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

Transmittal No: 94 LCM-12

Date: February 7, 1994

Division: Health and Long Term  
Care

TO: Local District Commissioners

SUBJECT: Twelve Month Medical Assistance Analysis Report with  
Statewide Case Detail for 10/1/91 through 9/30/92.

ATTACHMENTS: Data Analysis Report: Final Report Statewide MA-Only QC  
Reviews (10/1/91 - 9/30/91)  
(Not Available On-Line)

Significant gains have been made in the area of Medical Assistance error reduction as evidenced by a decline in the Statewide error rate from the previous year and the lowest rate over the past three years. The statewide error rate has declined from 4.11% for the annual period ending 9/91, to 2.04% for the period ending 9/92. The fine work of local district MA 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 error rate decreased substantially from 3.26% to 1.46%, while the New York City error rate decreased from 5.08% to 2.73%. It should be noted that conclusions about the period's final error rate cannot be based on this report since adjustments may occur as a result of federal re-review. This report should be viewed as an indicator of problem areas and used for Corrective Action planning.

Upstate, the principal error element is Other Resources, with Bank Accounts second. For New York City this order is reversed. As reported in most previous years, Other Resources and Bank Accounts comprise over two-thirds of the error rate. The following is a further explanation of the two primary error elements:

- o Other Resources: The principal agency error was information disregarded or not applied. In general, the agencies failed 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 to determine total available resources was also a major agency error.

SUC Buffalo is being informed that the evaluation of Burial Funds in eligibility determination continues to be an area requiring emphasis. They will enhance and emphasize burial funds in their training.

- o Bank Accounts: Bank Accounts represent 58% of misspent dollars in New York City and 34% of Upstate's total error payments with the primary agency error being reported 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. The Department is developing a new RFI high risk report and an accompanying LCM. The report will help target high risk cases with significant resources that have been on the system for 45 days without resolution. The "High Risk" report also will assist districts in attaining compliance with federal regulations and State Social Services policy which require that follow-up or resource matches be completed within 45 days of receipt of the information. In addition, the RFI "training package" is under review by the program divisions to ensure that all policy issues are correctly addressed. Monitoring and follow-up of these cases will be handled jointly by Quality Assurance and Audit and Office of Field Operations (OFO). In addition, OFO will include RFI in their regular training program. Workers should also refer to Section N of either the System Reference Manual (SRM) or the Workers Reference Manual (WRM) for more information.

Upcoming changes in MA policy and procedures should contribute to reducing the error rate further. SUC Buffalo is developing local district training for applicants/recipients who are self employed, a traditionally complex area for eligibility workers to determine business and personal income and resources. An ADM on eligibility for Disabled Adult Children (DAC) also will be released in the near future. This issuance will help districts identify and determine eligibility for this population. Finally, the Chronic Care recertification form is being redesigned to increase the effectiveness and accuracy of evaluating income and resource for our most costly client group.

If you have any questions please contact Mr. Dennis DiMuria at 1-800-342-3009, extension 3-5614.

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Sue Kelly, Deputy Commissioner  
Division of Health and  
Long Term Care