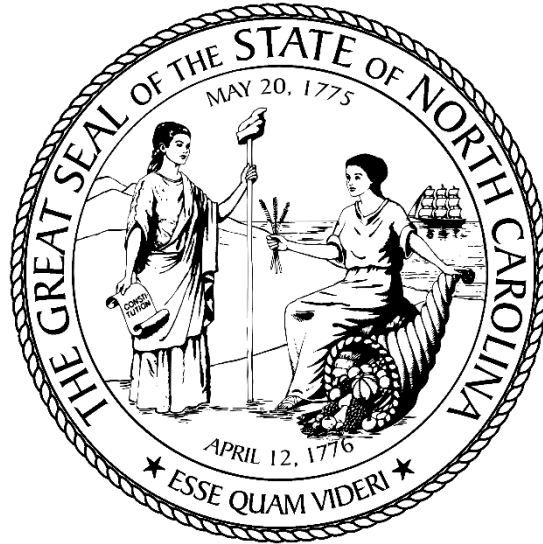# Medicaid Recipient Eligibility Determinations Audit
## CY 2023

## NCGS 108A-70.51



## Report to the

## Joint Legislative Oversight Committee on Medicaid

## Fiscal Research Division

## State Auditor

## by

## North Carolina Department of Health and Human Services

## July 8, 2024

# Contents

# I.   Introduction

North Carolina General Statute 108A-70.51, as amended by Session Law 2018-5, Section 11H.5.(c) (see **Appendix A**), requires the North Carolina Department of Health and Human Services (the Department) to annually audit all county Departments of Social Services (DSS) for compliance with the accuracy standards adopted under G.S. 108A-70.47 for Medicaid eligibility determinations made within a 12-month period.

The Department consulted with the North Carolina Office of the State Auditor to develop a fair and equitable Medicaid eligibility sample size and agreed on an acceptable error rate by adopting the Centers for Medicare & Medicaid Services (CMS) eligibility error rate of 3.2%.

The error rate threshold is applied as follows:

- Error rate threshold of 3.2% per fiscal year for each county for accuracy errors that cause Medicaid applicants to be approved for Medicaid benefits when the applicants are truly ineligible.

- Error rate threshold of 3.2% per fiscal year for each county for accuracy errors that cause Medicaid applicants to be denied Medicaid benefits when the applicants are truly eligible.

- Error rate threshold of 10.0% per fiscal year for each county for internal control errors made during the eligibility determination process that did not impact the outcome of the eligibility determination decision.

Additionally, due to the effort required to conduct an effective review, each audit cycle of the 100 counties is divided over a three-year period.

The resulting audit is referred to as the NC Medicaid Recipient Eligibility Determinations Audit ("REDA").

This report reflects the results of Year 2 (CY 2023) of the 2022-2024 audit cycle (Cycle II).

## II. Methodology

The audit plan was developed and executed by the NC Medicaid Office of Compliance & Program Integrity Member Compliance unit (OCPI QA). The OCPI QA staff has significant experience in eligibility determinations in the county setting and as compliance analysts with the State, including conducting eligibility reviews for the CMS Medicaid Eligibility Quality Control audits.

As previously noted, each audit cycle of the 100 counties is divided over a three-year period, as follows: Year 1 includes 30 counties; Year 2 includes 35 counties; and Year 3 covers the remaining 35 counties. A sample size of 200 eligibility determinations made in a 12-month period is audited for each county. The sample includes 100 Medicaid eligibility approvals and 100 Medicaid denials/terminations. The audit procedures are designed to determine the county DSS's compliance with the following accuracy standards:

- Only eligible applicants are <u>approved</u> for Medicaid benefits 96.8% of the time.
- Eligible applicants are not <u>denied</u>/terminated 96.8% of the time.
- The eligibility determination process is free of <u>technical errors</u>, that do not change the outcome of the eligibility determination, 90.0% of the time.

## III. Cycle II – Year 2 Accuracy and Quality Assurance Results

### 1. Statewide annual percentage of county DSSs that met the accuracy standards

A. <u>Approved</u> – The overall accuracy rate for Cycle II – Year 2 is 94.6%. The Department reviewed 35 counties in Year 2 for Medicaid eligibility determination accuracy. The 96.8% accuracy rate of approved determinations was met by 11 counties (31.4%). 1 county (2.9%) fell just shy of the standard, achieving an accuracy rate between 96.0% to 96.7%. Another 10 counties (28.6%) achieved 95.0% to 95.9% with the remaining 13 counties (37.1%) below a 95.0% accuracy rate.
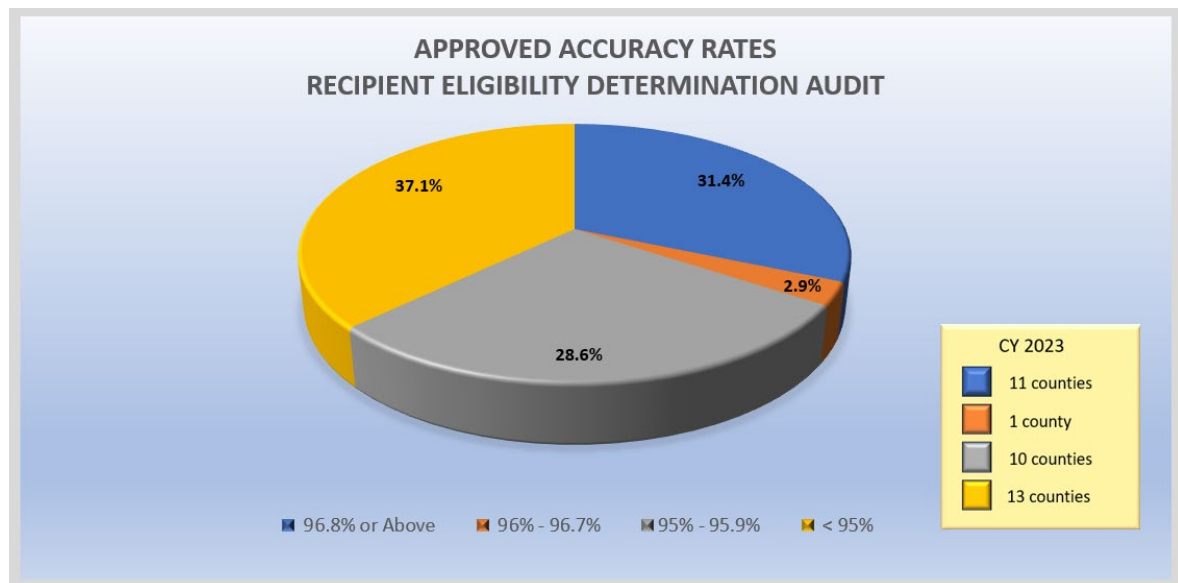


The Department has seen a slight decrease in the accuracy rate for approvals from Cycle I to Cycle II for the counties reviewed in Year 2. Although holding consistent for approvals, the Department continues to work with counties on improvement

measures for errors identified at approval actions in order to meet or exceed the 96.8% accuracy standard.

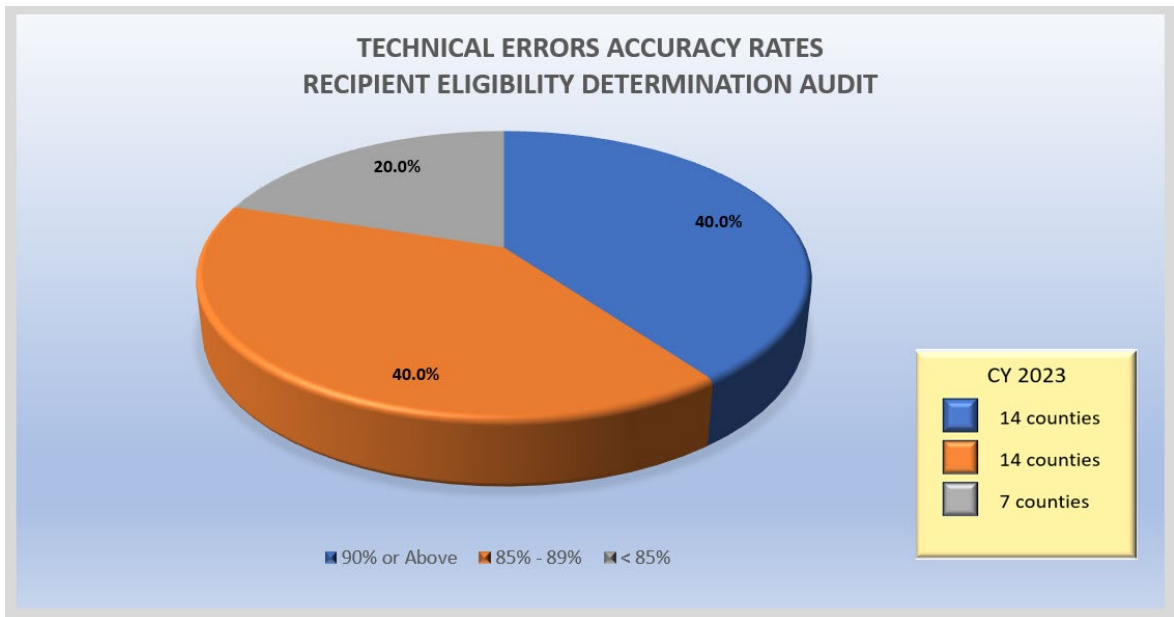B. <u>Denied/Terminated</u> – The overall accuracy rate for Cycle II – Year 2 is 95.6%. The 96.8% accuracy rate of denied/terminated determinations was met by 15 counties (42.9%). 3 counties (8.6%) fell just shy of the standard, achieving an accuracy rate between 96.0% to 96.7%. Another 6 counties (17.1%) achieved 95.0% to 95.9% with the remaining 11 counties (31.4%) below a 95.0% accuracy rate.
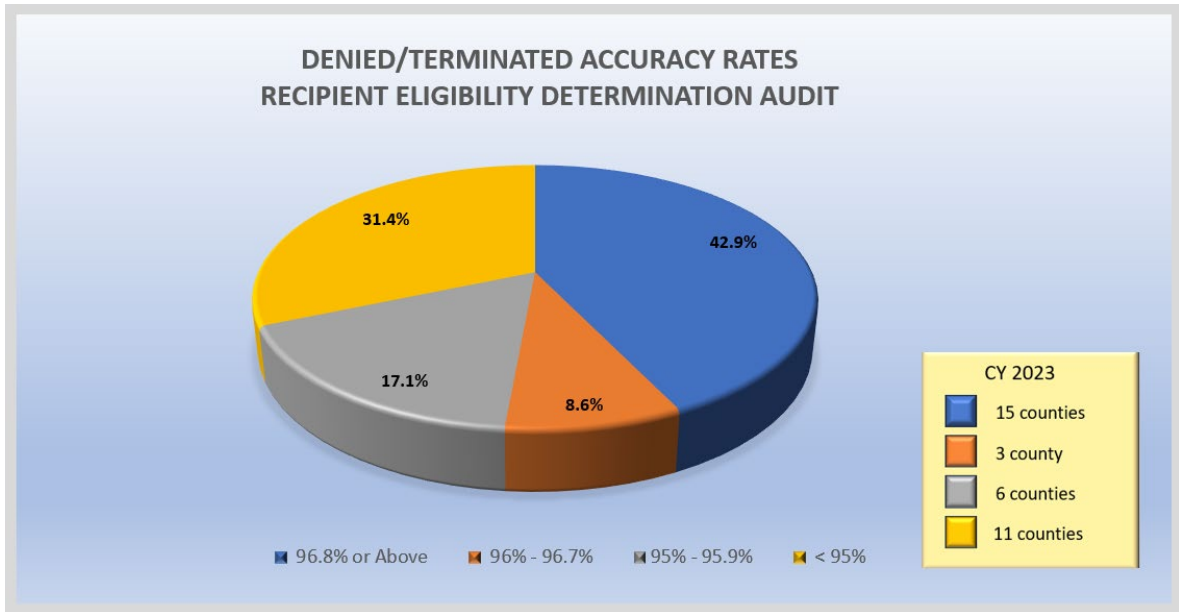


The Department has seen a marked increase in the denial/termination accuracy rate from Cycle I to Cycle II for the counties reviewed in Year 2. The increased accuracy rate demonstrates the Department's and counties' commitments via collaboration, policy updates and training, and system enhancement toward achieving accurate eligibility determination. Although marked improvement is noted during Cycle II – Year 2, the Department continues to work with counties on improvement measures for errors identified at denial/termination in order to meet or exceed the 96.8% accuracy standard.

C. <u>Technical Errors</u> – The overall technical accuracy rate for Cycle II – Year 2 is 87.8%. The 90.0% accuracy rate was met by 14 counties (40.0%). Another 14 counties (40.0%) fell shy of the standard, achieving between 85.0% to 89.0% with the remaining 7 counties (20.0%) below an 85.0% accuracy rate.

**TECHNICAL ERRORS ACCURACY RATES**
**RECIPIENT ELIGIBILITY DETERMINATION AUDIT**

CY 2023
- 90% or Above — 14 counties (40.0%)
- 85% - 89% — 14 counties (40.0%)
- < 85% — 7 counties (20.0%)

The Department has seen a decrease in the technical errors accuracy rate from Cycle I to Cycle II for the counties reviewed in Year 2. The most prevalent trend involves improper or inadequate applicant/beneficiary requests for information. Inappropriate applicant/ beneficiary notification follows closely behind the leading error trend. The accuracy rate decrease can also be attributed to the increased denied/terminated accuracy rate. Technical errors denote no impact to eligibility; therefore, fewer errors impacting eligibility may result in an increased impact to the technical rate. Although there is no impact to eligibility, the Department continues to collaborate with counties on implementing improvement measures to prevent technical errors from becoming errors that impact eligibility determinations. The Department is also working toward increased system improvements that will assist in alleviating inappropriate notifications to applicants and beneficiaries.

2. **Statewide percentage of county DSSs that met the quality assurance standards adopted under G.S. 108A-70.48 in the prior fiscal year**

The quality assurance standards issued by the Department direct the county to conduct second party quality assurance reviews quarterly and submit review details to the State in a quarterly report. The requirements for compliance include documenting the review on the State-issued template, using a minimum sample size as designated by the State, and taking corrective action based on an analysis of the review results.

The State is pleased to note that 100% of the 35 Cycle II – Year 2 counties successfully completed and met the Medicaid quality assurance minimum standards for calendar year 2023. Minimum sample sizes are based on county population. (see **Appendix B**: Quality Assurance Standards). OCPI QA reviewed the county submitted templates and noted the following prominent issues identified by the counties:

- Income is not consistently calculated/budgeted or verified correctly.
- Resources (assets) are not consistently calculated/budgeted or verified correctly.
- Improper or inadequate requests for information being sent to applicants and/or beneficiaries.

Although notices do not impact eligibility, counties also reported notification

issues to applicants and beneficiaries regarding eligibility disposition. Counties performed corrective action by using the review findings to conduct in-house Medicaid policy training via individual staff training, unit meetings, and/or agency-wide training.

3. **The annual audit results for each standard (eligible or ineligible) for each county DSS are as follows:**

   The Cycle II – Year 2 review of Medicaid eligibility determinations actions conducted by the county DSSs was completed for calendar year 2023 in April 2024. For this cycle, 6,998 eligibility actions were tested to verify Medicaid eligibility determinations were performed accurately and timely. (see **Appendix C:** Annual Recipient Eligibility Determination Audit results by county).

4. **The number of years in the preceding five-year period that each county DSS failed to meet the standards in G.S. 108A-70.47 or G.S. 108A-70.48.**

   The State is in its 2nd cycle reviewing county Medicaid eligibility determination decisions under G.S. 108A 70.48. The Cycle II – Year 2 chart below provides the percentage differences from Cycle I to Cycle II. As noted below, the approval rate shows a slight decrease by 1.1% demonstrating relatively steady performance when approving Medicaid benefits. However, the denial/termination rate demonstrates marked improvement with an increase of 3.2%. The accuracy rate for technical errors decreased by 5.6%. as counties appeared to focus on improving improper denials/terminations at the expense of maintaining focus on technical items that do not impact final eligibility decisions.

   | Eligibility Standards | Cycle I, Year 2 CY 2020 | Cycle II, Year 2 CY 2023 | Difference |
   |---|---|---|---|
   | **Approvals** | 95.7% | 94.6% | **decrease 1.1%** |
   | **Denials/Terminations** | 92.4% | 95.6% | **increase 3.2%** |
   | **Technical** | 93.4% | 87.8% | **decrease 5.6%** |

5. **Corrective action activities conducted by the Department and county DSSs.**

   Early in the CY 2022 audit, the Department enhanced REDA audit protocol by implementing the Accuracy Improvement Plan (AIP) process during the audit cycle rather than at the conclusion of the annual audit. By introducing an immediate AIP, collaboration between the state and county DSS agencies results in immediate improvement measures to achieve increased accuracy in the eligibility determination space to positively impact the quality of eligibility determinations.

   Continuing the approach in the CY 2023 audit has allowed for continued success and quality improvements. The statistics projected that 28 counties would have been required to undergo a formal AIP; however, due to the state's early intervention, only 6 counties require a focused, formal AIP at the conclusion of the CY 2023 audit. Based on the proven success of this initiative, this approach will continue for future years/cycles.

   Furthermore, the Cycle II – Year 2 counties (6) who failed to meet the state accuracy rates for CY 2023 will be placed under an Accuracy Improvement Plan (AIP) according to the requirements of G.S. 108A-70.49. (see **Appendix D**). The AIP includes County leadership, the County Department of Social Services Director, County Manager, Chair of County Commissioners (or designee), Social Services Board Chair or other Board Member and other attendees requested by the county working

toward quality standards.

The Department continues to update Medicaid policy and provide Medicaid formal policy training through the NC FAST Learning Gateway portal. To further ensure that Medicaid policies are understood and adhered to at the county level, the Department has instituted the NC FAST Certification program. Certification results are provided to the state to verify the process is in place to monitor actions. Additionally, as part of a corrective action plan, the Department created and mandated training to the counties in January 2023. Training courses titled "MAGI Budgeting: Income Determination Course" and "Medicaid ABD Financial Resources Course" were uploaded and made available in the NC FAST Learning Gateway.

NC FAST has continued to implement system enhancements to aid in streamlining workflows and mitigating risks in the eligibility determination process as identified via audit findings. Such enhancements include:

- Effective April 1, 2023, straight through processing for all MAGI applications to include applications submitted electronically via ePASS, the FFM, and applications submitted into the NC FAST eligibility system by county staff.

- Effective for MAGI recertification actions with certification periods ending in April 2023 forward, systematic evaluation utilizing Supplemental Nutritional Assistance Program (SNAP) (e)14 waiver criteria. NC FAST then administers the straight through processing batch for MAGI recertifications not completed via the SNAP (e)14 waiver batch.

- Integration to a Federally Facilitated Marketplace Eligibility Determination (FFM-D) state as of February 1, 2024. FFM-D states allow the FFM to make eligibility determinations for individuals who apply for coverage through the Federal Marketplace. NC residents who apply for Medicaid through the FFM (HealthCare.gov) and are determined fully eligible for Medicaid by the FFM will no longer require eligibility determination by the county DSS. Once the Department receives the notification of eligibility, NC FAST assesses the case to determine which full MAGI benefit program the individual is eligible for and provides appropriate beneficiary notification.

Along with continued automated electronic verification, the above approaches provide for increased accuracy for eligibility decisions by reducing manual caseworker keystrokes. Such enhancements are expected to reduce county staff workload activities and reduce findings of eligibility errors.

In August 2023, the Department conducted a Social Services Institute workshop titled "Stronger Together: We CARE (Collaboration Achieves Risk Elimination)". The presentation was given to county DSS staff to emphasize and train on internal controls for compliance and utilizing self-assessments to mitigate risk. The State continues to share training on the importance of compliance plans, the seven basic elements from the Office of Inspector General, and the internal control design and purpose. This training material is posted on the NCACDSS website for reference and training for those counties subject to an Accuracy Improvement Plan.

6. **For every county in which the performance metrics for processing Medicaid applications in an accurate manner do not show significant improvement compared to the previous fiscal year, a description of how the Department plans to assist county departments of social services in accuracy and quality assurance standards for Medicaid applications.**

The Department will continue to enhance Medicaid policy manuals, provide counties access to training modules, continue with state/county collaboration on compliance internal controls and improvement measures, and execute additional system automation processes to assist counties in improving the overall eligibility and technical accuracy rates. As noted above, for specific counties reflecting unsatisfactory performance issues, the Department will implement the AIP process.

## IV. Cycle II – Year 2 Summary

The overall eligibility accuracy rates for Cycle II – Year 2 are 94.6% for approvals and 95.6% for denials/terminations. The Department continues to update and issue policy guidance and clarification while the counties focus on implementing the Department's recommendations for enhancing their internal control processes. As eligibility determination is a shared responsibility between the Department and County DSSs, the audit identified opportunities for improvement for both. The common and significant challenge for both the Department and the counties is a shortage of qualified staff. The Department has a shortage of qualified staff to write, maintain, and adequately train counties on eligibility policy, while counties continually experience a shortage of qualified staff to execute policy against the thousands of Medicaid applications received annually. Additionally, some counties struggle with maintaining strong internal controls over the eligibility determination process.

As noted above in Section III. Item 5, the Department and counties are working diligently to strengthen the eligibility process overall, despite staffing and resource challenges. The Department continues to invest in the NC FAST system to implement automation enhancements to streamline the eligibility determination process, including electronic source verifications and straight through processing.

## V. Recommendation

County Investment: As counties continue efforts under the COVID-19 PHE unwinding as well as the recent Medicaid Expansion, the Department recognizes the need to provide enhanced support to the county DSS agencies in their efforts to manage the volume and accuracy of Medicaid eligibility determinations. The Department continues a commitment to partnering with the county DSS agencies to ensure Medicaid beneficiaries receive accurate and timely eligibility services. The legislature should consider providing additional funding to counties to enhance their ability to stabilize staff turnover and enhance technology in the county DSS offices to increase productivity and efficiency.

Department Investment: The Department has implemented policy changes to reduce County staff workloads; provided additional financial support to County DSS agencies to bolster Medicaid expansion efforts; increased system automation for eligibility determinations; and prioritized training and engagement with County DSS staff for increased training opportunities and technical assistance. The Department continues to prioritize technical assistance, technology improvements, training, and increased support. With the high demands, limited staff, and pressing need for intensive collaboration with county staff and supplemental audit functions, the Department continues to request additional resources to fulfill the stated need while maintaining the required audit effort. Allocation of funding for investment in automation will allow the Department to engage in process standardization as well as

provide opportunities to reduce administrative burden on county agencies by centralizing certain county functions (ex. return mail processing, call center activities, etc.). Additional funding will enhance the audit staff's ability to increase the level of technical support and compliance oversight necessary to ensure Medicaid eligibility determinations are conducted accurately and, in turn, safeguard North Carolina's Medicaid program and expenditures.

# VI.  Appendices

## Appendix A: Medicaid Eligibility Determinations Accuracy and Quality Assurance

## Session Law 2017-57, Section 11.H.22(c)

**SECTION 11H.22.(c)** Article 2 of Chapter 108A of the General Statutes is amended by adding a new Part to read: "Part 11. Medicaid Eligibility Determinations Accuracy and Quality Assurance
"**§ 108A-70.51.  Reporting.**

Beginning with the calendar year 2020, no later than March 1 of each year, the Department shall submit a report to the Joint Legislative Committee on Medicaid and NC Health Choice, the Fiscal Research Division, and the State Auditor that contains the following information about the prior calendar year:

a.  The annual statewide percentage of county departments of social services that met the accuracy standards adopted under G.S. 108A-70.47 in the prior fiscal year.
b.  The annual statewide percentage of county departments of social services that met the quality assurance standards adopted under G.S. 108A-70.48 in the prior fiscal year.
c.  The annual audit result for each standard adopted under G.S. 108A-70.47 for each county of department services.
d.  The number of years in the preceding five-year period that each county department of  social services failed to meet the standards in G.S. 108A-70.47 or G.S. 108A-70.48.
e.  A description of all corrective action activities conducted by the Department and    county departments of social services in accordance with G.S.108A-70.49.
f.  For every county in which the performance metrics for processing Medicaid applications in an accurate manner do not show significant improvement compared to the previous fiscal year, a description of how the Department plans to assist county departments of social services in accuracy and quality assurance standards for Medicaid applications."

## Session Law 2018-5, Section 11.H.5(c)

G.S. 108A-70.51 reads as rewritten: Beginning with the calendar year 2020, no later than March 1 of each year, the Department shall submit a report to the Joint Legislative Committee on Medicaid and NC Health Choice, the Fiscal Research Division, and the State Auditor that contains the following information about the prior calendar year:

(1) The ~~annual statewide~~ percentage of <u>audited</u> county departments of social services that met the accuracy standards adopted under G.S. 108A-70.47 in the prior fiscal year.

(2) The ~~annual statewide~~ percentage of <u>audited</u> county departments of social services that met the quality assurance standards adopted under G.S. 108A-70.48 in the prior fiscal year.

(3) The ~~annual~~ audit result for each standard adopted under G.S. 108A-70.47 for each county of department ~~services~~ <u>in the prior fiscal year</u>.

(4) The number of years in the preceding ~~five-year~~ <u>10-year</u> period that ~~each~~ <u>any</u> county department of social services failed to meet the standards in G.S. 108A-70.47 or G.S. 108A-70.48.

(5) A description of all corrective action activities conducted by the Department and county departments of social services in accordance with G.S. 108A-70.49.

(6) For every county in which the performance metrics for processing Medicaid applications in an accurate manner do not show significant improvement compared to the previous ~~fiscal year~~ <u>audit of that county</u>, a description of how the Department plans to assist county departments of social services in accuracy and quality assurance standards for Medicaid applications."

## Appendix B: Quality Assurance Standard

| | 2nd Party Medicaid Eligibility Corrective Action, CY 2023<br>Number of Cases Reviewed by REDA Cycle II – Year 2 Counties | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| County | Minimum Quarterly Sample Size | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | CY 2023 Cases Reviewed | Difference (+/-) |
| Alexander | 73 | 243 | 207 | 105 | 155 | 710 | 418 |
| Alleghany | 30 | 58 | 36 | 35 | 30 | 159 | 39 |
| Anson | 73 | 91 | 168 | 80 | 229 | 568 | 276 |
| Ashe | 57 | 84 | 95 | 87 | 80 | 346 | 118 |
| Avery | 32 | 32 | 32 | 32 | 32 | 128 | 0 |
| Bertie | 58 | 60 | 58 | 87 | 71 | 276 | 44 |
| Bladen | 96 | 112 | 105 | 112 | 103 | 432 | 48 |
| Buncombe | 232 | 260 | 268 | 237 | 238 | 1003 | 75 |
| Burke | 104 | 141 | 143 | 143 | 143 | 570 | 154 |
| Cabarrus | 180 | 362 | 326 | 417 | 335 | 1440 | 720 |
| Caswell | 56 | 62 | 61 | 60 | 60 | 243 | 19 |
| Cherokee | 70 | 89 | 96 | 95 | 123 | 403 | 123 |
| Cumberland | 401 | 678 | 605 | 541 | 451 | 2275 | 671 |
| Currituck | 30 | 30 | 30 | 30 | 30 | 120 | 0 |
| Dare | 49 | 126 | 58 | 57 | 50 | 291 | 95 |
| Davidson | 168 | 255 | 307 | 288 | 252 | 1102 | 430 |
| Davie | 71 | 73 | 72 | 71 | 80 | 296 | 12 |
| Halifax | 85 | 128 | 135 | 149 | 97 | 509 | 169 |
| Hoke | 132 | 351 | 395 | 394 | 274 | 1414 | 886 |
| Lenoir | 87 | 333 | 309 | 224 | 184 | 1050 | 702 |
| McDowell | 110 | 110 | 110 | 110 | 111 | 441 | 1 |
| Moore | 74 | 137 | 111 | 87 | 74 | 409 | 113 |
| Nash | 122 | 123 | 185 | 280 | 146 | 734 | 246 |
| Pasquotank | 95 | 103 | 97 | 95 | 108 | 403 | 23 |
| Perquimans | 30 | 72 | 56 | 36 | 41 | 205 | 85 |
| Person | 88 | 104 | 89 | 179 | 105 | 477 | 125 |
| Polk | 33 | 99 | 102 | 124 | 110 | 435 | 303 |
| Rutherford | 81 | 272 | 195 | 132 | 84 | 683 | 359 |
| Sampson | 94 | 94 | 119 | 185 | 130 | 528 | 152 |
| Scotland | 60 | 146 | 121 | 81 | 60 | 408 | 168 |
| Transylvania | 61 | 66 | 65 | 90 | 65 | 286 | 42 |
| Vance | 84 | 84 | 90 | 90 | 90 | 354 | 18 |
| Washington | 39 | 355 | 260 | 297 | 308 | 1220 | 1064 |
| Watauga | 45 | 45 | 45 | 45 | 45 | 180 | 0 |
| Wilson | 112 | 718 | 785 | 659 | 610 | 2772 | 2324 |
| **Statewide** | 3212 | 6096 | 5936 | 5734 | 5104 | 22870 | 10022 |

## Appendix C: County Audit Results for Medicaid Eligibility by County

| Recipient Eligibility Determination Audit (REDA) - Cycle II - Year 2 CY 2023 – 35 Counties | | | |
|---|---|---|---|
| Accuracy Standards | | | |
| County | Approved 96.8% | Denied/ Terminated/Inquiries 96.8% | Technical Errors 90.0% |
| Alexander | 96.0% | 97.0% | 84.5% |
| Alleghany | 99.0% | 93.0% | 92.5% |
| Anson | 98.0% | 98.0% | 96.5% |
| Ashe | 97.0% | 98.0% | 92.0% |
| Avery | 95.0% | 93.9% | 86.9% |
| Bertie | 97.0% | 99.0% | 92.0% |
| Bladen | 98.0% | 95.0% | 80.5% |
| Buncombe | 87.0% | 96.0% | 87.0% |
| Burke | 99.0% | 96.0% | 89.5% |
| Cabarrus | 94.0% | 95.0% | 92.0% |
| Caswell | 94.0% | 94.0% | 92.0% |
| Cherokee | 95.0% | 97.0% | 92.5% |
| Cumberland | 95.0% | 94.0% | 79.5% |
| Currituck | 98.0% | 97.0% | 87.0% |
| Dare | 95.0% | 99.0% | 92.5% |
| Davidson | 93.0% | 95.0% | 81.0% |
| Davie | 93.0% | 94.0% | 86.5% |
| Halifax | 97.0% | 98.0% | 88.5% |
| Hoke | 95.0% | 98.0% | 93.0% |
| Lenoir | 90.0% | 95.0% | 89.0% |
| McDowell | 97.0% | 95.0% | 92.0% |
| Moore | 95.0% | 95.0% | 86.5% |
| Nash | 86.0% | 92.0% | 79.5% |
| Pasquotank | 100.0% | 97.0% | 90.0% |
| Perquimans | 95.0% | 96.0% | 89.5% |
| Person | 94.0% | 90.0% | 71.5% |
| Polk | 82.0% | 89.0% | 76.0% |
| Rutherford | 95.0% | 98.0% | 91.0% |
| Sampson | 95.0% | 99.0% | 85.0% |
| Scotland | 94.0% | 94.0% | 89.0% |
| Transylvania | 95.0% | 97.0% | 86.0% |
| Vance | 94.0% | 98.0% | 87.0% |
| Washington | 99.0% | 99.0% | 95.0% |
| Watauga | 91.0% | 91.0% | 88.5% |
| Wilson | 94.0% | 94.0% | 90.0% |

**Appendix D: Accuracy Improvement Intervention Results**

| Cycle II, Year 2 – Immediate AIP Impact – Resulting Accuracy Rates | | |
|---|---|---|
| **County** | **AIP Alternate ACTIVE Accuracy Rate** | **AIP Alternate NEGATIVE Accuracy Rate** |
| Alexander | 98.0% | 97.0% |
| Alleghany | 100.0% | 99.0% |
| Anson | 98.0% | 100.0% |
| Ashe | 100.0% | 100.0% |
| Avery | 98.0% | 99.0% |
| Bertie | 100.0% | 100.0% |
| Bladen | 100.0% | 97.5% |
| Buncombe | 100.0% | 100.0% |
| Burke | 100.0% | 99.0% |
| Cabarrus | 98.0% | 95.0% |
| Caswell | 97.0% | 100.0% |
| Cherokee | 98.0% | 97.0% |
| Cumberland | 98.0% | 97.0% |
| Currituck | 100.0% | 100.0% |
| Dare | 97.0% | 100.0% |
| Davidson | 98.0% | 98.0% |
| Davie | 93.0% | 93.3% |
| Halifax | 100.0% | 100.0% |
| Hoke | 97.0% | 99.0% |
| Lenoir | 99.0% | 98.0% |
| McDowell | 97.0% | 100.0% |
| Moore | 98.0% | 98.0% |
| Nash | 99.0% | 98.0% |
| Pasquotank | 100.0% | 100.0% |
| Perquimans | 98.0% | 97.0% |
| Person | 99.0% | 95.0% |
| Polk | 88.0% | 100.0% |
| Rutherford | 98.0% | 99.0% |
| Sampson | 100.0% | 100.0% |
| Scotland | 94.0% | 99.0% |
| Transylvania | 100.0% | 97.0% |
| Vance | 99.0% | 97.5% |
| Washington | 100.0% | 100.0% |
| Watauga | 95.0% | 96.8% |
| Wilson | 97.0% | 97.0% |
| **AIP TOTALS** | **4** | **3** |
| | **Counties under Active AIP** | **Counties under Negative AIP** |

# Appendix E: Joint State/Local Agency Accuracy Improvement Plan

**Joint State/Local Agency Accuracy Improvement Plan**
**County Department of Social Services**
**Date AIP Developed between County DSS and State's AIP Representative:**

---

**REQUIREMENT:** Accurate processing of Medicaid applications/redeterminations to meet the State standards.

## ACCURACY STANDARDS

- Only eligible applicants are approved for Medicaid benefits 96.8% of the time.
- Eligible applicants are not denied/terminated 96.8% of the time.

Note: The eligibility determination process is free of technical errors that do not change the outcome of the eligibility determination 90% of the time.

| STATE POINT OF CONTACT | COUNTY POINT OF CONTACT |
|---|---|
| **Name:** | **Name:** |
| **E-mail address:** | **E-mail address:** |
| **Phone number:** | **Phone number:** |

| County Metrics | County Self-Assessment and/or Audit Findings |
|---|---|
| *[List programs and months out of compliance and associated accuracy metrics]* <br><br> **Approval Actions =** ____ % <br><br> **Denial/Termination Actions =** ____ % <br><br> **Technical Errors =** ____ % | *[Brief summary of county self-assessment and/or audit findings listing reasons for failure to meet accuracy standards]* |

| Initiatives Currently Underway Prior to AIP |
|---|
| *[Initiatives/improvements currently underway to address accuracy issues; steps already taken in months prior to implementing AIP]* |

# ACTION PLAN

**KEY GOAL**: Meet or exceed the 96.8% eligibility accuracy standard.

## Strategies & Actions for Improvement

*[Control Activities to be implemented to mitigate risk]*

**Strategy/Action:** In a collaborative effort, the State and County DSS will utilize the Plan-Do-Check-Act (PDCA) Template to document Control Activities, to be implemented by the County, from development through implementation through reassessment. Refer to the County's PDCA Template as Addendum 1 to this AIP Template. Tracking, review, reassessment, and potential revisions will be noted on the County's PDCA Template. The PDCA Template will become the County's working document to address the risks within the DSS agency and steps enacted to mitigate the risks during the AIP process.

**Summary of Strategies/Actions:**

**Date of AIP Review/Acceptance:**

**Reviewed By:**

# Internal Control Implementation
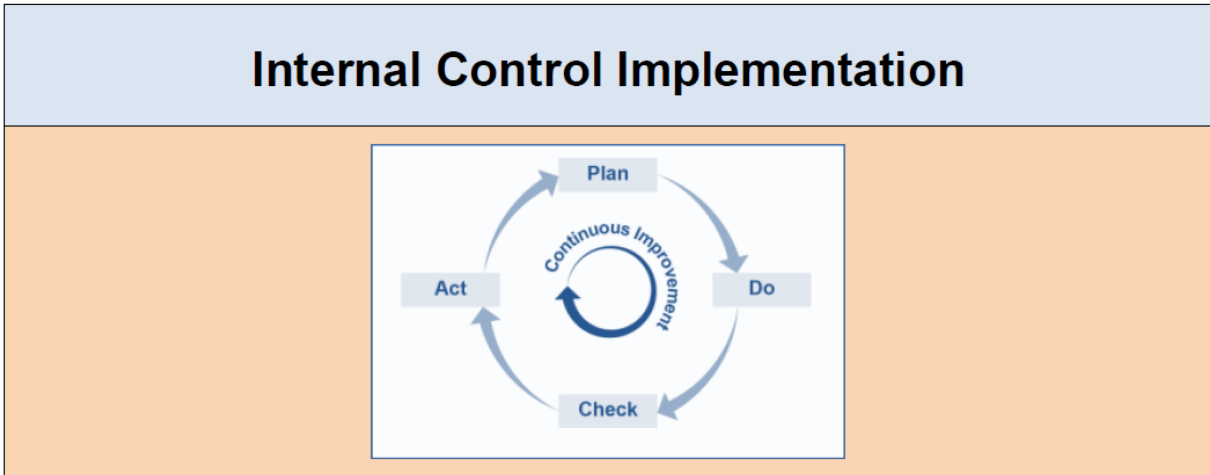


## PLAN

### Create/Develop Control Activities based on Root Cause Analyses driven from data.

| Error Trend(s) to Eliminate | Date Error Identified | Internal Control Activities to Implement |
|---|---|---|
|  |  |  |

| DO | | |
| --- | --- | --- |
| **Implement/Introduce Control Activities by documenting a Standard Operating Procedure (SOP).** | | |
| **Effective Date of Internal Control Activities** | **Internal Control Procedure** (describe in detail – step by step) | **Immersion Period** (effective date through reassessment date) |
| | | |

| CHECK | | |
| --- | --- | --- |
| **Monitor Control Activities to determine effectiveness.** | | |
| **Key Staff Monitoring Internal Control Activities** | **Date Monitoring Begins** | **Monitoring Methodology** (describe in detail – step by step) |
| | | |

# ACT

## Reassess to determine if the Control Activities are meeting the objective.

County Instructions: Reassessment to be conducted by the County DSS at the end of the 30-day immersion period. Modifications to be determined and discussed during joint OCPI and County DSS meetings at each Audit Month Reassessment. Future modifications to be documented on the PDCA Review chart.)

| County's Results of Initial Monitoring | Initial Modifications Needed? |
|---|---|
|  |  |

# PDCA Review

## Review and Progression of the County's PDCA Plan and Performance.

Instructions: PDCA to be reviewed and signed at initial development and at each monthly AIP/PDCA reassessment for measurement of the County's progress and effectiveness of Control Activities. PDCA modifications will be noted at each applicable Monthly Assessment, when required. Modifications should include implementation effective date of the stated modifications.

| Signature/Comments |
|---|

### INITIAL DEVELOPMENT/ACCEPTANCE OF PDCA APPROACH

County Signature:

County Comments:

County Signature Date:

OCPI Signature:

OCPI Comments:

OCPI Signature Date:

## MONTH 1 REASSESSMENT
### (County Monitoring Results & AIP Audit Findings)

County Signature:

County Comments:

County Signature Date:

OCPI Signature:

OCPI Comments:

OCPI Signature Date:

## MONTH 2 REASSESSMENT
### *(County Monitoring Results & AIP Audit Findings)*

County Signature:

County Comments:

County Signature Date:

OCPI Signature:

OCPI Comments:

OCPI Signature Date:

## MONTH 3 REASSESSMENT
### *(County Monitoring Results & AIP Audit Findings)*

County Signature:

County Comments:

County Signature Date:

OCPI Signature:

OCPI Comments:

OCPI Signature Date: