STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

July 2, 1985

To: All County Welfare Directors
County Administrative Officers

Letter No. 85-49

STATE CORRECTIVE ACTION INITIATIVE -- BENEFICIARY CAUSED ERRORS

This letter is another in a series of letters issued by the Department of Health Services (DHS) dealing with Quality Control (QC) and Corrective Action.

Background

Beneficiary caused errors in the October 1983 - March 1984 QC review period accounted for approximately 60 percent of all case errors and 48.6 percent of all misspent funds. The annualized projection of misspent funds due to these errors was approximately $28 million dollars.

Beneficiary errors occur when the beneficiary fails to report changes in circumstances, especially in the income and resource categories. In the October 1983 - March 1984 QC reporting period, beneficiary-caused income errors accounted for approximately 38 percent of all cases in error and about 11 percent of the total payments in error. Beneficiary-caused resource errors in the same period accounted for 8.2 percent of the error cases and 31.6 percent of the payment errors.

Past Corrective Action Initiatives Designed to Reduce Beneficiary Caused Errors

All County Welfare Directors (ACWD) Letters 83-81, 84-56 and 85-3 discussed the development and evaluation of a Medi-Cal Warning Notice which was sent to beneficiaries with their January 1984 and March 1985 Medi-Cal cards. The warning notice reminded beneficiaries of their reporting responsibilities and emphasized several changes in circumstances which require reporting.

The Public Guardian/Conservator or Authorized Representative Checklist (ACWD Letter 85-27) is another corrective action initiative designed to reduce the number of beneficiary caused errors.

Both of these initiatives are in the implementation/evaluation stages of development.

Current Corrective Action Initiative

The eligibility worker (EW) is the primary individual responsible for explaining reporting responsibilities to beneficiaries. In 1983, the Federal Assessment Team noted that some EWs were not reading and explaining to the client each point listed on the Rights of Persons Requesting Medi-Cal (MC 216), and Medi-Cal Responsibilities Checklist (MC 217). The signatures on the forms document that all rights and responsibilities have been fully explained.

The attached Eligibility Worker Notice has been designed to focus EW attention on the importance of emphasizing and reinforcing the reporting responsibilities to applicants, beneficiaries, and other responsible persons. County welfare departments are urged to discuss the notice with appropriate staff in training sessions. A copy of the notice should be posted in a conspicuous spot and/or circulated among your Medi-Cal eligibility workers as a reminder to emphasize the timely reporting requirements while interviewing or speaking to clients.

The checklist was developed as a one-time notice to eligibility staff and will not be available through the DHS' supply office.

Monitoring

County liaison staff from the Corrective Action/Health Care Options (CA/HCO) Unit of the Medi-Cal Eligibility Branch will monitor county performance in this area through a review of county intake procedures, QC error letters, and QC reports. An evaluation of this and prior corrective actions will be included in the QC and Corrective Action Report for the Medicaid Program issued annually to the Health Care Financing Administration (HCFA).

We wish to express our appreciation to you and your staff for the cooperation given in implementing the corrective actions initiated by DHS. We believe that with cooperative efforts between DHS and the county welfare departments, significant gains can be made to reduce QC errors and avoid future fiscal sanctions. If you or your staff have any questions regarding the

Eligibility Worker Notice or any other corrective action initiative, please contact the corrective action analyst assigned to your county.

Sincerely,

Original signed by

Tom J. Elkin, Acting Chief
Medi-Cal Eligibility Branch

Attachment

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: June 30, 1986

NOTICE TO ELIGIBILITY WORKERS

YOU MAKE A DIFFERENCE!

$ 28,000,000

Did you know that the projected annual cost of beneficiary errors based on the October 1983 - March 1984 Quality Control Review Report was $28,000,000?

The Eligibility Worker Plays an Important Role in Reducing Beneficiary Misreporting!!!

During any client contact, emphasize to the beneficiary the requirement to report changes in:

- Income
- Property
- Household Composition, including a child detained or released under a penal hold
- Health insurance coverage or premiums
- Changes in a mental or physical condition which may affect disability or blindness
- Any Other Change in Circumstances which Affect Eligibility or Share of Cost

EWs must review with the beneficiary the Rights of Persons Requesting Medi-Cal (MC 216), and the Medi-Cal Responsibilities Checklist (MC 217) at each intake and redetermination interview. By signing these forms, both the beneficiary and the EW are certifying that all rights and responsibilities have been fully explained.

YOU ARE THE MOST IMPORTANT LINK TO THE BENEFICIARIES!