STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

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

October 15, 1987

TO: All County Welfare Directors
All County Administrative Officers

Letter: No. 87-61

SUBJECT: MEDI-CAL CORRECTIVE ACTION-COUNTY FOCUSED REVIEWS

Background

The Eligibility Branch's Corrective Action Unit is responsible for completing and submitting an annual Medicaid Quality Control and Corrective Action Report to the Health Care Financing Administration. The report submitted in 1986 identified a number of corrective actions to be completed in Fiscal Year 1986/87. Among those corrective actions identified was a need to perform a focused review in selected counties based on information from Quality Control reviews for the period October 1984 through March 1985.

Six counties were selected to participate in this corrective action; Los Angeles, Lassen, Mariposa, Sierra, Alpine, and Monterey. The reviews were completed in April 1987. The results of those reviews are combined herein for the purpose of assisting both the state and counties in the corrective action process.

Scope of Reviews

Since the reviews were desk reviews only, meaning no third party or beneficiary contact, they focused on agency errors only. The reviews were designed to identify only understated share of cost errors, ineligibles, and Pickle ineligibles; so technical and overstated share of cost errors were not listed. In addition, if in the judgment of the reviewer, a case did not contain sufficient information to establish eligibility, the case was determined to be ineligible.

Summary of Results of the Focused Reviews

The majority of the errors relating to beneficiary ineligibility were the result of insufficient information and/or documentation in the case files. Since only a desk review was performed, the number of ineligibles found in the focused reviews was higher than in the quality control findings. However, it should be noted that with future changes in the Medi-Cal Program (implementation of the Income Eligibility Verification System), a greater emphasis will be placed on documentation and narration in a case file. In addition, failure to document a case properly leaves both the county and the state at a disadvantage when a Quality Control error is cited and both the county and state disagree with that finding.

Another error trend was understated share of cost errors resulting from the eligibility workers' failure to properly use income in-kind, convert income to monthly income and to properly handle buy-in.

Recommended Corrective Action

It is recommended that counties develop a check list of items that are required to determine eligibility and have that check list in each case file. This check list should be used during the initial determination and at the annual redetermination. The basis for the check list should be Title 22, California Administrative Code, Section 50167.

Counties should also review the income section of the Medi-Cal Eligibility Manual for conversion of income, and verification and application of Income In-Kind values and when to apply them in certain case situations. All County Welfare Directors letter number 87-38 should be referenced on the proper procedure for handling Buy-In. If counties determine that Buy-In training is needed, we will request training sessions to clarify any major problems.

We would like to thank the counties that participated in the focused review process. The information gathered will be used to develop statewide corrective actions and will assist the state and counties in developing the criteria for further focused reviews in counties throughout the state. Since it is the responsibility of the counties and the state to insure that beneficiaries receive proper and accurate determinations in a timely manner, the information should also assist both counties and the state to enhance the quality of eligibility determinations in the Medi-Cal Program.

If you have any questions concerning the focused reviews completed or those to be done in the future please contact the Corrective Action Liaison assigned to your county at (916) 445-1912.

Sincerely,

ORIGINAL SIGNED BY

Frank S. Martucci, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: June 30, 1988