

# STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

BETH A. WOOD, CPA



## NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST)

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INFORMATION SYSTEMS AUDIT

JUNE 2017



**NC**  **OSA**  
The Taxpayers' Watchdog

# EXECUTIVE SUMMARY

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## **PURPOSE**

The objective of this assessment was to evaluate North Carolina Department of Health and Human Services (DHHS) and county processes and performance metrics for staffing, helpdesk, training, change management and forced eligibility as they relate to NC FAST Medicaid eligibility.

## **BACKGROUND**

The North Carolina Families Accessing Services through Technology (NC FAST) system was developed to improve the way eligibility was determined and benefits given for a whole spectrum of services, such as Food and Nutrition Services, Medicaid, Work First and Child Care. The NC FAST system is designed to improve the way the NC Department of Health and Human Services (DHHS) and the 100 county departments of social services conduct business.

## **KEY FINDINGS**

- A comprehensive training program was not developed, which increased the risk that Medicaid eligibility was inaccurately and/or untimely determined throughout the State
- Optimal Medicaid eligibility determination staffing levels were not established
- Critical help desk tickets were not resolved in a timely manner

## **KEY RECOMMENDATIONS**

- DHHS should develop a centralized training program for Medicaid eligibility determination staff
- DHHS and county personnel should work together to continually assess whether the training provided to the county level personnel is appropriate
- DHHS should perform a benchmarking analysis to assist the counties with determining the optimal Medicaid eligibility determination staffing levels for each county based on workload volume
- DHHS should develop universal service level agreements, with all counties, that clearly communicate the services it provides, the agreed upon service level prioritization by county and/or by application (i.e., NC FAST), its service request process, its anticipated response levels with corresponding escalation procedures, its service targets, and its communication protocols
- DHHS should develop a monitoring activity to continually assess and communicate compliance with the timeliness aspect of the, more critical, Tier 3 help desk ticket resolutions

*Key findings and recommendations may not be inclusive of all findings and recommendations in the report.*

STATE OF NORTH CAROLINA  
**Office of the State Auditor**



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## AUDITOR'S TRANSMITTAL

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The Honorable Roy Cooper, Governor  
Members of the North Carolina General Assembly  
Dr. Mandy K. Cohen, Secretary, North Carolina Department of Health and Human Services

Ladies and Gentlemen:

This report presents the results of our assessment of the North Carolina Families Accessing Services through Technology (NC FAST) system at the North Carolina Department of Health and Human Services (DHHS).

We performed the audit by authority of *North Carolina General Statute 147-5A* and conducted it in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

The objective was to assess DHHS and county processes and performance metrics for staffing, helpdesk, training, change management and forced eligibility as they relate to NC FAST Medicaid eligibility.

The results of our audit disclosed findings considered reportable under generally accepted government auditing standards. Secretary Cohen reviewed a draft copy of this report. Her written comments are included starting on page 12.

We wish to express our appreciation to the management and staff of DHHS for the courtesy, cooperation, and assistance provided us during the audit.

Respectfully submitted,

A handwritten signature in cursive script that reads 'Beth A. Wood'.

Beth A. Wood, CPA  
State Auditor



**Beth A. Wood, CPA**  
**State Auditor**

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Article 5A, Chapter 147 of the North Carolina General Statutes, gives the Auditor broad powers to examine all books, records, files, papers, documents, and financial affairs of every state agency and any organization that receives public funding. The Auditor also has the power to summon people to produce records and to answer questions under oath.



# BACKGROUND

## **Medicaid Program**

Medicaid is a health insurance program for low-income people and families who cannot afford health care costs. Medicaid serves low-income parents, children, seniors, and people with disabilities.<sup>1</sup>

Medicaid may help pay for certain medical expenses including doctor bills, hospital bills, prescriptions, vision care, dental care, Medicare premiums, nursing home care, personal care services, medical equipment, in-home care, and mental health services.

The federal government and North Carolina's Department of Health and Human Services (Department) entered into an approved State Medicaid Plan that outlines the funding and provision of services for Medicaid. As of June 30, 2016, North Carolina's Medicaid program served approximately 1.9 million children and adults.

North Carolina's Medicaid program is state-administered with the Department delegating the eligibility determination function to the counties. Therefore, the State maintains responsibilities for oversight of the program, processing of Medicaid applications (through the NC FAST computer system), and benefits payments (through the NC Tracks computer system).

## **North Carolina Department of Health and Human Services**

The Department's mission is to improve the health, safety, and well-being of all North Carolina citizens. The Department provides specific services to special populations, including people who are deaf, blind, developmentally disabled, mentally ill, or economically disadvantaged.<sup>2</sup>

The Department is divided into 30 divisions and offices that fall under four broad service areas: health, human services, administrative, and support functions. The Department also oversees developmental centers, neuro-medical treatment centers, psychiatric hospitals, alcohol and drug abuse treatment centers, and two residential programs for children.

The North Carolina Families Accessing Services through Technology (NC FAST) system was developed to improve the way eligibility was determined and benefits given for a whole spectrum of services, such as Food and Nutrition Services, Medicaid, Work First and Child Care. The NC FAST system is designed to improve the way the NC Department of Health and Human Services (DHHS) and the 100 county departments of social services conduct business.

## **County Departments of Social Services**

While North Carolina's Medicaid program is overseen by the State, North Carolina General Statute § 108A-25(b) establishes that the program "shall be administered by the county departments of social services under rules adopted by the Department of Health and Human Services." Accordingly, the 100 county departments of social services determine financial eligibility for recipients covered by North Carolina's Medicaid program.

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<sup>1</sup> <http://www2.ncdhhs.gov/medicaid/>

<sup>2</sup> <http://www.ncdhhs.gov/aboutdhhs/index.htm>

Each county determines its staffing levels to operate the Medicaid program eligibility determination. In addition, each county pays the salaries and benefits of the staff performing the eligibility determination function and sets the salaries for those employees.

Counties seek reimbursement from the federal government for allowable Medicaid expenditures related to eligibility determination (not payment of medical services) through DHHS. The Federal Financial Participation (FFP) rate for county reimbursement of allowable Medicaid expenditures was 75/25. For all allowable expenditures, the county was reimbursed 75% of expended funds.

North Carolina operates in a dual-eligibility determination environment in accordance with North Carolina General Statutes, in which the Department delegated to county departments of social services the responsibility for actually receiving Medicaid applications and determining eligibility of each applicant. Once an applicant is deemed eligible through NC FAST, payments for medical services are processed through the Department's NC Tracks benefits payment system.



# **OBJECTIVE, SCOPE, AND METHODOLOGY**

The objective of this audit was to assess Department of Health and Human Services (DHHS)' and county processes and performance metrics for staffing, helpdesk, training, change management and forced eligibility as they relate to NC FAST Medicaid eligibility.

The audit scope included an analysis of staffing, helpdesk, training, change management and forced eligibility data from July 1, 2015, through June 30, 2016.

To accomplish the audit objectives, auditors interviewed personnel at the DHHS as well as county departments of social services throughout the State, observed procedures at 10 county Departments of Social Services, reviewed policies and analyzed electronic documentation supporting transactions as necessary.

Because of the test nature and other inherent limitations of an audit, together with limitations of any system of internal and management controls, this audit would not necessarily disclose all performance weaknesses or lack of compliance.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



# **FINDINGS, RECOMMENDATIONS, AND RESPONSE**

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## 1. COMPREHENSIVE TRAINING PROGRAM NOT DEVELOPED, INCREASING THE RISK THAT MEDICAID ELIGIBILITY WAS INACCURATELY AND/OR UNTIMELY DETERMINED THROUGHOUT THE STATE

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The North Carolina Department of Health and Human Services (DHHS) did not develop a comprehensive training program for Medicaid eligibility determination. Without a comprehensive training program, DHHS cannot ensure that counties accurately and timely determined Medicaid eligibility.

### **Training Program Lacked Depth**

DHHS developed a four-part webinar training program for county-level staff determining Medicaid eligibility. However, the training program was not comprehensive and did not ensure training was delivered successfully. For example:

- Training content only focused on how to navigate the NC FAST system<sup>3</sup> and screens and did not cover scenarios that county staff encounter on a routine basis
- Training content did not contain Medicaid eligibility policy
- County staff were not consistently tested to determine if the training was successful
- Training was optional - not required
- DHHS did not know if county staff received its navigation training or any relevant training
- DHHS did not develop ongoing caseworker training programs that focus on new Medicaid policies or known eligibility determination issues

### **Inconsistent Medicaid Eligibility Determinations**

Because DHHS did not develop and monitor a centralized and comprehensive training program for county staff, the proficiency of staff and accuracy of Medicaid eligibility determinations could vary.

In fact, the Office of the State Auditor's recent Medicaid Eligibility audit<sup>4</sup> found eligibility determination errors did vary and could be particularly attributed to a lack of training.

Table 1 summarizes the Medicaid Eligibility accuracy errors encountered by the Office of State Auditor. The new application accuracy<sup>5</sup> error rates ranged from 1.2% (Wilkes County) to 18.8% (Guilford County) and re-certification accuracy error rates ranged from 1.2% (Wilkes County) to 23.2% (Mecklenburg County).

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<sup>3</sup> North Carolina Families Accessing Services through Technology (NC FAST) was developed to integrate services at the local level and to improve eligibility determination and benefits provided for multiple public assistance programs including Medicaid, Food and Nutrition Services, Work First, and Child Care.

<sup>4</sup> North Carolina Medicaid Program Recipient Eligibility Determination Report issued January 2017

<sup>5</sup> Auditors considered accuracy errors as a determination that caused an ineligible recipient to be approved for Medicaid benefits or denied benefits to an applicant who should be eligible for benefits.

Table 1			
County Type	County	Application Accuracy Error Rate	Re-certification Accuracy Error Rate
Urban	Guilford	18.8%	20.0%
	Mecklenburg	8.8%	23.2%
	Wake	5.6%	2.0%
Suburban	Rowan	5.6%	8.8%
Rural	Jones	16.0%	12.8%
	Madison	6.4%	12.0%
	Rutherford	4.8%	5.2%
	Vance	14.0%	3.6%
	Washington	8.0%	10.0%
	Wilkes	1.2%	1.2%

**Training Responsibilities Delegated to Counties**

DHHS did not take responsibility for providing Medicaid eligibility training to county staff. According to the DHHS’s NC FAST Implementation Team Lead, each of the 100 counties was individually responsible for developing and providing the necessary onboarding and ongoing training for their eligibility determination staff. The counties were also responsible for monitoring whether their employees successfully completed the training needed to perform Medicaid eligibility determinations.

However, federal regulations keep responsibility for Medicaid at the state level. The Code of Federal Regulations<sup>6</sup> states that the “State agency is responsible for determining eligibility for all individuals applying for or receiving benefits” even if the approved state plan delegates “authority to determine eligibility for all or a defined subset of individuals.”

Additionally, the Compliance Supplement to Office of Management and Budget Circular A-133 indicates that “the State is fully responsible for Federal compliance for the eligibility determination, as the benefits are paid by the State.”

Finally, the North Carolina General Statutes direct the Department to “adopt rules” that provide guidance to county Departments of Social Services for administering the Medicaid program.

**Training Best Practices**

DHHS delegated Medicaid eligibility determination to the counties even though it is still ultimately responsible for Medicaid eligibility determination. Therefore, it was in DHHS’s interest to provide a comprehensive training program.

<sup>6</sup> 42 CFR § 431.10(b)(3)

In fact, best practices recommend that management ensure training is effective and continually monitored. Specifically, the *ISACA<sup>7</sup> COBIT 5 Framework* states:

“Define and manage the skills and competencies required of personnel. Provide employees with ongoing learning and opportunities to maintain their knowledge, skills and competencies at a level required to achieve enterprise goals.<sup>8</sup> Sustain changes through effective training of new staff, ongoing communication campaigns, continued top management commitment, adoption monitoring and sharing of lessons learned across the enterprise.”<sup>9</sup>

## RECOMMENDATIONS

DHHS should accept responsibility for the training of Medicaid eligibility determination staff and should develop a centralized training program. Specifically, DHHS should ensure that its training program includes:

- A comprehensive new caseworker training program
- A comprehensive ongoing caseworker training program
- A monitoring function to assess the successful completion of required courses

Additionally, DHHS and county personnel should work together to continually assess whether the training provided to the county level personnel is appropriate.

## AGENCY RESPONSE

See page 12 for DHHS’s response to this finding.

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## 2. OPTIMAL MEDICAID ELIGIBILITY DETERMINATION STAFFING LEVELS WERE NOT ESTABLISHED

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The North Carolina Department of Health and Human Services (DHHS) did not develop guidance to help counties determine optimal staffing levels for their Medicaid eligibility determination personnel. Inadequate staffing levels could delay Medicaid eligibility determination or lead to errors. Best practices recommend organizations regularly evaluate whether staffing levels are sufficient to support organizational goals and objectives.

### **No Guidance on or Awareness of Staffing Levels**

DHHS did not help counties determine the staffing levels needed to make timely Medicaid eligibility determinations using the NC FAST system. Specifically:

- DHHS did not develop targets or ranges for the number of applications each county employee should process
- DHHS did not monitor Medicaid eligibility applications-to-staff ratios at the counties

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<sup>7</sup> ISACA is a professional association focused on IT Governance best practices.

<sup>8</sup> ISACA COBIT 5 Framework - APO07.03: Maintain the skills and competencies of personnel

<sup>9</sup> ISACA COBIT 5 Framework - BAI05.07: Sustain changes

**Staffing Levels Vary by County**

Because DHHS did not provide counties with a target or range of acceptable application-to-staff ratios, the ratio varies widely across the state.

Table 2 summarizes the Medicaid Eligibility staff levels and applications processed for the 10 counties included in the recent Medicaid Eligibility Performance Audit.<sup>10</sup> Application-to-staff ratios ranged from 309:1 in Jones County to 979:1 in Vance County.

Stated another way, a person in Vance County was asked to process three times the number of applications that a person in Jones County was asked to process.

With such a wide range, there are likely inefficiencies and strains in the Medicaid eligibility determination process.

Table 2				
County Type	County	Employees Processing Applications & Re-certifications	Applications & Re-certifications Processed by Employees	Applications & Re-certifications Processed/ Employee
Urban	Jones	5	1,544	309
	Madison	12.5	4,460	357
	Mecklenburg	347	125,084	360
Suburban	Washington	10	3,797	380
Rural	Rowan	75	36,170	482
	Wilkes	24	12,081	503
	Wake	207	112,448	543
	Guilford	117	87,433	747
	Rutherford	21	16,166	770
	Vance	15	14,684	979

**Staffing Responsibilities Delegated to the Counties**

DHHS did not take responsibility for determining appropriate Medicaid eligibility determination staffing levels at the counties. According to DHHS Medicaid personnel, each county was individually responsible for determining and monitoring its Medicaid eligibility determination staffing levels.

County Departments of Social Services stated that staffing levels were determined based on the volume of Medicaid application and recertification workloads.

However, the Code of Federal Regulations<sup>11</sup> states that the “State agency is responsible for determining eligibility for all individuals applying for or receiving benefits” even if the approved state plan delegates “authority to determine eligibility for all or a defined subset of individuals.”

<sup>10</sup> North Carolina Medicaid Program Recipient Eligibility Determination Report issued January 2017

<sup>11</sup> 42 CFR § 431.10(b)(3)

Additionally, the Compliance Supplement to Office of Management and Budget Circular A-133 indicates that “the State is fully responsible for Federal compliance for the eligibility determination, as the benefits are paid by the State.”

Finally, the North Carolina General Statutes direct the Department to adopt rules that provide guidance to county Departments of Social Services for administering the Medicaid program.

### **Staffing Best Practices**

DHHS let counties decide how to staff Medicaid eligibility determination even though it was ultimately responsible for Medicaid eligibility determination.

Since DHHS is ultimately responsible for the Medicaid program, DHHS should provide guidance on optimal staffing levels.

Industry best practices recommend that management regularly evaluate staffing requirements. Specifically, the *ISACA*<sup>12</sup> *COBIT 5 Framework* states:

“Organizations should evaluate staffing requirements on a regular basis or upon major changes to the enterprise or operational or IT environments to ensure that the enterprise has sufficient human resources to support enterprise goals and objectives, including time expectations.”<sup>13</sup>

## **RECOMMENDATIONS**

DHHS should perform a benchmarking analysis to assist the counties with determining the optimal Medicaid eligibility determination staffing levels for each county based on workload volume.

DHHS should establish acceptable staffing ranges based on workload volume, continually monitor these levels, and work with the counties to develop solutions when staffing levels fall outside their optimal ranges.

## **AGENCY RESPONSE**

See page 14 for DHHS’s response to this finding.

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### **3. CRITICAL HELP DESK TICKETS NOT RESOLVED IN A TIMELY MANNER**

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North Carolina’s Department of Health and Human Services (DHHS) did not resolve NC FAST Tier 3 help desk tickets<sup>14</sup> in a timely manner. The delay in resolving Tier 3 tickets could have harmed the counties’ ability to make timely and accurate Medicaid eligibility determinations. DHHS policy states that 90% of all Tier 3 help desk tickets should be resolved within 10 days.

<sup>12</sup> ISACA is a professional association focused on IT Governance best practices.

<sup>13</sup> ISACA COBIT 5 Framework - APO07.01 Maintain adequate and appropriate staffing

<sup>14</sup> Computer support is often subdivided into tiers (levels). Tier 3 is the highest level of support. Tier 3 staff are responsible for handling the most difficult or advanced problems. Tickets are promoted to Tier 3 after Tier 1 and Tier 2 efforts are exhausted.

### **Tier 3 Help Desk Tickets Not Resolved in a Timely Manner**

Between July 1, 2015, and June 30, 2016, DHHS resolved 1,278 NC FAST Tier 3 help desk tickets specific to Medicaid eligibility. However, 1,017 (80%) of those NC FAST Tier 3 help desk tickets were not resolved within the 10-day target and the status of those NC FAST Tier 3 help desk tickets was not appropriately communicated to the counties.

Of the 1,017 tickets not resolved within the 10-day target 314 (31%), took greater than 90 days to resolve and 56 were unresolved for more than 180 days.

### **Untimely Resolution of Help Desk Tickets Impacted Eligibility Determinations**

For many of the outstanding tickets, counties were unable to process applicants and/or renew benefits until the tickets were appropriately resolved.

Of the 1,017 tickets resolved between July 1, 2015, and June 30, 2016, DHHS help desk staff rated 542 tickets (42%) with an impact of “Extensive” or “Significant.” An impact rating of “Extensive” means that no benefits were available to the Medicaid applicant until the ticket was resolved. An impact rating of “Significant” indicates that some, but not all, benefits were available until the ticket was resolved.

As of December 31, 2016, there were 34 outstanding tickets with an impact rating of “Extensive” or “Significant” for the 10 counties within the scope of our audit.

In some cases, counties used the forced eligibility process<sup>15</sup> to provide timely Medicaid eligibility determinations. Due to this work around, there is a risk that some people received benefits when they were not eligible. Additionally, the risk exists that a qualified applicant did not receive timely Medicaid benefits, if at all.

### **Service Level Agreements Not In Place and Status of Open Tickets Not Monitored**

There were two primary reasons DHHS did not resolve Tier 3 tickets timely.

First, DHHS did not enter into formal Service Level Agreements (SLAs) with the counties and their use of NC FAST.

SLAs formally communicate the agreed upon services to be provided so that users (i.e., county staff) and service providers (i.e., NC FAST help desk staff) understand the level of service expected.

SLAs typically include service level prioritization by:

- Service request process
- Expected response levels with corresponding escalation procedures (i.e., Tier 1, 2, and 3)
- Service targets (i.e., how long it should take to respond and resolve the issue)
- Communication protocols

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<sup>15</sup> Forced eligibility is used to override the eligibility decision of NC FAST.

Without SLAs, the level of effort for completion of tickets and timing are unknown and can impact customers with respect to:

- The status of open help desk tickets
- NC FAST system availability statistics
- Planned NC FAST system downtime and upgrades

Second, DHHS did not monitor the status of open Tier 3 help desk tickets or appropriately communicate the status of the open tickets to the individual counties. The main causes for the lack of monitoring included:

*A backlog of Help Desk tickets due to constant updates in the Medicaid program*

- NC FAST continually works requests received from CMS to update the Medicaid product functionality. Some of these updates occur on a monthly basis and include the 8110 form, rules updates for tax filings, Traumatic Brain Injury and Quality Monitoring. Due to the continuous updates and the tightly integrated code, there were times when these updates impacted existing Medicaid functionality. This impact caused additional tickets to be logged at the Help Desk which further impacted the backlog of Help Desk tickets.

*A spike in Medicaid tickets due to defects and simultaneous Curam upgrades*

- In February 2016, NC FAST identified a sharp increase in tickets being logged at the Help Desk due to issues in the Medicaid product. The changes to the system from a Curam upgrade release occurred at the same time as significant updates in the Medicaid product. The vast majority of the Help Desk tickets were linked to similar defects during this time. Once those defects were resolved, the increased ticket volume stopped but the backlog remained.

*Ticket flow at Tier 2 caused tickets to back up and not get to Tier 3 in a timely manner*

- During implementation of process improvements of Help Desk processes, inefficiency was discovered that determined the process of moving tickets from Tier 2 resources to Tier 3 resources was not as efficient as it could have been. At the time, all tickets that needed to be moved to the Tier 3 team had to go through a final check at Tier 2. There were only two Tier 2 resources to review the tickets before moving on to Tier 3. This caused an additional backlog of tickets and allowed additional ticket aging before moving to a Tier 3 resource. The process issue was identified and corrected.

**Policy and Best Practice Require Governance Oversight**

Industry best practices recommend that management enter into SLAs with the customers it supports. Specifically, the ISACA<sup>16</sup> COBIT 5 Framework states:

“Discuss and agree on potential services and service levels with the business to meet current and future enterprise needs.”<sup>17</sup>

<sup>16</sup> ISACA is a professional association focused on IT Governance best practices.

<sup>17</sup> ISACA COBIT 5 Framework - APO09, Manage Service Agreements

DHHS's help desk policy documentation indicates that 90% or more of NC FAST Tier 3 Help Desk tickets should be resolved within 10 business days.

### **RECOMMENDATIONS**

DHHS should develop SLAs that clearly communicate the services it provides, the agreed upon service level prioritization, its service request process, its anticipated response levels with corresponding escalation procedures, its service targets, and its communication protocols.

The use of the SLAs should also assist DHHS with validating their staffing needs and for assessing staff performance based on the required service levels.

DHHS should update their help desk training program to specifically address the timeless component of ticket resolutions.

DHHS should develop a monitoring activity to continually assess compliance with the timeliness aspect of, the more critical, Tier 3 help desk ticket resolutions. As part of this monitoring component, DHHS should also develop a way to communicate the status of open help desk tickets with the counties and/or ticket creator.

### **AGENCY RESPONSE**

See page 15 for DHHS's response to this finding.



# **RESPONSE FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

May 31, 2017

MANDY COHEN, MD, MPH  
SECRETARY

The Honorable Beth A. Wood, State Auditor  
Office of the State Auditor  
2 South Salisbury Street  
20601 Mail Service Center  
Raleigh, North Carolina 27699-0601

Dear Auditor Wood:

We have reviewed the draft performance report titled North Carolina Families Accessing Services Through Technology (NC FAST), covering the period July 2015 through June 2016. The following represent our responses and corrective action plans to the Audit Findings and Recommendations.

**AUDIT FINDINGS, RECOMMENDATIONS, AND RESPONSES**

I. COMPREHENSIVE TRAINING PROGRAM NOT DEVELOPED, INCREASING THE RISK THAT MEDICAID ELIGIBILITY WAS DETERMINED INCONSISTENTLY THROUGHOUT THE STATE

**Recommendations:**

DHHS should accept responsibility for the training of Medicaid eligibility determination staff and should develop a centralized training program. Specifically, DHHS should ensure that its training program includes:

- A comprehensive new caseworker training program
- A comprehensive ongoing caseworker training program
- A monitoring function to assess the successful completion of required courses

Additionally, DHHS and county personnel should work together to continually assess whether the training provided to the county level personnel is appropriate.

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Honorable Beth A. Wood  
May 31, 2017  
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**Agency Response:**

The Department agrees with this finding. The Department has already begun work with NC FAST, the Division of Social Services (DSS), the Division of Medical Assistance (DMA) the Operational Support Team (OST) and the NC Association of County Departments of Social Services (NCACDSS) to ensure that county workers receive the comprehensive training required to successfully implement the Medicaid program. This work is being completed as a result of the Medicaid Performance Audit dated January 2017.

The Department will require all new and existing county DSS staff to use the available standardized (state approved) Medicaid/NCHC policy training on the NC FAST Learning Gateway. The Learning Gateway syllabus identifies each policy area for standard formalized training for new and existing caseworkers. Each policy area provides a question and answer section, which will measure the workers ability to implement Medicaid policy accurately, completely and timely.

The Learning Gateway Medicaid/NCHC system training material updates are currently in progress. The original four-part webinar training was replaced by an updated Medicaid eligibility course. In addition to that update, three additional training courses were developed to discuss Long Term Care, Special Assistance and Basic Navigation. Training updates will be provided to ensure that training materials are current at all times. The county staff will be advised of all revisions when Medicaid/NCHC policy is updated by federal/state changes. Completion of the updated system training courses is scheduled for release in July 2017. This update will also include an option for virtual training in order to speed up progress in getting system training updates to the counties.

The Department will reemploy the testing function used to determine a caseworker's ability to navigate through the system. Test results will be provided to the Department quarterly for new staff. County staff will be required to pass the NC FAST system training tests with a score of 70 or better.

**Owners:**

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**Date of Implementation/Completion:** July 2017

Honorable Beth A. Wood  
 May 31, 2017  
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2. OPTIMAL MEDICAID ELIGIBILITY DETERMINATION STAFFING LEVELS WERE NOT ESTABLISHED

**Recommendations:**

DHHS should perform a benchmarking analysis to assist the counties with determining the optimal Medicaid eligibility determination staffing levels for each county based on workload volume.

DHHS should establish acceptable staffing ranges based on workload volume, continually monitor these levels, and work with the counties to develop solutions when staffing levels fall outside their optimal ranges.

**Agency Response:**

The Department agrees with the finding. The Division of Social Services (DSS), the Division of Medical Assistance (DMA) and the Operational Support Team (OST), in collaboration with the NC Association of County Departments of Social Services (NCACDSS), are working to ensure that adequate staffing levels are established. This work is being completed as a result of the Medicaid Performance Audit dated January 2017.

The Department made the opportunity available to county Departments of Social Services for 75% Federal Financial Participation (FFP) for eligibility activities for all Medicaid programs that are performed in NC FAST. This opportunity provided significant funding for county Departments of Social Services to better serve our public assistance recipients in North Carolina. Counties have been strongly encouraged to reinvest county savings that will accrue from the retroactive and ongoing 75% Medicaid administrative reimbursement to achieve needed staffing.

The Department requested that County Directors of Social Services work with their governing boards and county leadership to ensure that funding resources to achieve all public assistance program processing requirements are included in the County Budget for SFY 2015-16, and each year going forward. The Department provided instructions to County Directors, County Managers and governing bodies regarding all factors to consider in planning and budgeting for needed staff and other resources.

DMA, DSS and NCACDSS are working to establish recommended staffing for counties based on workload and the number of staff. This effort is in place and work began in March 2017.

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May 31, 2017  
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**Date of Implementation/Completion:** March 2017

3. CRITICAL HELP DESK TICKETS NOT RESOLVED IN A TIMELY MANNER

**Recommendations:**

DHHS should develop universal SLAs (Service Level Agreement) with all counties that clearly communicate, the services it provides, the agreed upon service level prioritization by county and/or by application (i.e., NC FAST), its service request process, its anticipated response levels with corresponding escalation procedures, its service targets, and its communication protocols.

Where necessary, application and/or county specific SLAs should be developed to address special services or levels of support that are required but not covered by the universal SLA. The use of the SLAs should also assist DHHS with validating their staffing needs and for assessing staff performance based on the required service levels.

DHHS should update their Tier 3 help desk training program to specifically address the timeless component of ticket resolutions.

DHHS should develop a monitoring activity to continually assess compliance with the timeliness aspect of, the more critical, Tier 3 help desk ticket resolutions. As part of this monitoring component, DHHS should also develop a way to communicate the status of open help desk tickets with the counties and/or ticket creator.

**Agency Response:**

The Department agrees with this finding and believes that providing excellent service to the counties and beneficiaries is a top priority. In order to achieve excellent service, the Department created a new role to improve customer relations. The NC FAST Client Services and Support Supervisor is responsible for management of the Testing Lead, Help Desk Lead and Cúram Configuration Analyst Lead. This position was filled in January 2017. In addition to customer services, this position will assist with tracking the coordination of development defects within the help desk issues submitted by the counties; thus tying the two activities together for improved tracking of Tier 3 tickets. The Help Desk Lead position was vacant for three months and was filled in April 2017. This position is directly responsible for the management of Tier 1 and Tier 2 and reports directly to the Client Services and Support Supervisor. This relationship will ensure the proper visibility and insight for Department management.

The Department plans to create and implement a new Help Desk Program Management Plan as well as make significant updates to the SLA Program Plan. These plans will define the policies and procedures based on current experience and interaction with the counties and will ensure attainability of the defined time bound goals. The planned procedures will address issues identified in this audit as well as issues related to the differentiation between response time and resolution time, age tracking of tickets between help desk tiers, identification of the full impact to the beneficiary, communication of status back to the county through Remedy OnDemand and training for all tiers of help desk staff. The targeted completion date for these plans is January 2018.

Honorable Beth A. Wood  
 May 31, 2017  
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The Department notes that the requirement to have SLAs with each of the 100 individual counties does not exist and is not required. However, the Department believes that the new Help Desk Program Management Plan and identification of Key Performance Indicators (KPIs) within the Service Level Agreement Program Plan will significantly reduce any impact to the county and more importantly, the beneficiary. The Service Level Agreement Program Plan will be shared with all 100 counties and the DHHS divisions that NC FAST supports. NC FAST will continue to provide the ongoing weekly Executive level reporting that provides to county directors and DHHS Executive Management the NC FAST system availability, defect management, and ticket status.

**Owner:**

Angela Taylor, NC FAST Director  
 (919) 813-5001

**Date of Implementation/Completion:** January 2018

We appreciate the assistance and professionalism provided by your staff in the performance of this audit. If you need any additional information, please contact AJ Fluker at (919) 527-6857.

Sincerely,

Mandy Cohen, MD, MPH  
 Secretary

MC:ajf

- cc: Lisa Allnut, Senior Audit Manager, Risk Mitigation & Audit Monitoring
- Michael Becketts, Assistant Secretary for Human Services
- Wayne Black, Senior Director of Social Services and County Operations
- Lisa Corbett, General Counsel
- Rod Davis, Chief Financial Officer
- Sam Gibbs, Deputy Secretary for Technology and Operations
- Christen Linke Young, Deputy Secretary for Policy and Operations
- Laketha M. Miller, Controller
- Susan Perry-Manning, Deputy Secretary for Human Services
- Dave Richard, Deputy Secretary for Medical Assistance
- Chet Spruill, Director, Office of the Internal Auditor
- Angela Taylor, NC FAST Director

# ORDERING INFORMATION

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For additional information contact:  
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This audit required 3,434 hours of auditor effort at an approximate cost of \$353,702. The cost represents less than 0.003% of the \$13.3 billion in Medicaid expenditures.