July 13, 2015

Elizabeth Dudek, Secretary
Agency for Health Care Administration
2727 Mahan Drive
Tallahassee, Florida 32308

Dear Secretary Dudek:

Attached is Report #13-14, *Medicaid Recipient File Management*. This audit was conducted as part of the Agency's annual audit plan. The audit focused on evaluating the Recipient File Unit's (RFU) process for updating and correcting errors in the FMMIS recipient files. Our engagement objectives were to:

- Determine the efficiency, effectiveness, correctness, and timeliness of the manual updates;
- Evaluate the efficiency, effectiveness, and timeliness of the OnBase error correction process for errors 1005, 1007, 1202, and 2002; and
- Identify and analyze trends in the OnBase error reports and the error report correction process.

Our audit noted areas where improvement could be made to strengthen controls and increase efficiency in RFU's process for correcting errors identified on FMMIS OnBase error reports.

Management's response to our recommendations is included in the report. We will schedule a follow-up review in six months to assess the status of the efforts taken by management to correct all remaining open issues.

If you have any questions or concerns regarding this report, please let me know.

Sincerely,

Eric W. Miller
Inspector General

EWM/pa
Attachment
cc: Jenn Ungru, Chief of Staff
        Justin Senior, Deputy Secretary of Medicaid
        Katherine Riviere, Director of Communications
        David Rogers, Assistant Deputy Secretary for Medicaid Operations
        Gay Munyon, Bureau Chief Fiscal Agent Operations

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Medicaid Recipient File Management Bureau of Fiscal Agent Operations

EXECUTIVE SUMMARY

As a part of the Agency for Health Care Administration's (AHCA) audit plan, we conducted an audit of the Recipient File Unit's (RFU) process for updating and correcting errors in the Florida Medicaid Management Information System's (FMMIS) recipient files.

Overall, RFU's recipient file update and error correction process appears to have adequate internal controls and to adhere to sound administrative practices. One hundred percent (100%) of all the manual updates sampled were processed within the recommended time frames and ninety-nine percent (99%) matched the entries and corrections made in FMMIS.

However, we noted areas where improvement could be made to strengthen controls and increase efficiency in RFU's process for correcting errors identified on FMMIS OnBase error reports. We recommend that RFU:

- Coordinate with Department of Children and Families (DCF) staff to systematically prioritize the correction of older recipient errors first (when applicable) to prevent continued reappearance in the error reports by developing an aging analysis report.
- Finalize desk procedures to standardize the OnBase report error correction process, including addressing the correction of older errors first.
- Implement RFU's Customer Service Request (CSR) 2888 to allow FMMIS to accept DCF's closure of recipient eligibility spans for recipient files with missing social security numbers (SSN).

SCOPE, OBJECTIVES, AND METHODOLOGY

The scope of this engagement focused on evaluating RFU's process for correcting FMMIS recipient file errors during the period of October 2013 through March 2014 and the manual update process from March 1, 2014, through March 31, 2014. Our engagement objectives were to:

- Determine the efficiency, effectiveness, correctness, and timeliness of a sample of manual updates performed from March 1, 2014, to March 31, 2014;
- Evaluate the efficiency, effectiveness, and timeliness of the OnBase error correction process for errors 1005, 1007, 1202, and 2002[1] during the period from October 1, 2013, to March 1, 2014; and
- Identify and analyze trends in the OnBase error reports and the error report correction process.

To accomplish our objectives, we interviewed management and appropriate Medicaid RFU staff; reviewed state and federal laws; reviewed established or stated policies, processes, procedures, contracts, and related documents; and reviewed reports from the FMMIS OnBase system, and other applicable documentation.

BACKGROUND

The Division of Medicaid's RFU is responsible for the daily maintenance of Medicaid recipient files for more than 3.8 million Medicaid recipients in FMMIS[2]. HP Enterprise Services (AHCA's Medicaid fiscal agent), operates FMMIS and is responsible for processing eligibility files from DCF and the Social Security Administration (SSA). These eligibility files add, update, or close the Medicaid recipient files in FMMIS.

Eligibility for all Medicaid programs is determined by DCF, except for Family Planning, Presumptively Eligible Pregnant Women (PEPW), and Supplemental Security Income (SSI). The Florida On-Line Recipient Integrated Data Access (FLORIDA) system sends a nightly batch eligibility file and a monthly reconciliation file to HP to update FMMIS.

The SSA determines eligibility for Supplemental Security Income (SSI). State Data Exchange (SDX) files containing eligibility data from SSA goes first to DCF, which then forwards the file to HP. The SDX files update FMMIS on a nightly and quarterly basis.

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[1] These four error codes are described in detail on page five.
[2] Based on Medicaid Eligibles reported on April 30, 2015.

The RFU's primary daily maintenance responsibilities include:

- Processing manual updates and corrections to the FMMIS recipient file. Corrections to recipient information allow eligible recipients to access Medicaid services, allow claims for eligible recipients to be paid, and close eligibility spans for ineligible recipients.
- Correcting errors identified on OnBase error reports. OnBase error reports are generated daily when the eligibility files from DCF and SSA fail to update FMMIS due to missing, incorrect, or mismatched demographic information.

Manual Error Update Process:

The RFU receives requests to update the Medicaid recipient file in FMMIS through the following ways:

- Receipt of a FMMIS Recipient File Problem Resolution Request (AHCA form 5240) from DCF (either by fax, email, or regular mail);
- Emails to the emergency inbox (i.e. a dedicated email address);
- Direct emails from SSA, DCF Medicaid Field Coordinators (MEFCs), HP staff, AHCA area offices, or other AHCA staff;
- Phone calls from recipients or HP staff;
- Daily/Monthly/Quarterly OnBase error reports;
- Location 02 error spreadsheets from HP which prevent provider claims from processing due to errors in the recipient file; and
- Special Processing Indicator (SPI) card requests that come from the Attorney General's office.[3]

The FMMIS Recipient File Problem Resolution Request form was designed for DCF to complete and send to the RFU to request demographic changes, coverage changes, and duplicate or merged file resolutions. The form instructs DCF to send certain screen shots from FLORIDA to verify the changes they are requesting. RFU makes the requested changes, as appropriate, within two working days from receipt. All mail is date stamped by RFU staff upon receipt.

Most emergency file update requests are sent via email to RFU's emergency inbox. These requests, sent by DCF MEFCs and AHCA area office staff, are considered a high priority since often the recipient is at the pharmacy or doctor's office. The RFU administrator and two full-time staff manage the inbox. Staff move these emails from

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[3] SPI is the indicator on FMMIS that the file/card is being used for Medicaid fraud investigation, prevention, and detection activities by the Medicaid Fraud Control Unit within the Office of the Attorney General.

the emergency inbox to their own email inbox for handling. Approximately thirty to forty emails are received each day. Other emergency requests come in through faxes, regular email, and occasional phone calls from recipients or HP staff.

Emergency requests are usually addressed on the day of receipt. All inbox requests are handled within 24 hours, unless RFU sends the request to DCF or SSA for action before updating a file.

FMMIS OnBase Report Error Correction Process:

Onbase error reports are generated daily when the eligibility files from DCF and SSA fail to update FMMIS due to missing, incorrect, or mismatched demographic information. The OnBase error reports used by the RFU for error corrections are comprised of the daily and quarterly SDX reports and the FLORIDA daily and monthly reports.

The DCF MEFC's are the primary staff working the FLORIDA error reports, but RFU staff assist by researching the errors, making corrections in FMMIS, or notifying DCF staff to correct errors in the FLORIDA system to allow recipients to access Medicaid services.

The RFU uses the Complete Error Report (ELG-0015-D)[4] which is a daily report that lists and sorts all the different recipient file error codes. In addition, an ELG-0015 reconciliation report is produced on the first Saturday of each month. If no corrections are made by DCF to an eligibility file, errors will continue to appear on the monthly reconciliation report. In some cases, DCF may not update a file until the six-month and twelve-month eligibility review cycles.

RFU utilizes a manual "log book" to track corrections for four crucial recipient file error codes from the Complete Error Report (ELG-0015-D). The log consists of a daily sheet and a monthly reconciliation sheet for each of four error codes listed on page five. RFU staff self-assign pages from the daily Complete Error Report and record their initials, date, and the report page numbers they are working on. The log lets other staff members know what page of the error reports are being worked on to avoid duplicating work.

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[4] The ELG-0015-D – also known as an Example Error Report or a Complete Error Report is a daily report, which lists all errors that occurred during the daily update process for interchange FMMIS/DSS client transactions.

The four error codes are described below:

Error Code 1005 (Potential Duplicate SSN) occurs when the SSN in FMMIS is linked to another recipient, the matched recipient in the system has a SSN equal to zeroes, or a recipient has more than one SSN in the system.

Error Code 1007 (Invalid SSN) occurs when the SSN provided is less than nine digits or contains non-numeric values[5] and occurs when a Medicaid identification (ID) number is created by DCF with an invalid or missing SSN. RFU emails DCF to make the corrections in the FLORIDA system.

Error Code 1202 (Mother's ID is Invalid) occurs when the mother is not eligible on the baby's date of birth. A majority of these errors are "baby of" files that are eligibility files created prior to a baby's birth. They cannot link if the mother was not eligible on the baby's date of birth, or if there is a miscarriage. DCF closes out the eligibility span in FLORIDA.

Error Code 2002 (Medicaid ID Number Exists for Other Recipient or Potential Duplicate Recipient) occurs if there are multiple recipients for the same Medicaid ID, or occurs when demographics match, but the Medicaid ID number does not, especially if there is no SSN on file.

MANUAL UPDATE PROCESSING

We reviewed a random sample of 50 recipient file manual update requests. Twenty-five consisted of FMMIS Recipient File Problem Resolution Request forms (AHCA Form 5240) and the other twenty-five were emergency update requests consisting of emails to RFU's emergency inbox, documented phone call requests, and other urgent requests. We calculated RFU's processing times and verified the accuracy of the entries and corrections made in FMMIS.

Overall, RFU's recipient file manual update process appears to have adequate internal controls and adhere to sound administrative practices. One hundred percent (100%) of all the manual updates sampled were processed within the recommended time frames[6] and ninety-nine percent (99%) matched the entries and corrections made in FMMIS. Our test results are shown in Tables 1 and 2.

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[5] According to RFU, the FLORIDA system currently has edits to prevent this from occurring.
[6] FMMIS Recipient File Problem Resolution Request forms are required to be processed within two working days of receipt while emergency requests are processed within 24 hours of receipt, unless it needs to be sent to DCF or SSA for action.

Table 1: Manual Update Processing Times			
FMMIS Recipient File Problem Resolution Requests (AHCA Form 5240)	**Total Records Reviewed**	**Processing Time**	**Percent Processed within Required Timeframe**
AHCA Form 5240	25/25	2 working days	100%
Emergency Requests	**Records**	**Processing Time**	**Percent**
AHCA Area Office Email	5	Within 24 hours	100%
DCF MEFC Email	8	Within 24 hours	100%
AHCA Third Party Liability Unit Email	2	Within 24 hours	100%
HP Email	1	Within 24 hours	100%
DCF 2014 form[7]	6	Within 24 hours	100%
Recipient Phone Call	1	Within 24 hours	100%
Other	2	Within 24 hours	100%
Total	**25/25**	**Within 24 hours**	**100%**

Table 2: Accuracy of Manual Updates in FMMIS[8]		
Type of Request/Correction	**Count**	**FMMIS Verification**
Replacement Medicaid ID Card	4[9]	75.00%
Eligibility Spans	34	100.00%
Demographic Information (Name, Age, Race, Sex, SSN, etc.)	22	100.00%
Changing County of Residence	2	100.00%
Change Incarceration End Date	2	100.00%
New Recipient FMMIS File	3	100.00%
Cross-referencing Medicaid ID Numbers by Adding an ID to a Recipient File with a Previously Issued ID	5	100.00%
Total	**72**	**71/72 or 99%**

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[7] DCF 2014 is an Authorization for Medicaid/Medikids Eligibility originating from DCF to the RFU.
[8] A single manual update request may generate multiple corrections or entries such as demographic changes, opening or closing eligibility spans, etc. Some requests involve multiple individuals in a household. The 50 manual update requests sampled resulted in 72 corrections/additions/changes.
[9] Only one of the 50 manual updates tested was not accurately processed. One recipient requested three new Medicaid ID gold cards for her children. FMMIS showed that only two out of the three cards were requested. RFU attributed the error to either oversight or that the file was not saved.

FINDINGS AND RECOMMENDATIONS

Finding 1: OnBase Error Correction Process Efficiency

Finding Statement	RFU's OnBase Error Correction Process needs improvement. The process does not prioritize correcting older errors in a systematic way. For errors noted in the October 2013 error reports, thirty-two percent of error code 1007, twenty-four percent of error code 1202, and ten percent of error code 2002 remained uncorrected at the end of six months.
Criteria	Opportunities for improving efficiency should be explored including streamlining system and procedures, automating manual operations, and simplifying work processes and practices.
Condition	OnBase Error reports are generated daily and monthly when Medicaid recipient files in FMMIS are updated with erroneous or inconsistent recipient data information from the FLORIDA system. Although DCF has the primary responsibility for correcting these errors, RFU staff will correct certain errors, as time permits, to help recipients avoid issues accessing Medicaid services. RFU staff utilize a manual "log book" to document the errors identified for correction from the daily and monthly error reports. The "log book" contains sheets with the four most important errors codes (i.e. 1005, 1007, 1202, and 2002) identified for correction by RFU. Staff self-assign and record the page numbers in the "log book" from these error reports. As shown in Table 3, the four error codes listed represent an average of 77 percent of the total number of errors in our six-month sample.

Table 3: Error Code Breakdown							
Month/Year	Total of all Error Code Records	Total for the four Selected Error Codes	Percent to Total Records	Error Codes[10]			
				1005	1007	1202	2002
Oct-13	13,967	10,886	78%	4	5140	802	4940
Nov-13	14,674	11,419	78%	9	5685	800	4925
Dec-13	14,579	11,188	77%	2	5869	754	4563
Jan-14	15,064	12,097	80%	18	5989	781	5309
Feb-14	16,306	12,222	75%	11	5905	706	5600
Mar-14	16,279	11,952	73%	8	5648	780	5516
Average	15,145	11,627	77%	9	5,706	771	5,142

Staff self-assign pages in the error reports but the page numbers assigned are at the discretion of the analysts and can be done in random order. Older errors are not prioritized for correction. The RFU administrator noted that some of the errors are resolved by DCF and may not show up on the following month's reconciliation report.

The first few pages on the error report are usually for the oldest recipient Medicaid IDs issued. According to the RFU administrator, these errors may involve more complex problems due to a longer Medicaid history and the newer staff may choose to skip these and work on the newer recipient file errors. Since errors are not prioritized according to how long they have appeared in the reconciliation reports, these errors may remain uncorrected for a longer period of time.

We analyzed transaction errors for error codes 1005, 1007, 1202, and 2002 appearing in the October 2013 monthly reconciliation error report to determine how quickly these transaction errors were corrected in FMMIS. For errors noted in

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[10] The four error codes are described in detail on page five:
Error Code 1005 (Potential Duplicate SSN)
Error code 1007 (Invalid SSN)
Error code 1202 (Mother's ID is Invalid)
Error code 2002 (Medicaid ID number exists for other recipient or potential duplicate recipient)

the October 2013 error reports, thirty-two percent of error code 1007, twenty-four percent of error code 1202, and ten percent of error code 2002 remained uncorrected on the March 2014 monthly reconciliation report (see Table 4.)

Table 4: Analysis of Error Code Corrections							
Error [11] Codes	Oct 2013	Nov 2013	Dec 2013	Jan 2014	Feb 2014	Mar 2014	Percent Uncorrected at the End of 5 Months
1005	4	1	0	0	0	0	**0%**
1007	5140	3845	3038	2505	2062	1625	**32%**
1202	802	607	440	332	228	193	**24%**
2002	4940	2289	1144	885	668	472	**10%**
Total	10886	6742	4622	3722	2958	2290	**21%**

Cause	Older errors are not identified, sorted, or prioritized for corrections. Staff has discretion in choosing which errors to correct first. There are no procedures to address correction of older errors first.
Effect	Since older errors in recipient files are not prioritized, uncorrected errors repeatedly show up on the error reports longer than may be necessary.
Recommendation	1. Coordinate with DCF staff to systematically prioritize the correction of older recipient errors first (when applicable) to prevent continued reappearance in the error reports by developing an aging analysis report. 2. Finalize desk procedures to standardize the OnBase report error correction process including addressing the correction of older errors first.

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[11] The four error codes are described in detail on page five:
Error Code 1005 (Potential Duplicate SSN)
Error code 1007 (Invalid SSN)
Error code 1202 (Mother's ID is Invalid)
Error code 2002 (Medicaid ID number exists for other recipient or potential duplicate recipient)

FINDINGS AND RECOMMENDATIONS

Management Response	1. The Medicaid Bureau of Fiscal Agent Operations (MFAO) Recipient Unit is currently working with DCF to determine the requirements of the review process. 2. The MFAO Recipient Unit is currently reviewing its desk level procedures for the OnBase report error correction process.
Anticipated Completion Date	1. A completion date will be determined once initial review has been completed. 2. A completion date will be determined once initial review has been completed.

Finding 2: Recipient Files with Missing SSNs Whose Eligibility is Ended in FLORIDA Fail to Update Closure of Benefit Plans in FMMIS.	
Finding Statement	FMMIS does not end the Medicaid recipient benefit plans even when the FLORIDA system ends eligibility for recipient files due to missing SSNs. The fatal error caused by having a missing SSN prevents an update in FMMIS that includes ending a benefit plan.
Criteria	Section 409.902(2)(b), Florida Statutes (F.S.) states that State funds may not be used to provide medical services to those who do not meet the eligibility requirements as laid out in this subsection unless necessary to treat an emergency medical condition or for pregnant women. Furthermore, Medicaid coverage will continue only as long as a recipient meets all requirements for eligibility and Medicaid will not reimburse a provider for any service rendered on a day on which the recipient of that service was ineligible. In addition, Federal Regulations 42 CFR §435.910 require as a condition of eligibility that each individual requesting Medicaid services furnish his or her SSN to the State. If the applicant was not issued or cannot recall their SSN, the State must assist the individual in obtaining a number or identifying his or her existing number. If an individual is not eligible to receive a SSN, does not have a SSN and may only be issued a SSN for a valid non-work reason in accordance with 20 CFR 422.104; or refuses to obtain a SSN for "well established religious objections," as defined in 42 CFR§435.910(h)(3), the State may obtain a SSN on the individual's behalf or use another unique identifier.
Condition	Although DCF may close eligibility in FLORIDA, the eligibility file fails to update closure in FMMIS due to a missing SSN causing a fatal error transaction. Resolving the issue requires manual corrections on the part of RFU staff. During the audit period, errors due to missing SSNs accounted for a monthly average of 5,706 records.[12] Having to do manual corrections to transaction errors requires more time and diverts limited staff from performing other tasks. In addition, trying to identify and correct

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[12] See Error Code 1007 (Invalid SSN) Table 3.

	recipient files, which failed to close the benefit plan in FMMIS, becomes difficult due to the large number of missing SSN error transactions. On April 30, 2015, RFU submitted CSR 2888 to allow FMMIS to close recipient benefit plans for recipient files with missing SSNs.
Cause	Although recipient files with missing SSNs have a closed eligibility status in the FLORIDA system, FMMIS does not accept the closure and end the recipient benefit plan date. The fatal error, caused by having a missing SSN, prevents the update that includes adding an end date in FMMIS. When FMMIS does not update closure automatically, Medicaid eligibility spans and managed care enrollment spans may remain open and extend beyond qualifying eligibility if not discovered and manually closed by the RFU.
Effect	Having to do manual corrections to errors requires more time and diverts limited staff from performing other tasks resulting in an inefficient use of Agency resources. Recipients potentially remain enrolled in Medicaid and in managed care after eligibility ends; as a result Medicaid may continue to cover services or pay capitation to health plans for ineligible recipients. In addition, when these errors are identified and manually corrected the recipient benefit plans are not closed retroactively. AHCA does not routinely seek Medicaid reimbursement from the provider, if they validated eligibility and acted in good faith, for payments made during a period when the recipient was later found to be ineligible.
Recommendation	Implement CSR 2888 to allow FMMIS to accept DCF's closure of recipient eligibility spans for recipient files with missing SSNs.
Management Response	CSR 2888 (Close Recipient With No SSN) was approved by MFAO on 05/28/2015 and is currently being worked by the fiscal agent.
Anticipated Completion Date	A completion date has not been determined at this time.

FINAL COMMENTS AND PROJECT TEAM

FINAL COMMENTS

Internal Audit would like to thank the management and staff of the Bureau of Fiscal Agent Operations and Recipient File Management Unit for their assistance and cooperation extended to us during this engagement.

PROJECT TEAM

The review was conducted by Pilar Alsiro, JD, CIGA, under the supervision of Mary Beth Sheffield, Audit Director, CPA, CIA, CFE, CIG.

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