

**DEPARTMENT OF HEALTH AND FAMILY SERVICES
DIVISION OF HEALTH CARE FINANCING
ADMINISTRATOR'S MEMO SERIES**

NOTICE: 06-02

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DISPOSAL DATE: ONGOING

RE: FoodShare/Medicaid Second Party
Review Process

To: County Departments of Human Services Directors
County Departments of Social Services Directors
Tribal Chairpersons/Human Services Facilitators
Tribal Economic Support Directors

From: Mark B. Moody
Administrator
Division of Health Care Financing

PURPOSE

The purpose of this memo is to define the requirements associated with the FoodShare/Medicaid (FS/MA) Second party review process.

Second Party Reviews - Background

In order to improve payment accuracy in the FoodShare (FS) Program the Department included a requirement to complete FS second party reviews in the Calendar Year 2005 IM Appendix AL to the State-County Contract Covering Social Services and Community Programs, and Appendix A to the 2003-2005 State and Tribe Contract. The reviews concentrated on FS applications and re-certifications and focused on high error rate elements – i.e. wages and salary, shelter and utilities, and household composition. Each month a case sample was produced for all local agencies which included applications and/or re-certifications from the previous month for households greater than two and benefit issuance greater than \$100.

The required number of reviews was equal to two cases per worker per month. The manner in which the local agency met this requirement offered some flexibility in order to allow for agency discretion. For example, if an agency had four workers and two of them were new workers, they could meet their monthly requirement of eight case reviews by reviewing only cases from the new workers or reviewing more from the new workers and fewer from the other staff.

The web-based Income Maintenance Quality Assurance (IMQA) system (formerly known as "FSQA or NewMan") has been used successfully for the FS second party review process. IMQA functions included selecting cases for review, entering review findings, monitoring individual workers, and providing the state the ability to more efficiently monitor performance compliance.

New process to be implemented in 2006

While some agencies have been conducting ad hoc Medicaid (MA) second party reviews, Management Evaluation Reviews of local agencies found that MA case reviews were not being completed by most agencies. Input from the Income Maintenance Advisory Committee (IMAC), the Medicaid Eligibility Quality Control (MEQC) project and the Legislative Audit Bureau (LAB) has resulted in the decision to implement a uniform method for agencies across the state to complete FS and MA second party reviews. In order to effectively address benefit accuracy in MA via case review, the Biennial Budget for 05-07 provides for additional resources (\$630,000 annually statewide) to complete MA reviews at the local level. These funds have been included in each IM agency's base 2006 IM allocation (see Administrator's Memo 05-10). We are projecting benefit savings of close to \$6 million as a result of this effort.

Contract Requirement

In order to meet performance compliance as defined by the Department, the IM agency will be required to complete 100% of their required number of FS and MA second party reviews. If the IM agency does not complete 100% of their requirement the Department may implement the Corrective Action provisions as set forth in the IM contract, Section XX of Appendix AL.

Sample/Review Requirements

Local agencies will be required to conduct second party reviews according to the following criteria:

1. Case reviews will be completed on .9% of the agency's caseload in the following proportion based on agency caseloads in September 2005:
 - 2/3 will be FS only or FS/MA cases
 - 1/3 will be cases open only for MA (not open for any other program)
2. Small agencies (500 cases or less) must review a minimum of two cases per month, one FS/MA case and one MA only case, noted on the attached spreadsheet.
3. The number of reviews required by each agency is attached.
4. In the near future local agencies will also have the ability to manually enter cases that are considered problematic, e.g. fair hearings, client complaints, etc. IM agencies will be officially notified via an IMQA Manual update when this enhancement is implemented.

Note: Because the programming work to allow for this option will not be done until March or April, the required number of reviews is reduced temporarily from .9% to .5% of the agency's caseload until this functionality is implemented.

5. The FS/MA case sample selection criteria will remain the same as the 2005 FS Second party review criteria; applications and re-certifications with a household size of greater than two and benefit issuance greater than \$100.
6. The FS sample will include both FS only or FS/MA cases as long as the case meets the criteria stated above. Since the number of FS/MA cases (77%) is so much greater than the number of FS only cases (23%), a majority of the FS sample will be open for both programs.

7. If an agency does not have a sufficient number of applications or recertifications that fit the specified criteria to meet their requirement, an additional sample pull will automatically be run eliminating the criteria of a household greater than two and benefit issuance greater than \$100.
8. The MA only case selection criteria will focus on recertifications only. If an agency does not have a sufficient number of cases in recertification status from the previous month an additional sample pull will automatically be run selecting ongoing MA only cases.
9. The MA only sample will be structured so that it is proportionally equivalent to the percentage of case types in the agency's MA caseload. For the purposes of the sample, MA cases are broken down into the following six categories: BC, AFDC and AFDC-Related, EBD, HS, Institutions and Community Waivers. For example, if an agency has an MA caseload consisting of 20 percent BC, 25 percent HS, 35 percent EBD and 20 percent Institutions then the second party review MA only sample will reflect these percentages. Agencies will receive their sample broken down in this way. To make the best use of the second party review process, we recommend that agencies select a variety of cases from these categories during the year.
10. The case review sample will be produced on the first Saturday of every month and available to use the following Monday. Agencies will have until the end of the following month to complete the required number of reviews. A case that is found in error is considered complete when the case is corrected. Although it is expected as a normal course of business that a claim will be established when warranted, this action does not need to be completed within the time period mentioned above.

Sample Production Date	Date Sample is Available	Date Review must be completed
March 4 th	March 6 th	April 30 th
April 1 st	April 3 rd	May 31 st
May 6 th	May 8 th	June 30 th
June 3 rd	June 5 th	July 31 st
July 1 st	July 3 rd	August 31 st
August 5 th	August 7 th	September 30 th
September 2 nd	September 5 th	October 31 st
October 7 th	October 9 th	November 30 th
November 4 th	November 6 th	December 31 st
December 2 nd	December 4 th	January 31, 2007

Review Process

A new web-based IMQA Second party review process will streamline reviews for both FS and MA. As with FS second party reviews, the new review process will continue to target error-prone areas for both programs. CARES data from the sample cases, and from the agency-selected cases in March or April, will automatically populate many of the fields in the review instrument and allow for focused, time-efficient reviews. The review instrument will be designed so that the reviewer is directed to only those pages that are relevant for the type of case being

reviewed. For example, the asset information page will not appear for the review of a FS only case.

Second party reviews must be completed in the allotted time frame. The Department will monitor compliance on a monthly basis.

Implementation Timeline

1. The Wisconsin Second Party Review Operations Memo 06-05 will be published in March 8th with program information.
2. The IMQA Second Party Review Manual will be published March 8th. The manual will be available on the web at <http://www.dhfs.state.wi.us/em/>. Users of this manual should go to <http://dhfs.wisconsin.gov/em/policy-notification/signup.htm> to sign up to receive notifications when this manual is updated.
3. Second party review implementation is scheduled for March 8, 2006.
4. The month of March will be used by local agencies to become familiar with and begin to use the new process.
5. Agency monitoring will begin April 5, 2006.

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