MA-2306 APPLICATION PROCESSING – CORRECTIVE ACTION PROCEDURES

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I. PRINCIPLES

A. A county must take corrective action when the county fails to meet compliance thresholds for the report card or is cited for improper/incorrect actions by the monitors.

B. The county must analyze the reasons for the non-compliance, develop and implement any necessary corrective action and maintain documentation of these efforts for review by the MPR or other state staff.

C. The county director should ensure that all Income Maintenance personnel, including receptionists, are trained and familiar with application processing requirements.

II. REPORT CARD FAILURES

A. Adjusted Application Report Card

1. Non-compliance occurs when a county department of social services fails to meet the thresholds for Average Processing Time (APT) or Percent of Cases Processed Timely (PPT) for one month.

2. Report card performance may impact the county in two different ways:

   a. Failure to meet the compliance thresholds in either Average Processing Time (APT) or Percent Processed Timely (PPT) for one month in either category may require that the county be monitored annually rather than every two years. See IV. below.

   b. Non-compliance with processing thresholds in either APT or PPT on the Adjusted Application Report Card for three consecutive months, or, five months out of any twelve consecutive months, may be cause to convene a Local Compliance Team (See V. below for specific procedures).

3. Analysis of Non-Compliance

   For any failure to meet the compliance thresholds on the report card, the county must complete an analysis to determine the reason cases pended beyond the due date. In addition to pulling the case records that may have caused the failure, use the DMA-5167, County Analysis – Non-Compliance, to assist in analysis of non-compliance and development of corrective action. The questions are a guide for help in completing analysis of the causes of the failure. Use the DMA-5167, County Analysis – Non-Compliance when the county does not meet monitoring compliance thresholds.

(II.A.)

4. Documentation of Report Card Analysis

a. After completing the analysis, the county department must document findings, prepare a corrective action plan if necessary, and document when actions are taken. Complete the DMA-5169, Report Card Analysis.

b. Keep this information in a central file or notebook so the MPR can review it. This will also assist the county with any future concerns or disputes about corrective action taken or needed.

c. The MPR will review the county findings and assist in addressing any problem issues and in developing a corrective action plan.

d. State staff may also review the corrective action plan and documentation of action taken to assure that the plan is adequate to address the problems identified. The county retains full responsibility for development, implementation, and tracking of the corrective action plan.

B. Actual Time Report Card

Failure to meet the thresholds on the Actual Time Report Card may indicate a lack of understanding of exclusion of time. These cases should be reviewed to determine if the exclusion of time was correct. Follow procedures in II.4.a. above.

III. WAIVER REQUESTS FOR FAILING THE ADJUSTED APPLICATION REPORT CARD

Failing the Adjusted Application Report Card affects the frequency of monitoring. The lead monitor may waive annual monitoring if the county department of social services submits and is approved for waivers of report card failures. Counties who fail the report card in any category three or more times in a year will be monitored annually regardless of whether waivers are approved.

For a waiver of a report card failure to be approved, the agency must submit clear and convincing evidence that it took all steps possible to process applications in a timely manner in the categories and months of failure. The county's reasons for not meeting the compliance thresholds must be compelling and must result from factors beyond the control of the agency.

(III.)

A. Waiver Criteria and Procedures

1. The waiver must be requested in writing by the 15th of the month in which the report card is issued.
2. The county must prepare a cover letter outlining the reasons that applications went beyond the time standard that resulted in failure of the report card.
3. Accompanying this letter should be a copy of the report card, a copy of the Applications Included report and supporting documentation from case records that shows the steps the county took to process applications timely.
4. The request must also include a recalculation of the percentage of applications processed timely that shows the county would not have failed if these applications were excused. The county would have to have met the appropriate processing thresholds of 90% for Level II and III counties and 85% for Level I counties. Counties don't need to show that they would have met processing thresholds for 100% of the applications.
5. The county department may not request a waiver of a report card failure, which was caused by reopening improper or incorrect actions found through monitoring.
6. Acceptable reasons for delay are incorrect data entry, monitoring error, EIS downtime, DDS delay, or factors beyond county control.

   a. Incorrect Data Entry

      Counties are responsible for using the following mechanisms to detect and prevent incorrect calculations of APT and PPT. The general rule is that if any of these mechanisms were available to the county to detect and correct its error and the county failed to do so, the lead monitor will not support a waiver or recalculation of the processing time.

      (1) DHREJ ADJ APP MANAGEMENT REPORT available in NCXPTR.
      (2) EIS warning message (#49) which appears when a date of application is entered which is more than two months prior to the current date.
      (3) Hard copies of the DSS-8124-I (received generally within two days following entry of an application - DSS-8124, into EIS).

      Note: Incorrect processing times can occur due to data entry error that is not detected by available mechanisms. In these instances, the field staff supervisor may support a county's request for waiver.

      Examples: Failing to enter an application as administrative that should not count in processing compliance or, incorrect data entry at disposition (once an application is dispositioned the county cannot correct errors). In all cases, the recipient must not have suffered any delay in benefits or in receipt of notice of disposition.

(III.A. 6.)

b. Factors Beyond County/DDS Control

(1) Events that prevent the county/DDS from reasonably anticipating increased workloads and planning to accommodate the increase.
(2) Diminished capacity to take and process applications timely (e.g., epidemic illness).
(3) Client or third party delay in providing information.
(4) Other factors as judged on a case-by-case basis.

(a) Natural disasters (hurricane, flood, tornado, fire, etc.) which:

1) Destroyed the employment base resulting in large, unplanned for increases in the number of applications,
2) Damaged DSS or DDS facilities to the extent that the county's /DDS'ability to operate at or near norm is eliminated, or
3) Severing of links to EIS resulting in county's/DDS' inability to enter data in a timely fashion.

(b) Local economic disasters such as plant closing that result in a drastic increase in the number of applicants in a short period of time.

(c) Unplanned EIS downtime of two or more successive days in which the county or DDS cannot access EIS due to State or county downtime or a combination of both. This is critical on the 5th workday of each month as applications must by keyed by this date or the system will change the date of disposition to the next month. This occurs regardless of whether a manual notice was sent to the recipient.

(d) The county must explain if it made use of overtime, hired temporary staff, reassigned supervisors to casework, or any other strategy used to ensure benefits were issued as quickly and accurately as possible.

B. Review of Waiver Request

Fax the request to the Field Staff Supervisor at the Division of Medical Assistance for review. The fax number is (919) 715-0801.

(III.B.)

1. The Field Staff Supervisor will review the materials submitted and notify the county if the request for waiver is approved or denied. Additional information may be requested from the county if deemed necessary.

2. The Program Manager will receive a copy of the waiver request and the decision to approve or deny the report card failure. This information will be used in determining if the county is subject to annual monitoring.

3. The final decision to waive annual monitoring is solely at the discretion of the Program Manager.

IV. MONITORING

For all counties and the DDS, monitoring thresholds are 80% for each category of denials, withdrawals, inquiries and discouragement.

- A county shall be monitored every other year when the adjusted application report card shows the county passed the APT/PPT in each MA category (Other and MAD), or, the county failed the APT/PPT in MAD due to DDS delay.

- When a county or DDS fails the Adjusted Application Report Card threshold for one or two months in any Medicaid category; the county or DDS shall be monitored on an annual basis, provided no waivers of the report card failures were submitted and approved.

- When a county or DDS fails the report card three or more times in a year; the county or DDS will be monitored annually regardless of the reason for delay, or, whether waivers are approved.

A. Monitoring Report

Upon completion of monitoring of the county dss, the monitoring unit will complete a report of findings. Copies will be sent electronically to the county dss, MPR, and field staff supervisor. Only the documents used to cite improper actions will be returned to the agency.

1. If the dss falls below the 80% threshold for denials, withdrawals, inquiries or discouragement, the agency must complete an in-depth analysis on the reasons for non-compliance. The agency must prepare and implement a corrective action plan, if necessary, and document findings, corrective action and action taken in the central file or notebook. Use the DMA-5168, Actions Taken On Improper Denials, Withdrawals, or Inquiries Identified In Monitoring, to document action taken on cases required to be reopened. This also includes any inquiries or discouragement cases.

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(IV.A.1.)

Always indicate the date the report was received. Submit the DMA-5168, Actions Taken On Improper Denials, Withdrawals, or Inquiries Identified In Monitoring, to the MPR when all cases are disposed. Keep this information in the central file or notebook in chronological order so the MPR can view it.

2. The MPR will review the analysis and provide input. State staff may also assist in further analysis and review the corrective action plan and documentation of action taken to ensure actions are appropriate.

B. Disputing Monitoring Findings

Upon receipt of the findings, the county or DDS may dispute the monitoring findings within 10 work days of receipt of the findings. Written documentation to support the reason for the dispute must be provided.

The findings of the monitors may be disputed only for:

- The accuracy of the days excluded or included in determining timely processing, or
- A change in Medicaid policy that caused the county to be out of compliance, or
- An EIS problem that caused the county to be out of compliance.

The agency does not have to reopen cases until the final decision is received.

1. Required Information for Dispute

Submit the request to dispute monitoring findings to:

North Carolina Division of Medical Assistance
Application Monitoring Unit
2501 Mail Service Center
Raleigh, NC 27699-2501

Attention: Program Manager
Fax Number (919) 715-0801

2. With the request, the county must submit:

a. A list of the cases for which the county disputes the findings of the monitors. The county is not required to dispute findings on all cited cases and should reopen the cases that are not disputed.

b. Documentation to support the county's argument that cases were processed correctly. This documentation may include the argument that changes in policy caused the cases to be out of compliance, citing policy in the manual section that supports the agency's argument, documentation of EIS problems that resulted in failure, etc.

(IV.)

C. Finalization of Findings

Monitoring findings become final if not disputed based on the date of the letter or upon the date of the response of the lead monitor to the disputed findings.

D. Corrective Action

The county dss must take corrective action within 30 calendar days of the final monitoring results. Cases must be reopened following procedures in MA-2304, Processing the Application.

V. LOCAL CORRECTIVE ACTION PROCEDURES FOR COUNTY DSS NON-COMPLIANCE

A. Requirements for Establishing a Local Corrective Action Team

A Local Corrective Action Team may be convened when:

1. The county DSS is out of compliance with processing thresholds in either APT or PPT on report cards in any category for three consecutive months, or, five months out of any twelve consecutive months. The APT compliance thresholds are 90 days for MAD applications and 45 days for other applications. The PPT compliance thresholds are 90% for Level II and III DSS's and 85% for Level I DSS's.

2. The county DSS fails to meet the 80% threshold for each category of denials, withdrawals, inquiries, or discouragement.

3. The county DSS fails to take corrective action within 30 calendar days as required by results of monitoring.

B. Exceptions to Holding a Local Corrective Action Team

A corrective action team will not be required when:

1. All failures are attributable to DDS.
2. It is determined by the MPR and the Assistant Director for Recipient and Provider Services (or designee) that the reason(s) for non-compliance have been or are being corrected by the DSS.
3. Budgetary constraints do not allow travel for the purpose of convening the corrective action team; however, conference calls will be considered.

(V.B.3.)

NOTE: A written corrective action plan may be requested from the county prior to accumulation of enough failures to warrant holding a corrective action team. The MPR will work with the county to achieve compliance and avoid the need for a corrective action team.

C. Notification

When a corrective action team must be convened, the Assistant Director for Recipient and Provider Services (or designee) will notify the DSS Director and convene the team within ten work days of notice that the DSS is subject to a local corrective action team. A date to hold the local corrective action team will be agreed upon by the two parties.

D. County Director Responsibilities

Upon receipt of notification to convene a corrective action team the county director must:

1. Determine the site for the meeting and send a letter to each Local Corrective Action Team member. The letter must include the purpose of the meeting and indicate the problem area(s). The letter may include an analysis of the problem(s) if one has been previously completed.
2. The county director or designee must prepare a summary of the problems for the corrective action team meeting and complete an analysis and report of actions taken to date to correct the problems.

E. Members of the Local Corrective Action Team

The Local Corrective Action Team will include:

1. The MPR and any additional state staff identified by the Assistant Director.
2. The DSS Director and any additional staff identified by the DSS Director.
3. The county manager or the chair of the board of county commissioners.
4. A member of the general public who is concerned about health care availability for low income citizens.
5. The social services board chairman or other board member.
6. An independent management consultant at the option and expense of the county.

F. Powers of the Local Corrective Action Team

1. The local corrective action team has broad powers and may design any remedy reasonable and necessary to bring the DSS into compliance with application processing requirements. This includes but is not limited to:

   a. Employing additional staff

(V.F.)

b. Altering office procedures (such procedures must be consistent with federal and state regulations, laws and Department rules and policies).
c. Purchasing office equipment.
d. Retaining private consultants.
e. Reopening of cases and/or ordering retroactive relief to applicants harmed by violation of processing requirements.

2. The team will establish a corrective action plan within forty calendar days of notice that a local corrective action team was required, and a date for compliance with the plan shall be set. The date by which the compliance thresholds shall be met will be based upon the extent of the problem. Report card compliance must be achieved within three months after the date the compliance plan was required to be established.

3. Failure to take corrective action or meet compliance thresholds by the date established shall result in referral to the State Corrective Action Team unless the State Corrective Action Team grants an extension of time, not to exceed three months.

G. Format of Meetings of the Local Corrective Action Team

1. The Assistant Director for Recipient and Provider Services (or designee) will chair the meeting and describe the issues and purpose of the meeting.

2. The county director or his designee will have primary responsibility to present an analysis of problem(s) and action(s) taken to date.

3. The team members will discuss the analysis of the problem(s), causal factors, results of actions taken to date, and alternatives for additional actions that may be needed.

4. The team will then formulate its corrective action plan and establish timeframes for completion.

5. The plan adopted by the local corrective action team may include a request for an extension of time from the State Corrective Action Team. Requests for extensions should not be routine and should be reserved for those instances where corrective action measures will take more than three months to achieve compliance (i.e. hiring and training staff, etc.).

6. The DSS Director will make a request for an extension of time in writing to the Assistant Director for Recipient and Provider Services who will forward the request to the chairperson of the State Corrective Action Team. The request must include justification for the request for extension and a copy of the county corrective action plan, including threshold compliance data and other pertinent information.

(V.)

H. Written Corrective Action Plan

The DSS director will prepare the agreed upon plan for approval by the local team members. The DSS director and chairman of the Social Services board will sign the plan. It will be submitted to the Assistant Director for Recipient and Provider Services within 40 calendar days from the date the notice of requirement for a local corrective action team was required.

VI. TRACKING AND NOTIFICATION OF NON-COMPLIANCE

A. The Field Staff Supervisor and MPR will continue to track thresholds and progress of corrective action measures. Failure to obtain compliance as outlined in the plan formulated by the local corrective action team will trigger notice from the Assistant Director for Recipient and Provider Services to the Chairperson of the State Corrective Action Team.

B. It shall be the responsibility of the Chairperson to convene a State Corrective Action Team when the county has not met its compliance deadline.

C. The State Corrective Action Team may grant an extension of time, not to exceed three months, for corrective action to be completed prior to convening a formal meeting.

VII. STATE CORRECTIVE ACTION TEAM

A. The State Corrective Action Team will be convened by the Chairperson within ten days when:

1. A county department has failed to meet the compliance thresholds by the date established by the local corrective action team.
2. A local corrective action team requests an extension of time, not to exceed three months, to meet the compliance thresholds.
3. DDS fails to meet its compliance thresholds for 3 consecutive or 5 out of 12 months.

B. Members of the State Corrective Action Team

A permanent State Corrective Action Team as convened by the Secretary of the Department of Health and Human Services will include the following members:

1. A representative of DHHS appointed by the Secretary.
2. A representative of the NC Association of County Commissioners.

(VII. B.)

3. Two representatives of county DSS's appointed by the Presidents of the North Carolina Social Services Association, the North Carolina Association of County Directors of Social Services, and the North Carolina Association of County Boards of Social Services. In the event of conflict, an alternate representative may be appointed.
4. The Chairman of the Board of Legal Services of North Carolina or his designee.
5. A recipient of Medicaid, appointed by the Secretary.
6. A representative of the Institute of Government.

The Secretary of DHHS shall designate the Chairperson. Upon resignation of any member, the appointing authority shall select a replacement.

C. Preparation and Notification

1. If the State Corrective Action Team must be called, copies of the Local Corrective Action Team plan, county documentation in its central file, and any other supporting documentation will be submitted to the Assistant Director for Recipient and Provider Services.

2. The Assistant Director will notify the chairperson of the State Corrective Action Team and provide copies of documentation.

3. The chairperson or designee will schedule the time and place for the meeting and will notify the members of the State Corrective Action Team by letter.

D. Powers of the State Corrective Action Team

The State Corrective Action Team has broad powers and may design any remedy reasonable and necessary to bring the DSS or DDS into compliance with application processing requirements. This includes but is not limited to:

1. Employing additional staff.
2. Altering office procedures (such procedures must be consistent with federal and state regulations, laws and Department rules and policies).
3. Purchasing office equipment.
4. Retaining private consultants.
5. Reopening of cases and/or ordering retroactive relief to applicants harmed by violation of application processing requirements.
6. Ordering the State to assist in the operation of a county department.

E. State Corrective Action Team Plan

1. The State Corrective Action Team shall establish a corrective action plan for any county department or DDS within forty-five calendar days of convening. A date for compliance shall be established. For report card issues, compliance must be achieved within three months after the date the State Corrective Action Team was required.

2. The Chairperson shall forward notice of the corrective action plan established by the State Corrective Action Team to the respective members of the county Corrective Action Team. Copies of a plan involving DDS non-compliance will be sent to the Division of Vocational Rehabilitation. Copies of any plan shall be distributed to the Division of Medical Assistance.

F. Failure to Achieve Compliance

1. In the event that a county and the State Corrective Action Team are unable to resolve the problem of DSS or DDS non-compliance, the Local Government Commission established pursuant to N.C.G.S.159-3 may be requested to review the county budget and its fiscal condition in relation to the proposed corrective action.

2. The Local Government Commission may assess and determine the capacity of the county to expend resources to bring the county into compliance and may take enforcement action pursuant to Chapter 159 of the General Statutes as appropriate. The various state agencies shall be available to assist in this review.