



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor
MANDY COHEN, MD, MPH • Secretary
DAVE RICHARD • Deputy Secretary, NC Medicaid

January 23, 2019

Re: Audit of County Medicaid Eligibility Determinations

Dear County Director of Social Services:

The purpose of this letter is to update county directors of social services on the implementation of North Carolina Session Law 2017-57, Section 11H.22., Audit of County Medicaid Eligibility Determinations, effective January 1, 2019. The Office of Compliance and Program Integrity (OCPI) will annually conduct an audit of County DSS/Local Entities for compliance with the accuracy standards set by the legislation for initial Medicaid eligibility determination applications as well as Medicaid reenrollment determinations.

OCPI entered into a contract with Vanguard Professional Staffing to perform the audit beginning January 2019. All 100 counties will be audited over a 3-year cycle, with 30 to 35 counties being audited each year.

The audit will consist of reviewing 200 randomly selected eligibility determinations per county. Twenty cases will be reviewed monthly (10 actives and 10 negatives) to determine the county DSS's compliance with the following 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.
- The eligibility determination process is free of technical errors that do not change the outcome of the eligibility determination 90% of the time.

It is crucial for each county to identify key county staff to liaise with the contractor during the audit process to eliminate significant findings prior to final audit results. The audit contractor will work remotely and access eligibility information in the NCFAST system only. In instances where documentation is missing in NCFAST, counties will have five business days to scan missing evidence into NCFAST upon receiving the list of cases to be reviewed.

The contractor will provide monthly audit results to the County DSS Director and county liaison, which can be used to track the county's accuracy rate. These results will provide the counties the opportunity to react quickly to conduct policy training in order to eliminate future findings that

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could impact the county's annual accuracy rate. Counties must take appropriate action to correct case findings immediately. If a county fails to meet the annual accuracy rate standards impacting eligibility determinations, the State will conduct a State/County Joint Corrective Action Plan (CAP) until standards are met for three consecutive months to ensure processes are in place to eliminate errors. OCPI will determine an annual accuracy rate per county and report results annually to the General Assembly.

This County Audit Plan falls under Article 2 of Chapter 108A of the General Statutes regarding recoupment of overpayments from a county responsible for the erroneous issuance of Medicaid and North Carolina Health Choice (NCHC) benefits. The Office of the Controller (OOC) will begin the recoupment process for Medicaid and NCHC overpayments identified during the county audit process. County overpayment procedures are addressed in the Dear County Director letter dated February 26, 2018.

OCPI will present a webinar on the County Audit plan and process on or before January 31, 2019. This webinar will be an open forum for questions and guidance regarding the audit process, including procedures for submission of county liaisons contact info to the contractor.

If you have questions, please contact Betty Dumas-Beasley at Betty.J.Beasley@dhhs.nc.gov or (919) 814-0108.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Richard", written in a cursive style.

Dave Richard