



Medicaid Eligibility Processing – Local Impact

April 7, 2014

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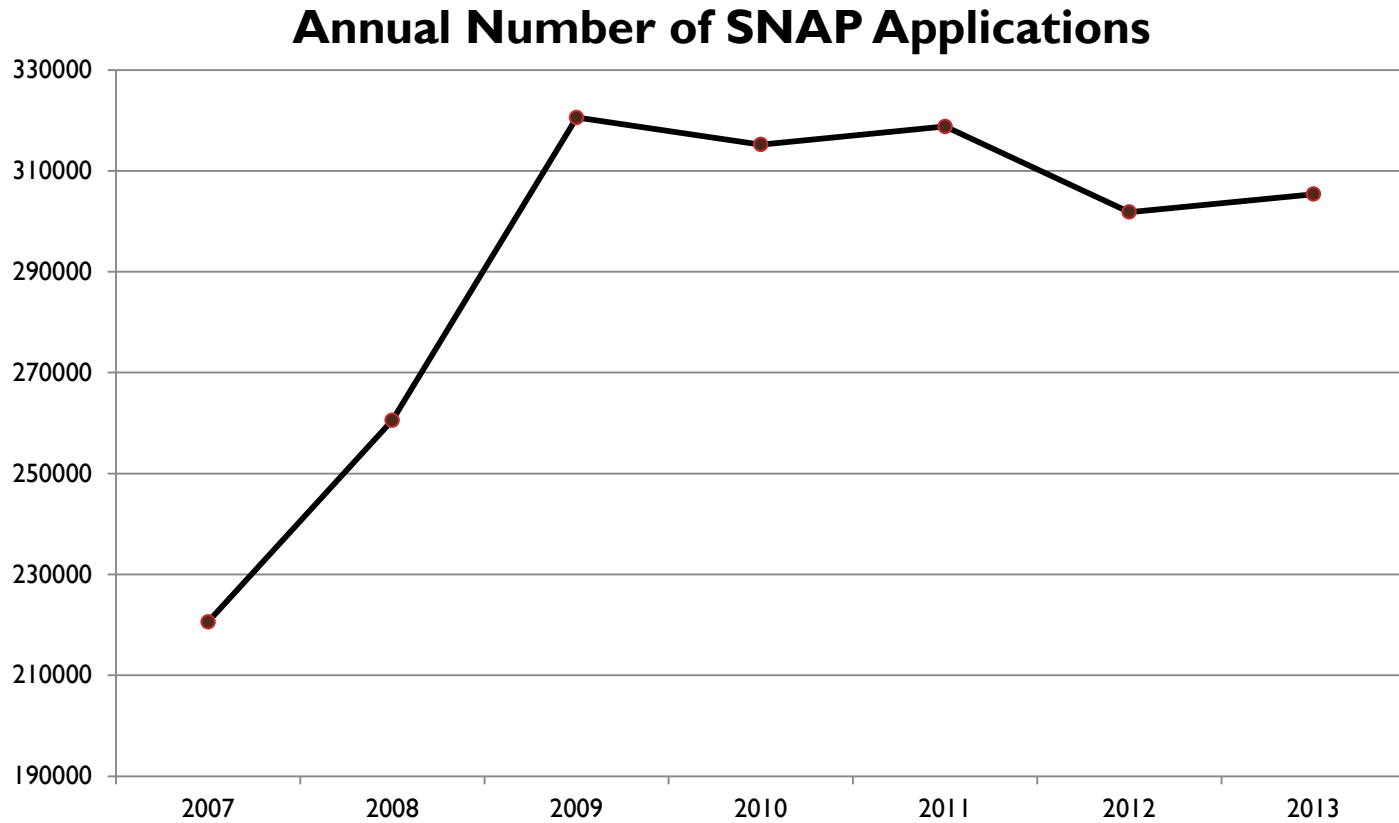
Local Departments of Social Services Benefit Programs

- Energy Assistance
 - Including Heating, Crisis and Cooling
- SNAP (Formerly Known as Food Stamps)
- Temporary Assistance to Needy Families (TANF)
- Medicaid

“Woodwork Effect” and Potential Medicaid Expansion

- Application Data - How is the “System” Holding Up
- Local Agency Performance
- Fraud in the Local Eligibility System
- “Closing the Gap”

SNAP Applications



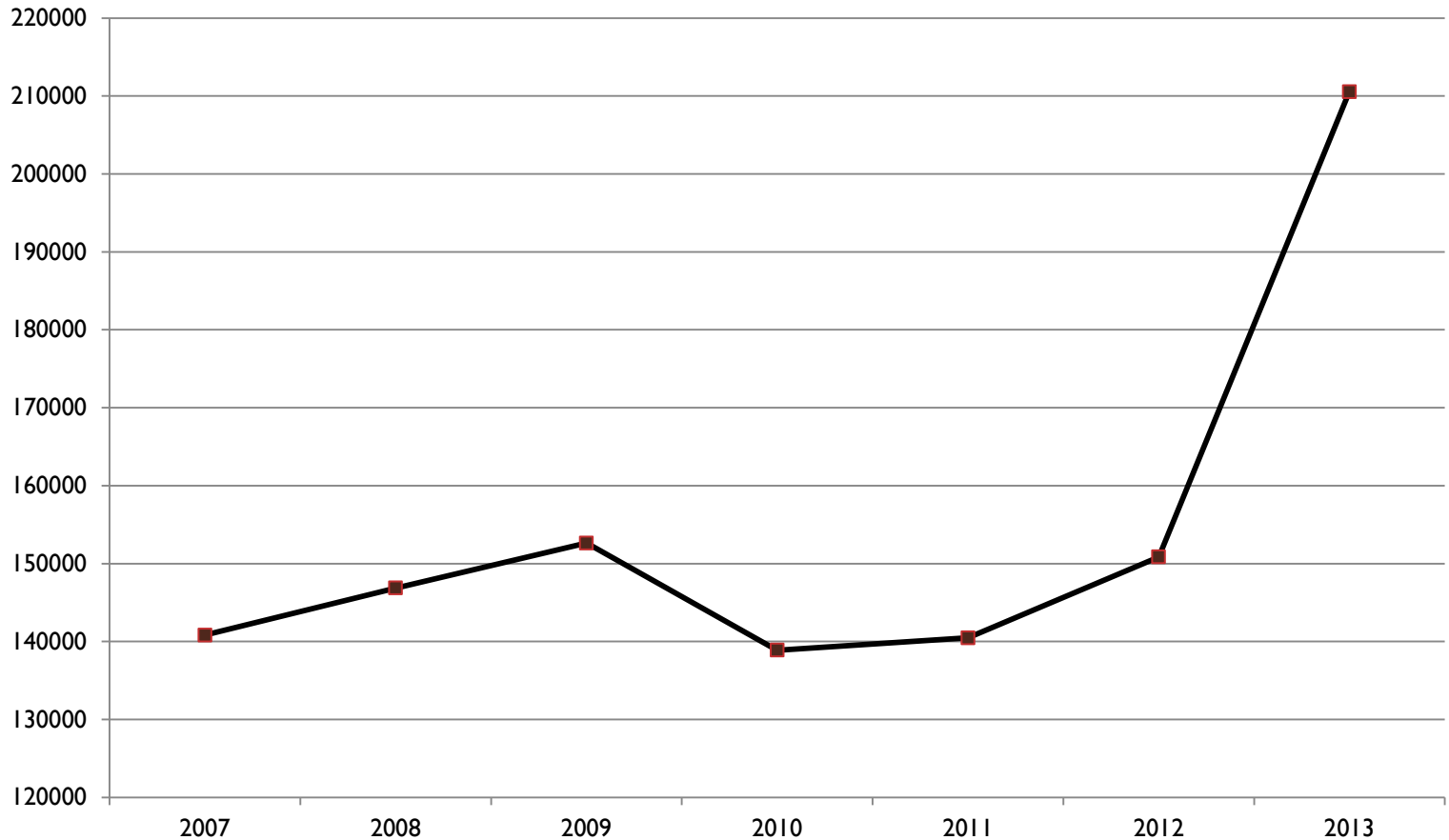
Growth in TANF Applications

Annual Number of TANF Applications

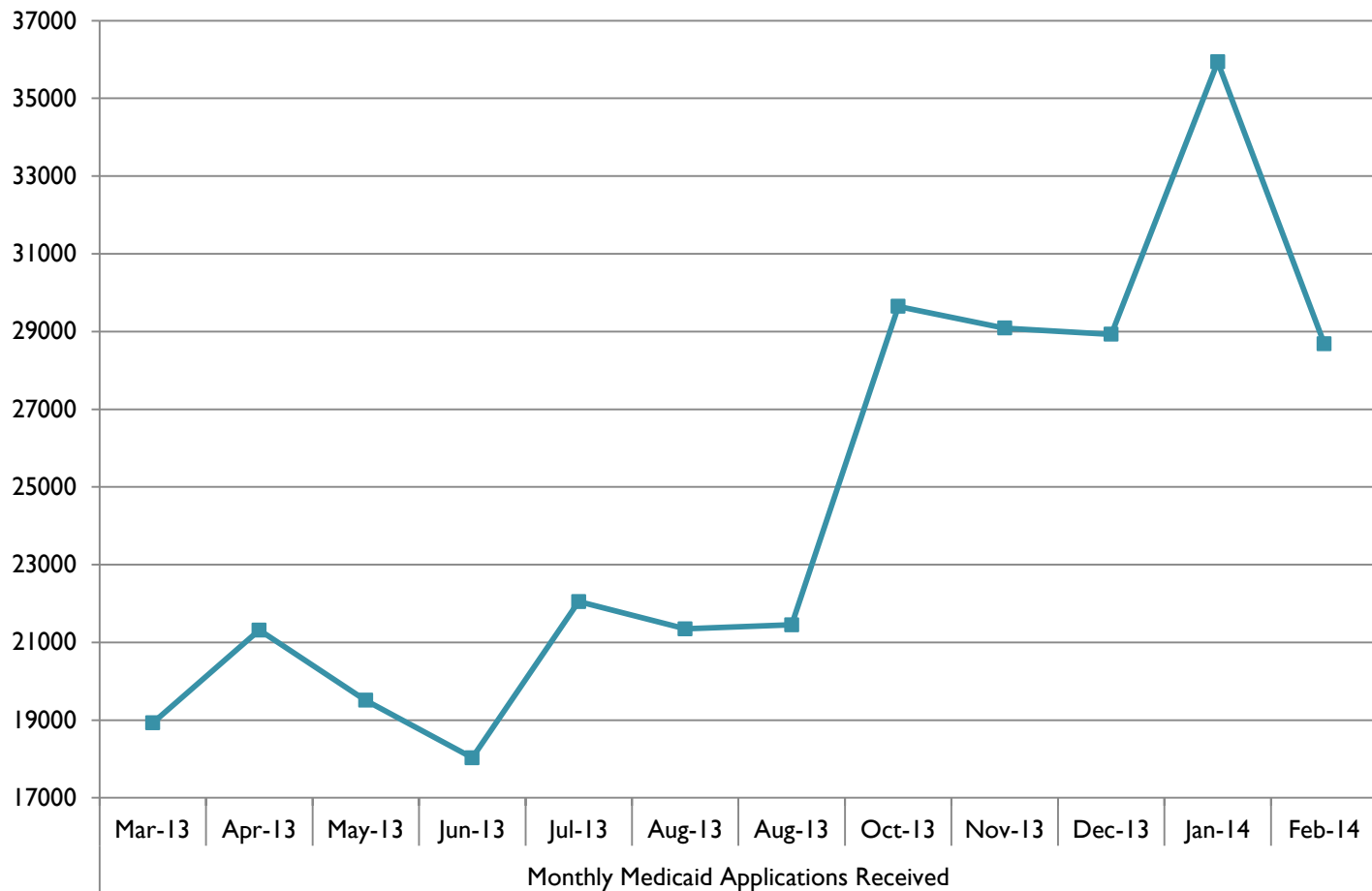


Growth in Medicaid Applications

Annual Number of Medicaid Applications



Growth in Medicaid Applications Since March 2013



Local Agency Performance

- Overall significant improvements are being made in the processing of applications
- Statewide application processing is improving on a weekly basis
- During the week of February 15th, we finally crossed the threshold of where statewide we are now disposing of more applications than we are taking in
- While significantly more applications are coming in (statewide around 58% increase), caseloads are remaining steady

Why Did It Take Until February

- System put into place October 1st was “substandard”
- The timeframe for making changes of this magnitude was unrealistic
- The system lacked overall functionality and still does
- The lack of functionality requires staff to work in two systems simultaneously
- Training was severely lacking

Understaffed Agencies

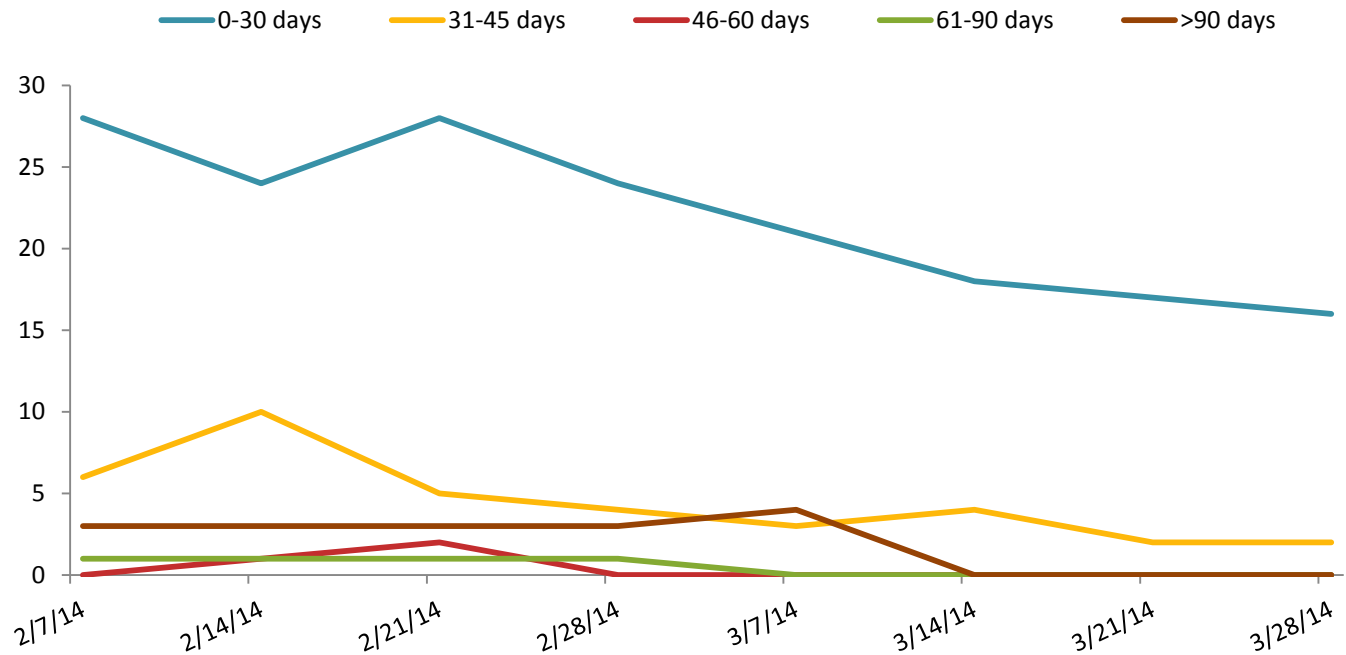
- Prior to the recession, local agencies were already understaffed and carrying caseloads that were much too high to meet the needs of the customers applying for benefits

Hornby Zeller & Associates

- In 2007 and 2008, a Workload Measures Study was completed by Hornby Zeller & Associates measuring the staffing needs of local agencies
- Based on this study, Local Departments of Social Services were already understaffed by 1,038 positions

Floyd County Department of Social Services Performance

MA Applications: Pending in VaCMS



Cumulative count since Oct 1. Excludes FFM applications.

Floyd County DSS (continued)

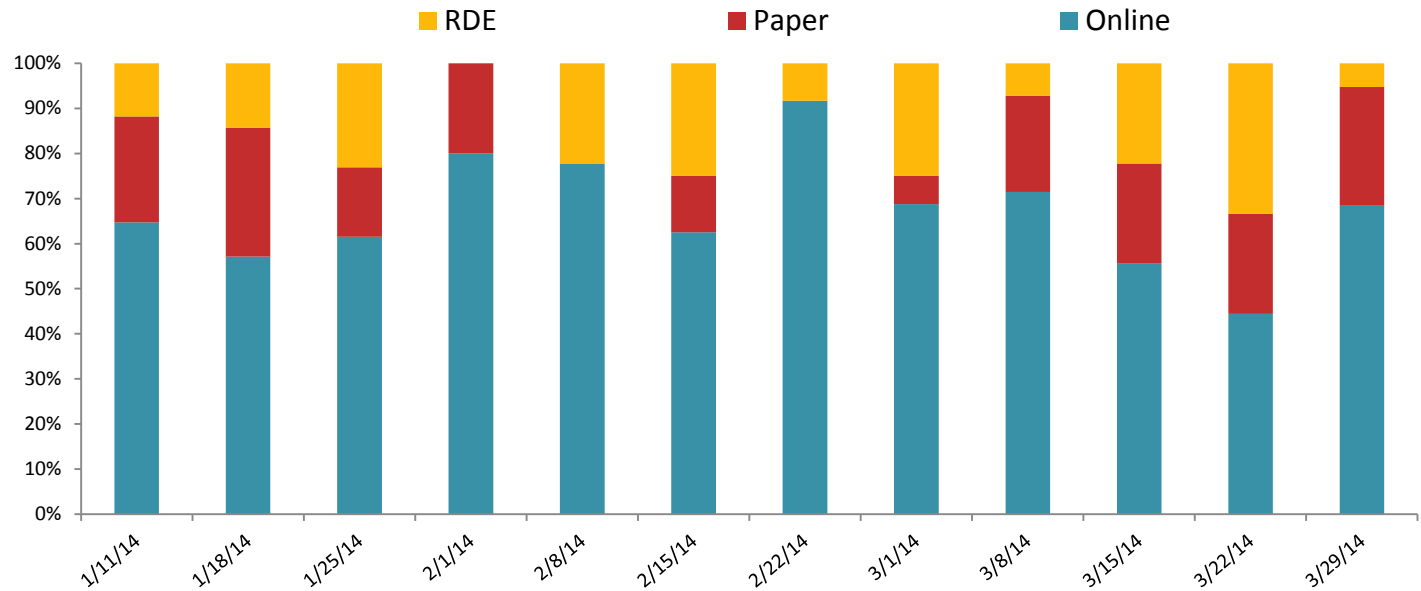
- Applications pending 46-60 days – 0
- Applications pending 60-90 days – 0
- Applications pending over 90 days - 0

Floyd County DSS – How Are We Handling the Increases

- Reassignment of Staff
- Intensive Specialized Training of All Staff
- Investment in Worker Tools, including headsets, multiple monitors, and a new telephone system
- Movement to almost entirely online application process – Clients entering data frees up additional worker time
- Overtime

Applications Received by Source

MA Applications: % by Source



Note: Applications received from FFM are excluded. "RDE" is Call Center and non-Call Center applications combined.

Fraud in the Local Eligibility System

- There is no state funding provided for the investigation of fraudulent activities in the Medicaid program
- In 2010, JLARC noted the vast majority of fraud in the Medicaid system is provider fraud, not in the local eligibility determination process

Fraud in the Local Eligibility System (continued)

- In February 2014, local departments received results from the Payment Error Rate Measurement (PERM) review by CMS
- Medicaid Eligibility Review error rates were 0.5%
- FAMIS error rates were 5% (which include the Central Processing Unit – Call Center for FAMIS)

Fraud in the Local Eligibility System (continued)

- For FY 12, the Payment Error Rate in the Supplemental Nutrition Assistance Program (SNAP) was 3.42% nationally
- Virginia's Payment Error Rate was only 1.76%, 7th best in the nation

Closing the Coverage Gap

- The electronic eligibility system must do more than just be a “data entry” system
- Local agencies have to be provided with the adequate resources to determine eligibility for up to 400,000 new individuals
 - This includes sufficient staff, proper equipment, adequate building space, etc.
- The eligibility rules for the 3 major benefit programs (Medicaid, SNAP and TANF) need to be streamlined

Closing the Coverage Gap (continued)

- Eligibility Determination Handled by LDSS
 - LDSS already exist in all localities and are familiar with the unique needs of each of the jurisdictions they serve (i.e. language barriers, cultural issues, ethnicity)
 - Local agencies already have a process in place to handle Medicaid (why create a new system)
 - Larger number of eligibility staff in local agencies allows for greater creativity in meeting the needs of Virginia citizens
 - Local governments already extensively subsidize the Medicaid determination process through federal pass through funds
 - Adding additional funding to local agencies will allow blending of job functions to better serve all citizens

Closing the Coverage Gap (continued)

- Centralized System (Call Center Approach)
 - One centralized system for this portion of Medicaid.
 - May provide faster service to citizens due to a single focus. Clients aren't receiving multiple services in one place.
 - Significant financial investment in a private option while the current system still has significant needs.
 - LDSS agencies will not be responsible for a large quantity of work
 - Citizen confusion as local agencies will be completing Medicaid eligibility for some members of a family, while other members would go through the Centralized System

Conclusions

- Local Departments provide for the basic necessities of daily life, including food, shelter and medical care
- Local agencies were already dealing with record caseloads prior to the Medicaid changes with insufficient resources
- Since the implementation of VaCMS, the system is improving as well as is the overall eligibility processes of local agencies
- This is a major shift to one eligibility system instead of multiple eligibility systems which is not scheduled to be completed until sometime in 2016

Conclusions (continued)

- Local Departments must be given ample time and opportunity to adjust to the major changes which have occurred in the last year and are coming in the next two years
- Approximately half of all agencies are now processing over 80% of their applications through VaCMS during the required timeframes