



# OFFICE OF THE STATE AUDITOR



July 26, 2017

DIANNE E. RAY, CPA  
STATE AUDITOR

## MEDICAID PEAK (JULY 2016) STATUS REPORT

Members of the Legislative Audit Committee:

Attached is the status report from the Department of Health Care Policy and Financing (Department), on the implementation of recommendations in the Office of the State Auditor's (OSA) *Colorado Medicaid PEAK Application and Eligibility Verification* performance audit.

We reviewed supporting documentation from the Department for each recommendation that it reported as having implemented as follows:

- Documentation showing the creation of four new automated disenrollment reports in the Colorado Benefits Management System.
- Materials for the revised Medicaid eligibility manual for counties.

Based on our review, the supporting documentation substantiates the Department's reported implementation status.



**COLORADO**  
Department of Health Care  
Policy & Financing

1570 Grant Street  
Denver, CO 80203

July 21, 2017

Dianne E. Ray, CPA  
State Auditor  
Colorado Office of the State Auditor  
1525 Sherman St., 7<sup>th</sup> Floor  
Denver, CO 80203

Dear Auditor Ray:

In response to the Office of the State Auditor's June 18, 2017 request, the Department of Health Care Policy and Financing (the Department) has completed the status report form regarding the implementation of audit recommendations contained in the Colorado Medicaid PEAK Application and Eligibility Verification Performance Audit. The attached form provides brief explanations of the actions taken by the Department to implement each recommendation.

If you have any questions, please do not hesitate to contact Laurie Simon-Blade at 303-866-2590 or by email at [laurie.simon-blade@state.co.us](mailto:laurie.simon-blade@state.co.us).

Sincerely,



Donna Kellow  
Audits & Compliance Division Director

DK/lrb



## AUDIT RECOMMENDATION STATUS REPORT

**AUDIT NAME: Colorado Medicaid: The PEAK Application and Eligibility Verification**

**AUDIT NUMBER: 1555P**

**DEPARTMENT: Department of Health Care Policy and Financing**

**DATE OF STATUS REPORT: July 21, 2017**

### SUMMARY INFORMATION

<b>Rec. Number</b>	<b>Agency's Response</b>	<b>Original Implementation Date</b>	<b>Implementation Status</b>	<b>Revised Implementation Date (If applicable)</b>
1a	Agree	July 2017	Implemented	
1b	Agree	July 2017	Partially Implemented	December, 2017
1c	Agree	July 2017	Partially Implemented	December, 2017
1d	Agree	July 2017	Not Implemented	December, 2017

### DETAIL OF IMPLEMENTATION STATUS

#### **Recommendation No. 1:**

The Department of Health Care Policy and Financing should implement processes for ensuring that Medicaid recipients who become ineligible are consistently disenrolled from the program in a timely manner. These processes should include, but should not be limited to the following:

- A. Tracking the data needed to report on the timeliness of all Medicaid disenrollments.

#### **Current Implementation Status for Rec. 1, part A: Implemented.**

#### **Department's Update:**

The Department implemented a Colorado Business Management System (CBMS) project (Project # 10796) that created four new automated reports related to disenrollment:

1. Medical Assistance Timely Disenrollment Report
2. Medical Assistance Aid Code Changes Report
3. Medical Assistance Good Faith Extension Report
4. Medical Assistance Disenrollment Processing Times Report

These reports provide detailed disenrollment data so the Department and counties can track and report on timeliness of all Medicaid disenrollment. Report implementation was July 9, 2017.

- B. Establishing automated monitoring to check that ineligible recipients are disenrolled in a timely manner, within reasonable timeframes determined by the Department.

**Current Implementation Status for Rec. 1, part B: Partially Implemented.**

**Department's Update:**

**Revised Implementation Date December 2017**

The Department has updated the Medical Eligibility Quality Improvement Plan (MEQIP) manual to indicate that quarterly, each county supervisor will randomly select six recipients for each technician that processes Medicaid applications as the sample of each county's internal review, which includes recipients from the new CBMS automated Medical Assistance Timely Disenrollment Report. This report identifies Medicaid recipients who are ineligible and should be disenrolled from the program in a timely manner. A policy decision is scheduled for December 2017 that will identify the reasonable termination timeframes and once determined, the manual will be updated and disseminated to counties.

- C. Developing risk-based monitoring to ensure that the benefits of ineligible recipients are terminated within reasonable timeframes determined by the Department.

**Current Implementation Status for Rec. 1, part C: Partially Implemented.**

**Department's Update:**

**Revised Implementation Date December 2017**

The Department has updated the MEQIP manual to indicate that a sample of each county's internal review should include high risk recipients as identified by the Department. Quarterly, each county supervisor will randomly select six recipients for each technician that processes Medicaid, from the new CBMS automated report and review the case file information to ensure termination from the program was done accurately, as defined by the Department. A policy decision is scheduled for December 2017 that will identify the reasonable termination timeframes and once determined, the manual will be updated and disseminated.

- D. Providing counties clear guidance for completing disenrollments in a timely manner and limiting extensions of benefits for recipients who are determined to be ineligible.

**Current Implementation Status for Rec. 1, part D: Not Implemented.**

**Department's Update:**

**Revised Implementation Date December 2017**

A policy change/inclusion is needed to include a reasonable timeframe for the number of processing days for termination and to limit the extension of benefits for recipients who are determined to be ineligible. Data is needed to monitor the current number of days and extensions counties are providing to recipients. This data is available through the reports that were implemented in July 2017. The reports will be monitored and analyzed through October 2017 to identify a reasonable timeframe/number of extensions and the Department will work with stakeholders and county partners to make a decision, refine the guidance, and create an agency letter by December 2017 that will be disseminated to all counties.