

LOCAL COMMISSIONERS MEMORANDUM

DSS-4037EL (Rev. 9/89)

Transmittal No: 97 LCM-27

Date: April 2, 1997

Division: Office of Medicaid
Management

TO: Local District Commissioners

SUBJECT: Twelve Month Medical Assistance (MA) Analysis Report with
Statewide Case Detail for 10/1/94 - 9/30/95

ATTACHMENTS: Data Analysis Report: Final Report Statewide MA-Only QC
Reviews (10/1/94 - 9/30/95)
(Not Available On-line)

The statewide MA-Only error rate continues to be below the 3% tolerance level. Although the case error rates have remained almost unchanged with the last reporting period, the statewide payment error rate decreased from 1.56% to 1.53%. The annual Medicaid error rate, based on the regressed statistical weighting of MA-Only payment errors and Medicaid payment errors determined in ADC Cash cases, decreased from 1.47% to 1.41%.

In the Upstate districts, the MA-Only payment error rate decreased from 2.06% to 1.89%. In New York City this rate decreased from 2.44% to 2.11%.

The Health Care Financing Administration (HCFA) has completed their review and found no differences with our findings. Therefore, this report can be used as a reliable indicator of problem areas and used for Corrective Action.

The attached report for the review period 10/94-9/95 continues to show the same errors as found in previous sample periods. Errors in properly identifying or using "Other Resources" became the highest source of payment error in both NYC and Upstate, representing 55% of the total MA Only payment errors. The second highest area of payment error upstate was "Bank Accounts" and in NYC "Earned Income". The primary agency error in NYC was a failure to verify required information. Upstate, the primary agency error was that incorrect policy was applied in several areas.

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In order to address these errors, the Office of Medicaid Management (OMM) has emphasized the availability and refinement of the Resource File Integration (RFI) and other match systems and procedures. The Departments of Social Services and Health will continue to improve this system in an effort to enhance its usefulness to the local districts.

Payment errors that resulted from the existence of "Other Resources" (pg. 8) generally occurred due to the failure of clients to report stock holdings. In addition, local districts failed to combine Personal Incidental Allowance (PIA) Bank Accounts and the cash value of life insurance to establish total resources. "Bank Account" errors were primarily due to the agency's failure to verify PIA and Bank Account balances of institutionalized clients. Clients also failed to report money market accounts and other financial assets to the agency. "Earned income" (pg. 12) errors involved the client's failure to report substantial increases in wages, or a return to work.

OMM will continue to work with the Buffalo State College (SUNY) to provide appropriate training for assets and resources. The Department will also continue its efforts in corrective action for a broad spectrum of eligibility issues. The New Worker training provided by Buffalo State College, in addition to the annual regional meetings, will ensure that policy interpretations and directives are quickly distributed.

In addition, an Administrative Directive (96 ADM-8) was recently issued on the clarification and treatment of trusts and transfers. Changes to the SDX process and matching against federal files, are underway to assure the complete and accurate sharing of demographic, income, and resource information.

If you have any questions please contact Mr. Dennis DiMuria at 518-473-5614.

Ann Clemency Kohler, Director
Office of Medicaid Management