

DEPARTMENT OF HEALTH AND HUMAN SERVICES **RECEIVED**  
OFFICE OF DIRECTOR

DEC 05 2013

**ACTION REFERRAL**

Department of Health & Human Services  
Office of Health Programs

*Relog to Byrnes & Snider Relog from Singleton to Roberts on 12/12/13*

TO <i>Roberts / Snider</i>	DATE <i>12-4-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000193</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Mr. Keck, Supra</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____
	<input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Singleton/Snyder</i>	DATE <i>12-4-13</i>
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**MYERS AND  
STAUFFER** LC  
CERTIFIED PUBLIC ACCOUNTANTS

*Singleton/Snyder*

**RECEIVED**

DEC 02 2013

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

November 20, 2013

Tony Keck  
Director  
Department of Health and Human Services  
P.O. Box 8206  
Columbia, SC 29201

**RE: Monitoring Complex Eligibility Implementations**

Dear Tony:

As you know, the Patient Protection and Affordable Care Act, effective March 23, 2010, requires state Medicaid agencies to develop new initiatives to ensure that all adults and children with family incomes under 133 percent of the Federal Poverty Level receive health insurance through Medicaid programs. The Affordable Care Act is multifaceted and implementation has not been an easy process for many states. New systems have been developed, and eligibility rules are undergoing multiple changes in methodology. Complexity has been heightened because eligibility systems must communicate with claims processing systems, as well as with new federal and state data matching systems and health insurance exchanges.

Myers and Stauffer is ready to assist your state in making the transition to the new models required by the Affordable Care Act, as well as conducting testing and quality assurance studies to confirm that changes in methodology and systems are functioning as anticipated.

**Is Your State Prepared?**

As we move into this transitional period that will change the Medicaid program as we know it, there are several key questions for state Medicaid programs:

- How will we evaluate the effectiveness of the new eligibility process?
- Are eligibility, claims adjudication, and data matching systems functioning properly?
- Does our system mitigate the added financial risk to the state related to errors, duplicate transactions, or fraud?
- Do we have the resources available with system and eligibility expertise to properly assess if eligibility is granted for appropriate health care coverage?
- Are our resources able to provide innovative solutions to help us become more effective and efficient while saving scarce resources?

**What Can You Do?**

Each state must properly evaluate the newly implemented eligibility processes and procedures. Furthermore, the Centers for Medicare & Medicaid Services is requiring states to complete combined payment error rate measurement (PERM)/Medicaid Eligibility Quality Control (MEQC) pilots over the next three years.

In addition to the required pilot studies, you may determine it is necessary to perform in-depth eligibility testing and comprehensive analysis of the eligibility process to ensure that your Medicaid and CHIP programs are functioning appropriately. Targeted studies, corrective actions, and training may be needed to improve policies and procedures and to minimize the risks of errors or incorrect eligibility determinations. You may find it is critical to have a risk assessment performed on the newly integrated eligibility systems. Myers and Stauffer has the expertise to assist you with any of these initiatives.

**Myers and Stauffer's National PERM Experience**

With 19 offices nationwide, Myers and Stauffer has served Medicaid agencies in more than 45 states. We are at the forefront of assisting states in developing procedures and performing eligibility reviews of both Medicaid and the Children's Health Insurance Program (CHIP). We have conducted studies related to payment accuracy measurement (PAM) and PERM projects since 2003. Not only has Myers and Stauffer assisted states in completing multiple PERM studies, but we have also assisted with off-cycle PERM studies and eligibility quality improvement initiatives.

In addition to state-specific eligibility testing, Myers and Stauffer has performed risk assessments and performance evaluations of state Medicaid and CHIP programs. Opportunities for improvement have been identified with emphasis in future performance, information technology, and financial related verifications.

We have enclosed additional information about our national PERM experience. We would welcome an opportunity to answer any questions or provide additional information. Feel free to contact me at 800-877-6927 or via email at [jduzan@mslc.com](mailto:jduzan@mslc.com). We look forward to further discussion with you on PERM/MEQC pilots or evaluating your Medicaid and/or CHIP programs during the implementation phase of the Affordable Care Act.

Sincerely,

Jared B. Duzan, CFE  
Principal



*"Like many of our projects with Myers and Stauffer, PERM was a positive experience... We gained insight above and beyond the minimum required to fulfill CMS requirements."*

*—[State] Director, Internal Audit & Program Evaluation*

## ■ PAYMENT ERROR RATE MEASUREMENT

Myers and Stauffer has extensive national experience with the PERM process in the Medicaid and Children's Health Insurance Program (CHIP) programs including eligibility requirements, documentation standards, quality control functions, coverage and payment policies, and utilization data. Myers and Stauffer provides the following PERM services to our state clients:

- Preparation of sampling plans, stratification of data, and selection and validation of monthly samples.
- Submission of sample data and eligibility review results to CMS via the PERM Eligibility Tracking Tool (PETT) website, and preparation and submission of all CMS required reports and updates.
- Collection, preparation and maintenance of HIPAA secure eligibility records and source documentation.
- Auditing, tracking, and managing cases selected for review.
- Interaction with clients and collateral information sources, as necessary, to obtain missing or outdated information.
- Preparation of corrective action plans, observations, and recommendations to improve eligibility policies and procedures.

PERM reviews conducted by Myers and Stauffer are fully reflective of a state's policies. We independently research policies and complete PERM reviews with minimal demands on your valuable time. We use standardized review protocols, procedures and tools to ensure that we produce consistent review results and work products. Our findings are fully documented within each case file. Myers and Stauffer has never missed a final CMS reporting deadline. Our procedures minimize undetermined cases and yield high quality, accurate review results. We look forward to speaking with you about a PERM solution for your Medicaid or CHIP program.

### SELECTED CLIENTS

*Colorado Department of  
Health Care Policy and  
Financing*

*Delaware Department of  
Health and Social Services*

*Georgia Department of  
Community Health*

*Indiana Family and Social  
Services Administration*

*Iowa Department of  
Human Resources*

*Michigan Department of  
Community Health*

*Mississippi Division of  
Medicaid*

*Missouri Department of  
Social Services*

*Virginia Department of  
Medical Assistance Services*

*Wyoming Department of  
Health*

### FOR MORE INFORMATION

PH 800.877.6927