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| LOCAL COMMISSIONERS MEMORANDUM |
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DSS-4037EL (Rev. 9/89)

Transmittal No: 95 LCM-111

Date: October 3, 1995

Division: Health and Long
Term Care

TO: Local District Commissioners

SUBJECT: Twelve Month Medical Assistance Analysis Report with
Statewide Case Detail for 10/1/92 - 9/30/93

ATTACHMENTS: Data Analysis Report: Final Report Statewide MA-Only QC
Reviews (10/1/92 - 9/30/93)
(Not Available On-line)

The statewide MA-Only error rate continues to be below the National Average, and while the payment error rate has increased, the case error rates remained consistent with last year. The statewide error rate increased from 2.04% for the annual period ending 9/92, to 3.13% for the period ending 9/93. However, the annual MA error rate, which is based on a regressed statistical weighting of Medicaid payment errors associated with MA-Only and ADC cases, for the period was 1.89%. The fine work of local district staff has allowed the program consistently to be below the federal tolerance level of 3%. A continued commitment to Corrective Action planning is necessary to sustain this high level of success.

In upstate districts, the MA-Only payment error rate increased from 1.46% to 3.18%, while the New York City error rate increased from 2.73% to 3.07%. These figures represent the final MA error rate for the period. HCFA has completed their subsample and found no differences with our findings. This report should be viewed as an indicator of problem areas and used for Corrective Action planning.

Upstate, the principal error element is Bank Accounts, with Other Resources second. Also, for New York City, Bank Accounts continued as the highest payment error with Other Resources second. As reported in most previous years, Bank Accounts and Other Resources comprise over two thirds of the error rate. The following is a further explanation of the two primary error elements:

- o Bank Accounts: Statewide Bank Accounts represent 63% of the total misspent dollars. The primary agency error was information disregarded. Some significant steps are being taken to address this problem. Primary in this effort is a re-emphasis on the use of the Resource File Integration (RFI) System as a means of reducing these types of errors. Last year the Department developed a new RFI High Risk Report and accompanying LCM (94-5). The report, available on BICS, targets high risk cases with significant resources that have been on the system for 45 days without resolution. The "High Risk" report also assists districts in attaining compliance with federal regulations and State Social Services policy which require that follow-up on resource matches be completed within 45 days of receipt of the information. As a further enhancement, the High Risk Report is now available "on-line" to improve access to line staff. Quality Assurance and Audit (QA&A) also follow up with district personnel to review the resolution of RFI cases identified in these reports. In addition, the RFI "training package" is constantly under review by the program divisions to ensure that all policy issues are correctly addressed. Workers may also refer to Section N of either the System Reference Manual (SRM) or the Workers Reference Manual (WRM) for more information.

- o Other Resources Other Resources error payments represented 21% of the total MA Only payment errors. The primary agency error was failing to consider the value of life insurance policies when evaluating burial fund reserves. Failure to combine the value of life insurance policies, burial funds, and other countable resources was also a major agency error. SUC Buffalo is being informed that the evaluation of burial funds in eligibility determinations continues to be an area requiring emphasis in their training. They will accentuate the role of life insurance policies in relation to burial funds.

Upcoming changes in MA policy and procedures should contribute to reducing the error rate. SUC Buffalo is developing local district training programs on the Automated SDX process and Residency issues. Other efforts are planned to assure that the state and local districts conform with federal regulations. Included is an ADM which eliminates the local district option of providing conditional MA eligibility pending liquidation of excess non-liquid resources. Also, to conform to OBRA federal legislation an ADM is being produced to clarify the proper treatment of trusts and the transfer of assets. The policy was further supported by a training session at the 1995 fall Regional Meetings. Another ADM is being drafted to clarify the policy which mandates continuation of MA eligibility for infants through age one. Lastly, an ADM will be issued which changes the PNA for institutionalized spouses who receive home and community-based waived services in accordance with policy clarification from HCFA.

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If you have any questions please contact Mr. Dennis DiMuria at 1-800-343-8859, extension 3-5614.

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