

# Error Prone Profiles

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Income Maintenance Advisory Committee (IMAC) Meeting



# Agenda

- Background
- Findings
- Estimated Savings

# Background

On September 20, 2013, Governor Scott Walker directed the Department of Health Services (DHS) to evaluate and implement strategies that will strengthen fraud prevention in the state's public assistance programs. This strategy called for developing functionality in CARES Worker Web (CWW) to identify error prone cases and alert the worker prior to confirmation of benefits.

# Background, continued

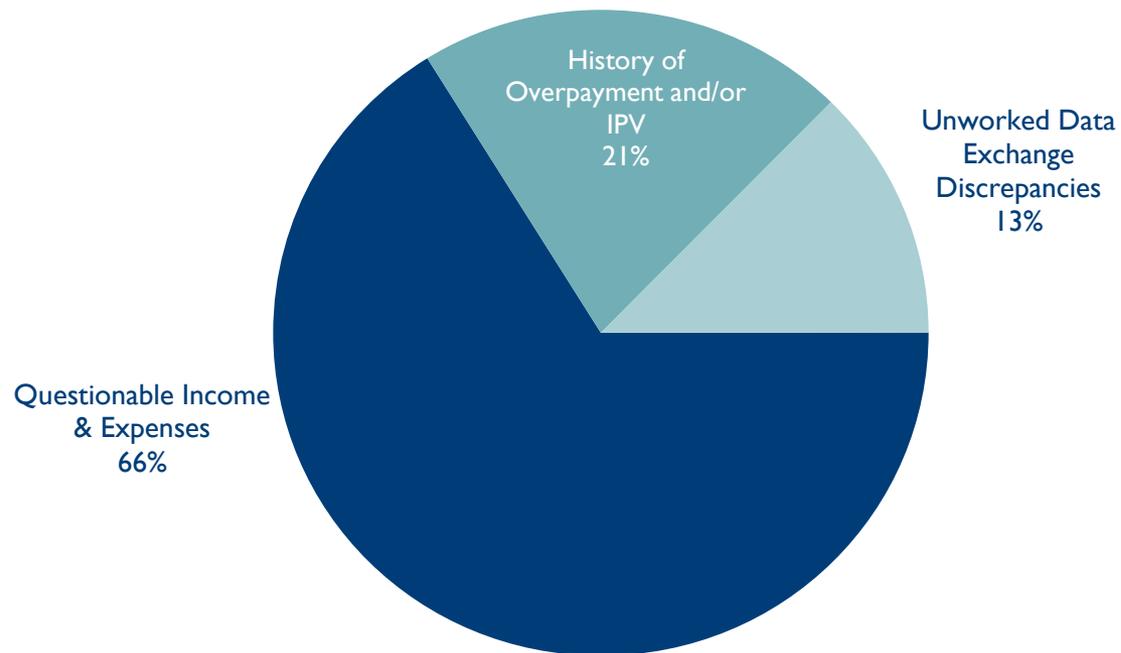
- DHS designed the Error Prone Profile (EPP) tool to automatically detect potential case errors based on error prone case characteristics prior to benefit confirmation of health care and FoodShare eligibility.
- The tool was intended to supplement activities previously reliant upon worker experience and intuition, which provided inconsistent results across programs and agencies.
- When an EPP is triggered, the system notifies the worker to follow up and confirm information.
- The worker then enters the results of their review into the system.

# Findings

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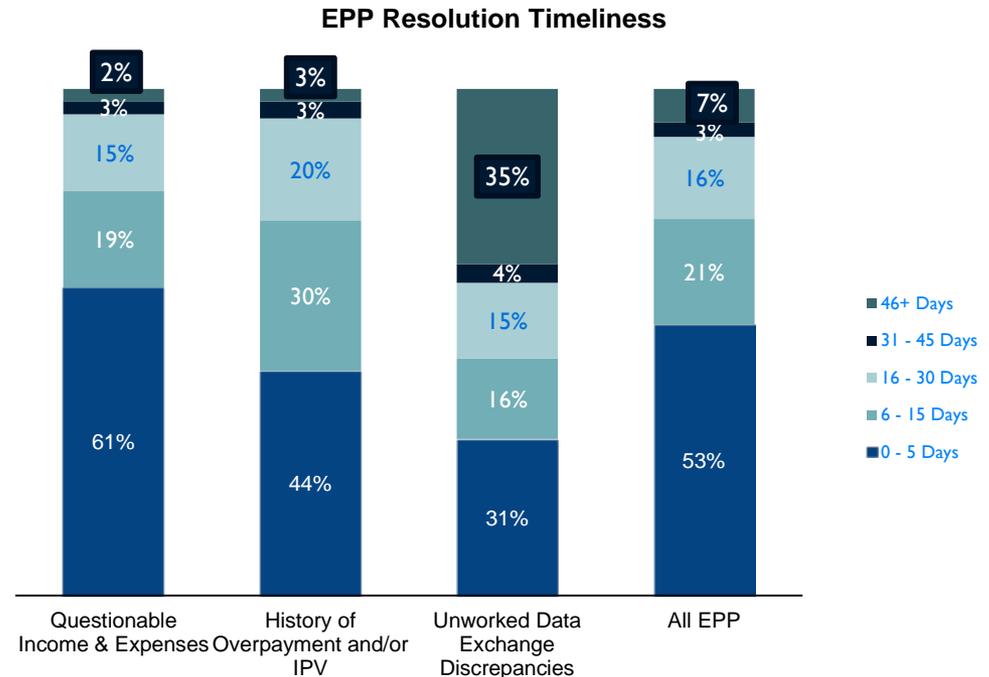
# State Fiscal Year (SFY) 2015-2016 Errors by Profile Type

SFY 2015-16 Errors by Profile Type  
N= 61,067



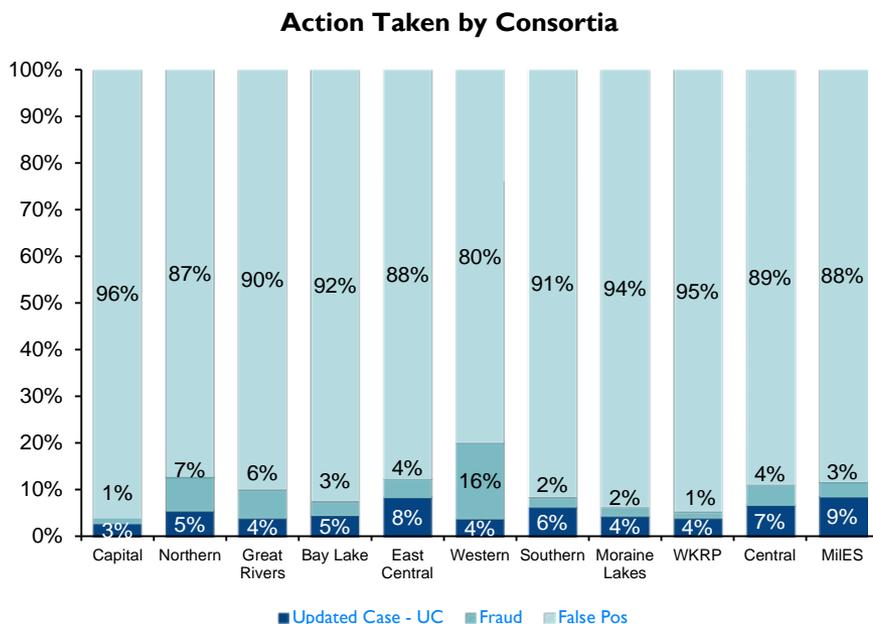
# SFY 2015-16 Results: Overview

- Overall, 53% of potential errors were resolved within 5 days
- Processing timeliness differs depending on the Error Prone Profile
- Overall, 7% take more than 46 days, driven by Unworked Data Exchange Discrepancies
  - 35% of Unworked Data Exchange Discrepancies are processed after 46 days
  - 61% of Questionable Income and Expenses errors are resolved within 5 days

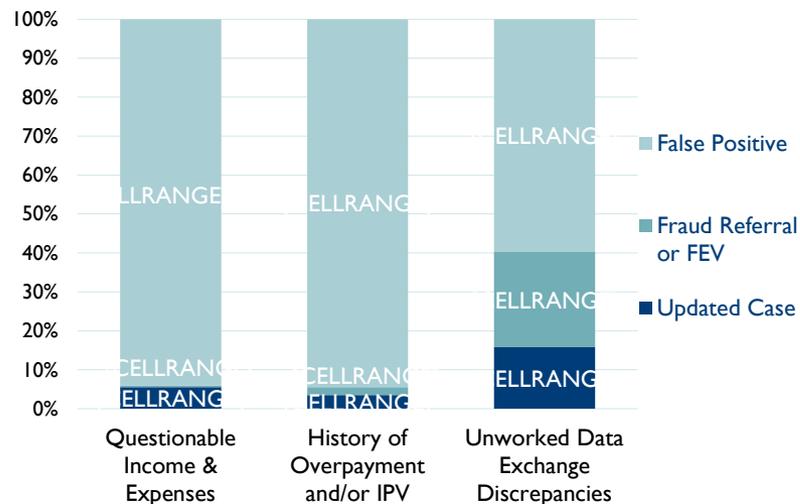


# SFY 2015-16 Results: Action Taken

- Statewide, 90% of cases flagged for EPP are deemed False Positive by workers
- Fraud referral or FEV is extremely rare for Questionable Income & Expense errors
- Unworked Data Exchange discrepancies had the lowest rate of false positives and 24.5% resulted in a Fraud Referral or FEV



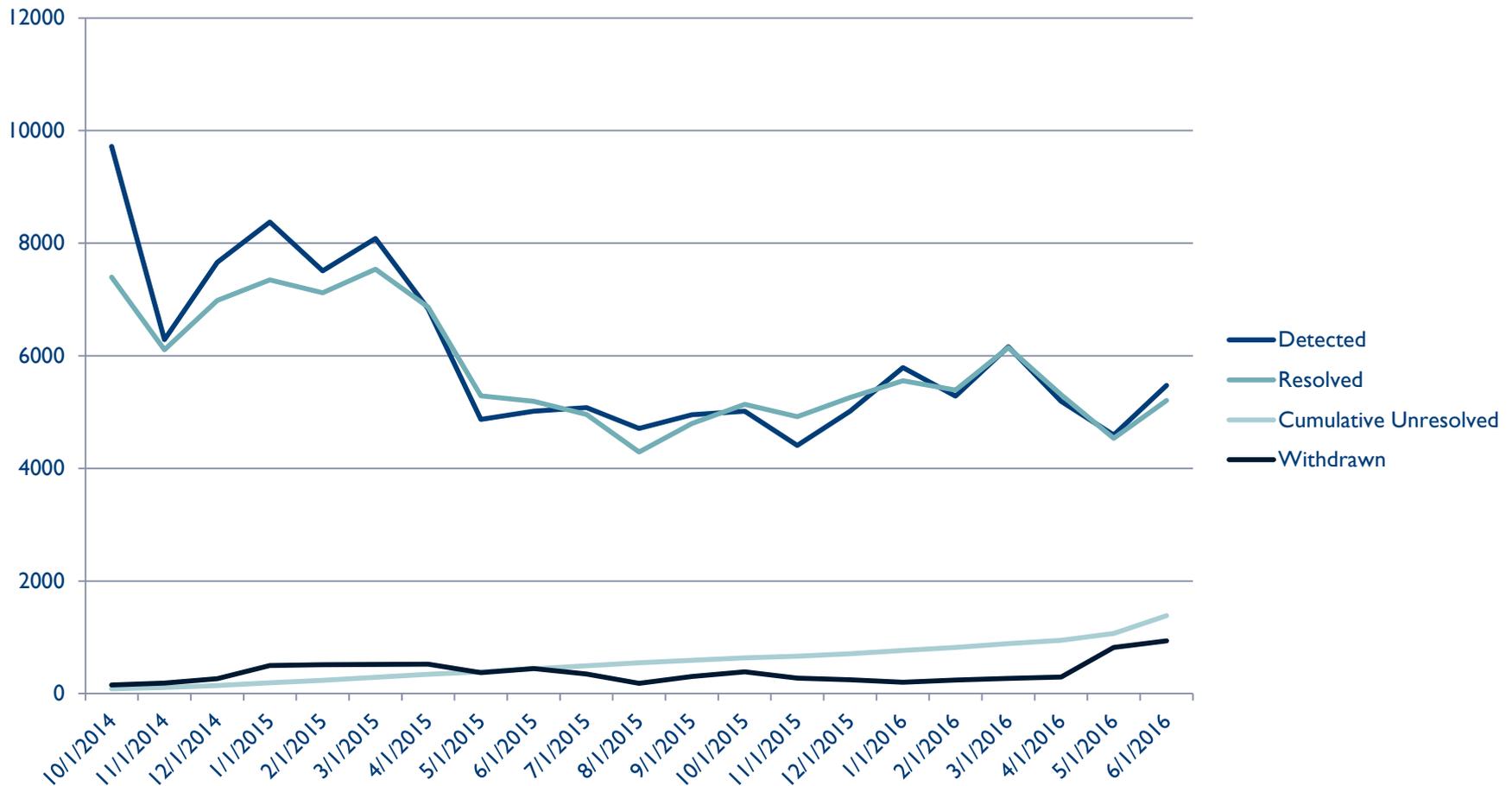
**Resolution by EPP Profile**



- Western had the highest rate of Fraud Referral (16%), four times the Statewide average, and lowest False Positives (80%)
- MilES made the most updates to the case (9%) followed by East Central (8%)

# EPP Detected/Resolved

The volume of EPP errors has stabilized since the initial implementation, while the cumulative unresolved steadily but slowly increases.



# Estimated Savings

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# Overpayments and Underpayments Avoided in SYF 2016

EPP potential errors may result in avoidance of overpayments as well as underpayments and helps to provide the correct amount of benefits to beneficiaries.

- EPP tracks the changes in eligibility before and after the potential error is detected and resolved
- Health care: Calculation uses the changes in group size and the Per Member Per Month (PMPM) average expenditures
- FoodShare: Calculation uses changes in allotment
- Adjusted overpayment and underpayment amounts exclude duplicate values on the same case for the same Assistance Group and Program. For any cases with both an overpayment and underpayment, the adjusted amounts reflect the net value.

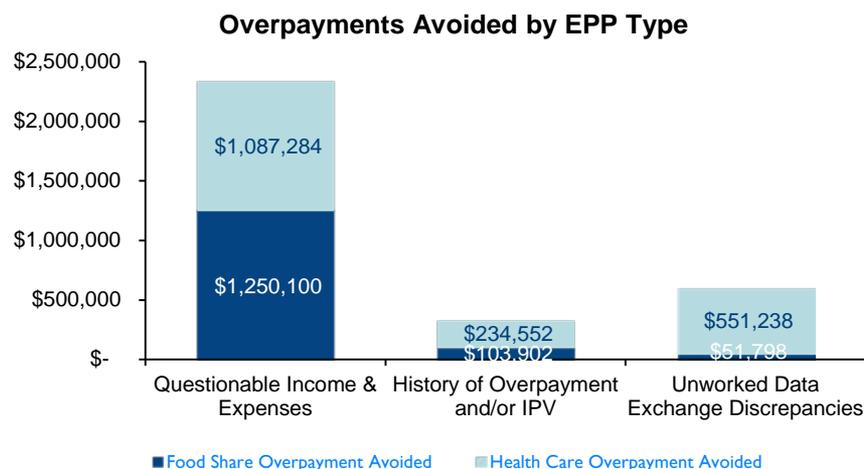
Program Area	Adjusted Overpayments Avoided	Adjusted Underpayments Avoided
Health Care	\$1,405,800	\$ 363,996
FoodShare	\$1,873,074	\$ 347,826
<b>Total</b>	<b>\$3,278,874</b>	<b>\$ 711,822</b>

**Adjusted annual overpayment avoidance:**

**\$3.27 million**

# Overpayments Avoided by EPP Type

- “Questionable Income and Expenses” resulted in the most cost avoidance (71%).
- History of Overpayment and/or IPV yielded the lowest savings.
- EPP avoided \$1,082\* in overpayment each time EPP detected an error and the case was subsequently corrected prior to benefit confirmation.



Program Area	Questionable Income and Expenses	History of Overpayment and/or IPV	Unworked Data Exchange Discrepancies	Total
Health Care	\$1,087,284	\$234,552	\$551,238	\$1,873,074
FoodShare	\$1,250,100	\$103,902	\$51,798	\$1,405,800
<b>Total</b>	<b>\$2,337,384</b>	<b>\$338,454</b>	<b>\$603,036</b>	<b>\$3,278,874</b>

\* Calculated based on the net cost avoidance divided by the unique count that resulted in an update being made to the case prior to benefit confirmation.

# Overpayments Per “Hit”

Cost avoidance varies depending on both program and type of EPP error. For health care, “Unworked Data Exchange Discrepancies” resulted in the most cost avoidance “per hit.” For FoodShare, “Questionable Income and Expenses” resulted in the most cost avoidance “per hit.”

## Overpayment Avoided Per Hit by Error Prone Profile Type\*

Program Area	Questionable Income and Expenses	History of Overpayment and/or IPV	Unworked Data Exchange Discrepancies	Average Across Profiles
Health Care	\$ 624.88	\$ 637.37	\$ 958.67	\$ 698.13
FoodShare	\$ 657.60	\$ 359.52	\$ 274.06	\$ 590.92

\* Calculated based on the net overpayment avoidance divided by the count, at the program level, that resulted in an update being made to the case prior to benefit confirmation.

# Root Cause Analysis for Detected Errors

Most errors were reported as being caused by the client and being related to income and expenses.

When the EPP results in a correction made to the case, 67% of those errors were attributed to the client; 18% were caused by a system error; 13% were caused by a worker data entry error; and 1% were caused by a third party.

Root Cause	Percentage of Potential Errors that resulted in Update Made to the Case
CLIENT ERROR	67%
SYSTEM ERROR	18%
WORKER DATA ENTRY ERROR	13%
THIRD PARTY ERROR	1%

32% of errors were caused by a failure to accurately report or budget earned income. 9% were caused by a failure to accurately report or budget expenses; about 4% were caused by unearned income. 47% were coded as having an “Other” reason.

Reason for Making Update to Case	Percentage of Potential Errors that resulted in Update Made to the Case
OTHER	47%
FAILURE TO ACCURATELY REPORT EARNED INCOME	25%
FAILURE TO BUDGET EARNED INCOME	8%
FAILURE TO ACCURATELY REPORT EXPENSES	5%
FAILURE TO ACCURATELY BUDGET EXPENSES	4%
FAILURE TO BUDGET UNEARNED INCOME	2%
FAILURE TO ACCURATELY REPORT UNEARNED INCOME	2%
FAILURE TO REPORT ACCURATE HOUSEHOLD	
COMP/LIVING ARRANGEMENT	1%
DATA ENTRY ERROR	1%
FAILURE TO ENTER ACCURATE HOUSEHOLD	
COMP/LIVING ARRANGEMENT	1%
OTHER REASONS CITED	<4%

# Questions

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