



DURHAM'S VITALITY IS BUILT UPON  
THE HEALTH OF OUR RESIDENTS  
AND THE CAPACITY OF OUR COMMUNITY  
TO FOSTER AND ENHANCE  
THE WELLBEING OF EVERY CITIZEN.

## DEPARTMENT OF SOCIAL SERVICES MEDICAID FUNDING POLICY UPDATE

### FY 2020-21 BUDGET DEVELOPMENT

FEBRUARY 25, 2020



## Medicaid Corrective Action Plan

### Executive Summary/Action Plan

#### Introduction

In 2017, the North Carolina General Assembly passed and implemented the Medicaid Report Card. This report card was a way to monitor county Social Service agencies to ensure counties were meeting the timeliness standards for processing all Medicaid applications. This step was taken due to a failure of counties to meet the standards at the required federal level of 90% timeliness. Counties started being officially measured in July of 2017. Any county not meeting the required standard for passing 7 of 12 months within the fiscal year or failing three consecutive months must enter corrective action plan to remedy the issues and come back into compliance with the report card.

#### Durham County Social Services

Durham County has consistently met the report card standards since the implementation of the program in July of 2017. However, in 2019, the agency started to have failures within the Adult Medicaid section due to high staff turnover. At one time, this Adult Medicaid unit was down to just 2 filled positions. The Department took proactive measures to try to address these concerns, including reallocating resources to the area, examining contracting with other counties, and developing an internal corrective action plan to address overdues.

The Department presented these issues to the DSS Board at a work session in October of 2019. Unfortunately, the Department continued to struggle and failed three months in a row (October through December) and was informed by the state in January of 2020 that the agency must go into corrective action. The Department did pass the January 2020 report card.

Several factors have been at play for the Department in meeting the report card. These have included:

- **Staffing Turnover:** The Department has seen excessive turnover within the FEI Division. This turnover is indicative of the Economic Services area as most counties struggle to recruit and retain qualified staff to do the eligibility process.

- Recruitment: Often staff being hired require training. In the Adult Medicaid area, due to the complex nature of the program and the detailed policies required to meet standards, it can take a new staff person, even with basic competencies, up to 18 months to become proficient.
- Retention: The Income Maintenance positions are often used as a stepping block for employees to gain advancement both within Social Services and within the private sector. Many staff often move on after 2 to 3 years. In addition, due to personnel actions, there are staff that simply cannot handle the work.
- Capacity: The Family Economic Independence Division has been historically understaffed for the level and volume of work that comes into the agency. The Department services over 60,000 cases a year within this area (both new applications, changes, and recertification services). The agency has been required to work excessive overtime over the past two years to try keep up with the growing workload and required standards in both Medicaid and Food and Nutrition (which has measures as part of the State MOU).
- Processes: The Department will be working in conjunction with the state to assess workflows and processes and to design the most effective system to process applications both timely and with accuracy. Design structure proposals will be presented to the BOC that will involve adding a large amount of new positions to help sustain best practice and compliances. The design structures are proven methods other counties are using and that the state has supported (including the addition of lead workers to each unit and the use of intake positions). The Department went under an overhaul in 2019 to have workers be more specialized which has also impacted the capacity levels. With this shift though, workers can focus on one program versus the relatively impossible task of having to have expertise in multiple programs. This structure is one that most all counties have gone to with the failures of NC Fast to lessen the technical competencies needed by staff to bring a manageable workload and to effectively process cases across the multiple programs. In other words, a worker still must master the same level of program knowledge post NC Fast implementation to effectively and efficiently do their job.
- Quality Assurance and Training: The Department is currently developing a strategic plan for this area to submit with the budget. It is critical to continue to build this capacity for both improved outcomes in services as well as audits and state/fed reviews.

#### The State Meeting:

On February 6, 2020, the Department held its initial meeting with the State Compliance Team to review the corrective action process. DSS Medicaid staff, management, and leadership were all in attendance. In addition, the County Manager and DSS Board Chair were in attendance.



The team met with three state staff, including Brenda Gooch, who will be our onsite support specialist for corrective action.

Important messages from this meeting included:

- This issue is critical and needs to be addressed with a high priority.
- While the Medicaid Report Card failing was only in one area of Medicaid, the corrective action is for the agency and should address all relevant issues that may be causing barriers to meet the report card, especially within the Family Economic Services Division.
- Failure to properly resolve the issues and come out of corrective action within 18 months may result in a state assumption of the program, including control of the federal dollars. The state would also assume administrative control of county dollars and require whatever funding is needed to meet corrective actions.
- The state is here to partner with Durham County and to assist and support the county in resolving the issues. A root cause analysis will be done by the state in March with strategies and practices being recommended.
- The agency has 18 months to come into compliance by passing the report card for at least 6 months straight at a level that brings confidence for future sustainability and maintenance of passing results.
- Six initial goals were set with the state. The agency must also write an accountability plan for who is to be responsible for implementing changes and defining expectations for all staff involved in the Medicaid program.
- Numerous counties have undergone the corrective action process. The state has yet to have to assume control of a program. The state provided positive feedback regarding efforts the agency have already taken to address concerns and the historic data that was shared. Counties that have undergone corrective action have improved processes and received resources to assist them provide better services.
- It is the goal of the Department to come out from corrective agency by January 30, 2021.

### Going Forward:

The Department will be engaging with the state on a regular basis to assess, analyze, implement, and improve services to start meeting the report card again. Due to the number of overdues that exist, it is understood the agency will still have to fail the report card at least twice to get back to a manageable level. This situation is due to how overdues impact the timeliness standards. However, the agency is committed to moving forward and making improvements in services to get back to the level we were at through mid-year 2019.

With the planning, the Department is assessing and bringing a mid-year resource request to the Durham County Board of Commissioners. These requests are based on capacity needs and best practices to improve outcomes. These resources will take time to establish and implement so they are **long-term sustainability** needs yet due to our clock under the corrective action, to get these needs up and running as quickly as possible is critical. Strategies will include but not be limited to:

- Adding lead workers to each unit to support the supervisors in case management services (a best practice recommended by the state)
- Creating intake positions for each unit of service (Adult Medicaid, Family and Children's Medicaid, and SNAP) that can take applications to allow staff time to process. These positions will be classified at the same level as well so they can same day process if necessary and will help with our turnover/gap needs long-term.
- Adding additional processing capacity to the division to ensure we have enough FTE's to efficiently process the volume of work coming into the entire division. The agency has been required to work excessive overtime to meet the current needs.
- Adding additional supervisory positions to ensure adequate monitoring of the new positions added.
- Assessing and recommending Quality and Assurance recommendations and presenting a strategic plan to help meet these goals that would reduce audit liability and improve services and staff retention (Durham County Strategic Goal Number 5).
- Assessing all workflows with the state through the root analysis and making immediate changes necessary to ensure compliance.
- Process all overdues in Adult Medicaid by February 28, 2020.

#### Conclusions:

Durham County Social Services prides itself on quality services and meeting standards. We have now found ourselves in a situation where that bar is not being met and are entering corrective action with the state under the law. It is our goal to do all we can to resolve the barriers, add capacity, and improve our services so that the agency can come out of corrective action within the year, if not sooner. We consider this a top priority and a crisis and respectfully ask that you assess the needs we bring to you for funding. The one positive aspect of adding resources/new positions in this area is that department will receive reimbursement on all new positions/equipment/supplies, anywhere from a 50% to a 75% level, depending on the position. Failure to address capacity needs will most likely result in the state assuming control and forcing the issue eighteen months from now, which is what we want to avoid.

We are grateful for the support of the DSS Board and the County Management and for their attendance at the meeting. We also are understanding these asks are big in difficult budgetary

times. However, compliance under the law for Medicaid services, as well as the State MOU, is critical need of the agency, and we look forward to working with you to bring us to a level where services will not only meet standards but provide the best experience for our residents.