



Ohio Department of Medicaid

**PUBLIC ASSISTANCE REPORTING
INFORMATION SYSTEM ALERTS**

Auditor of State Report

December 13, 2022

OHIO AUDITOR OF STATE KEITH FABER



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Letter from the Auditor

To the Governor's Office, General Assembly, Director and Staff of the Ohio Department of Medicaid, Ohio Taxpayers and Interested Citizens:

Following a November 2020 Report issued by the U.S. Department of Health and Human Services – Office of Inspector General (HHS-OIG),¹ the Auditor of State's Office completed an audit of the Ohio Department of Medicaid's (the Department) participation in the Public Assistance Reporting Information System (PARIS) for alerts generated in June, September, and December 2021. The PARIS program is designed to enhance the integrity of the Medicaid program by performing a data match of recipients to determine if they are receiving benefits in two or more states.

In its response to the November 2020 HHS-OIG report, the Department indicated it would, in part, ensure that PARIS alerts are sent to the County Departments of Job and Family Services (CDJFS) after the alerts are generated and would ensure the CDJFS' timely processing of these alerts. The Department further indicated it would conduct training covering returned mail procedures and PARIS alert processing.

To verify the effectiveness of the Department's corrective actions, this audit focused on three objectives:

1. Confirming whether CDJFS caseworkers worked PARIS alerts timely;
2. Vouching whether CDJFS caseworkers timely dis-enrolled recipients identified by the PARIS alert system to be ineligible for Ohio Medicaid because they were concurrently eligible and residing in another state or did not respond to verification notices; and
3. Confirming whether the Department recouped improper capitation payments related to PARIS alerts.

The audit found that CDJFS caseworkers did not work a substantial portion of the PARIS alerts, which has a significant impact on Ohio's Medicaid program. This audit report contains recommendations, supported by detailed analysis, to enhance the Medicaid program. The report has been provided to the Department and its contents have been discussed with the appropriate staff and leadership within the Department. It is the Auditor's hope that the Department will use the results of the audit as a resource for improving operational efficiency.

This audit report can be accessed by visiting the Auditor of State's website at [OhioAuditor.gov](https://www.ohioauditor.gov) and choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

November 14, 2022

¹ The HHS-OIG report entitled *Ohio Made Capitation Payments to Managed Care Organizations for Medicaid Beneficiaries with Concurrent Eligibility in Another State*, by Amy J. Frontz, Deputy Inspector General for Audit Services, November 2020 (A-05-19-00023) is available at: [HHS-OIG 2020 Ohio Concurrent Eligibility Report](#).

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Executive Summary

The Ohio Department of Medicaid (the Department) is the single state agency responsible for administering Ohio's Medicaid program according to federal guidelines and provides medical assistance to Ohio's eligible individuals. All states are required to participate in the Public Assistance Reporting Information System (PARIS) which enhances the integrity of the Medicaid program by performing a data match of recipients to determine if any are receiving benefits in two or more states.

Following a November 2020 Report issued by the U.S. Department of Health and Human Services – Office of Inspector General (HHS-OIG)², the Auditor of State's Office completed an audit of the Department's participation in PARIS. In its response to the HHS-OIG report, the Department indicated it would, in part, ensure that PARIS alerts are sent to the County Departments of Job and Family Services (CDJFS) after the alerts are generated and would ensure the CDJFS' timely processing of these alerts. The Department further indicated it would conduct training covering returned mail procedures and PARIS alert processing. The Department also noted that it made an additional enhancement to stop eligibility from being passively renewed if there is an unworked PARIS match which would trigger the manual eligibility renewal process.

To verify the effectiveness of the Department's corrective actions, this audit focused on three objectives:

1. Confirming whether CDJFS caseworkers worked PARIS alerts timely;
2. Vouching whether CDJFS caseworkers timely dis-enrolled recipients with a PARIS alert that were ineligible for Ohio Medicaid because they were determined to be concurrently eligible and residing in another state or did not respond to verification notices; and
3. Confirming whether the Department recouped improper capitation payments related to PARIS alerts.

We conducted this audit for PARIS alerts generated in June, September, and December 2021. We selected a total of 330 PARIS alerts (a sample of 110 alerts from each month in the audit period) and determined if the alert was worked within the Department's established timeline (see Background section) and followed the established procedures and guidance.

In 48 percent of the PARIS alerts tested, there were no steps taken to determine the recipient's residency. We found that an additional 11 percent of the sampled alerts were worked but not within the required timeframe and, as a result, benefits for these recipients were not terminated timely and improper capitation payments were made. Of those alerts that were not worked within the required timeframe, the average time to work the alert was 94 days. For those alerts that were worked timely, we found that benefits were terminated and no improper capitation payments were made.

In 13 instances in which the alert was worked but not within the required timeframe, the recipient no longer resided in Ohio. We identified over \$16,000 in improper capitation payments associated with these 13 recipients from the time the alert should have been worked through June 2022.

On the basis of our sample results, we estimate that not working and not timely working PARIS alerts could have a potential impact on the Ohio Medicaid program between \$5.3 million and \$24.5 million.

² Ibid.

We recommend that the Department:

- Evaluate its current process for working PARIS alerts and identify barriers for working these alerts within the established timeline and procedures and obtain input from CDJFS staff on enhancements and recommendations to the Ohio Benefits system;
- Monitor the CDJFS PARIS alert reports on a monthly basis to ensure the timely processing of PARIS alerts and provide technical assistance to CDJFS staff to ensure PARIS alerts are worked accurately and timely;
- Publish an updated PARIS Alert Processing Guide; and
- Review the sampled PARIS alerts that were not worked to determine whether the recipient resided in another state and then identify and recoup any improper capitation payments that were made for those recipients.

Overview

We conducted this audit to determine if PARIS alerts were worked timely, if recipients found to be ineligible for Ohio Medicaid because they were concurrently eligible and residing in another state or did not respond to verification notices were dis-enrolled timely and if the Department recouped improper capitation payments. This audit was performed pursuant to the State Auditor's authority as set forth in Ohio Rev. Code § 117.11 and covered PARIS alerts generated in June, September, and December 2021.

A recent report from HHS-OIG³ covering the period of August 2018 found instances in which Ohio made capitation payments on behalf of beneficiaries who should not have been eligible for Ohio Medicaid because they were concurrently eligible and residing in another state. The purpose and scope of this audit follows up on this HHS-OIG report to determine if the prior issues found in Ohio have been addressed and corrected. In September 2022, HHS-OIG released an additional report⁴ noting Ohio and other states made capitation payments in August 2019 and August 2020 for recipients concurrently enrolled in a Medicaid managed care program in two states.

Background

The Medicaid Program

The Social Security Amendments of 1965 established Medicaid by adding Title XIX to the Social Security Act. Medicaid is a jointly funded program between the states and the federal government in which the federal government matches funding to States to enable them to provide medical assistance to residents who meet certain eligibility requirements.

Each state administers their own Medicaid program according to federal guidelines and is required to provide Medicaid services to eligible individuals. Eligibility cannot be denied or terminated due to a recipient's temporary absence from the State unless the State has determined the recipient is a resident of another state. See 42 CFR § 435.403(a) and (j)(3).

Ohio Medicaid

By statute, the Department is the single state agency responsible for the administration of Ohio's Medicaid program. Additional information regarding the Ohio Medicaid program and eligibility criteria is available in a 2020 report released by the Auditor of State⁵.

The Department employs one system to process payments and another for eligibility. The Medicaid Information Technology System (MITS) processes Medicaid payments and Ohio Benefits is the system used to determine Medicaid eligibility. These two systems are integrated to work collaboratively to enroll recipients in order to provide access to medically necessary services efficiently and effectively to Ohio's vulnerable populations and to make payments for these services. The Department utilizes the CDJFS offices in each county to work with applicants to enroll in Medicaid, perform eligibility determinations and re-determinations in the eligibility system, as well as follow up on system alerts.

³ Ibid.

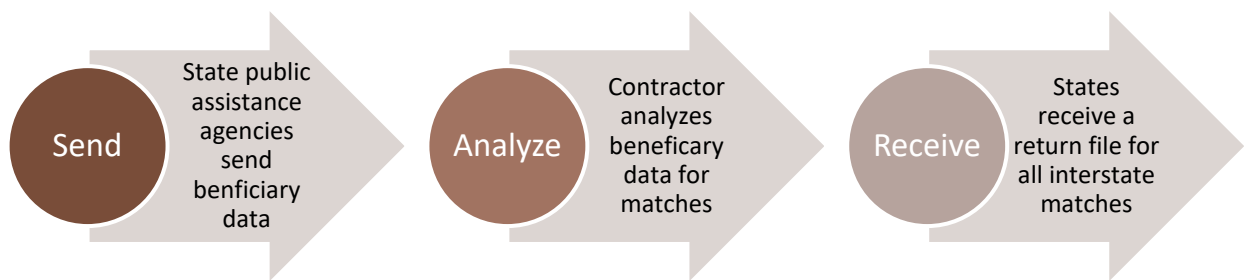
⁴ The HHS-OIG report entitled *Nearly All States Made Capitation Payments for Beneficiaries Who Were Concurrently Enrolled in a Medicaid Managed Care Program in Two States*, by Christi A. Grimm, Inspector General for Audit Services, September 2022 (A-05-20-00025) is available at: [HHS-OIG 2022 Report on Capitation Payments](#).

⁵ 117 Audit in the Public Interest entitled *Ohio's Medicaid Eligibility Determination Process* by Ohio Auditor of State, Keith Faber, November 2020 is available at: [Medicaid Eligibility Report](#).

Public Assistance Reporting Information System

PARIS is a federal-state partnership that enhances the integrity of public assistance programs through detecting and deterring improper payments by performing a data match of recipients to determine if they are receiving benefits in two or more states. State Medicaid programs are statutorily required⁶ to participate in PARIS and some states also use it for Temporary Assistance for Needy Families (TANF), Workers' Compensation, Child Care and the Supplemental Nutrition Assistance Program (SNAP).

The Administration for Children and Families, a division of the U.S. Department of Health and Human Services, manages this partnership and utilizes an independent contractor to perform the data match. The PARIS matching process contains three separate matches: Veterans Administration, Department of Defense/Office of Personnel Management and the Interstate Match. The scope of this audit focuses solely on the Interstate Matches.



This Interstate match is conducted once per quarter. Each state submits data with verified social security numbers of individuals receiving benefits. Ohio submits this for all individuals receiving Medicaid, SNAP and TANF assistance as of the date of the data file creation.

PARIS Alerts

When the Department receives a PARIS match, a contact notice is system generated from Ohio Benefits and mailed to the recipient's address of record. If the recipient responds and verifies Ohio residency, benefits are continued. If the response indicates an out of state residency, benefits are discontinued as of that date.

If the recipient does not respond to the contact notice within 10 days, a PARIS interstate match alert is generated in the Ohio Benefits system which notifies the CDJFS of the match. A verification notice with a 10 day deadline is then mailed to the recipient by the CDJFS caseworker, and if no response is received, a subsequent verification notice with an additional 10 day deadline is mailed. If there is no response after the second verification notice, benefits are to be terminated by the CDJFS caseworker effective at the end of the month after the alert was generated. The CDJFS caseworker can also verify a recipient's residency by contacting the other state in which the recipient is receiving benefits.

The Department has a method to process returned mail and integrates this process with sending out notices to the recipient. When mail is returned, if there is a forwarding address, the notice is mailed to the new address and serves as a second verification attempt or if not, attempts are made to contact the recipient and all authorized representatives. If a response is received, the case is updated accordingly. If no response is received or the response received indicates the individual is no longer a resident of Ohio, benefits are discontinued.

⁶ See Social Security Act § 1903(r)(3) and 42 CFR § 435.945(d).

On January 31, 2020, the secretary of HHS declared a Public Health Emergency (PHE), effective as of January 27, 2020, for the entire United States to aid the nation's health care community in responding to COVID-19. On March 13, 2020, the president declared the ongoing COVID-19 pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC 5121-5207 (the "Stafford Act"), with a retroactive effective date of March 1, 2020. Furthermore, the current PHE was renewed for an additional 90 days with the last renewal occurring on October 13, 2022.⁷

During a PHE or disaster, CMS can rely on various legal authorities to grant states emergency flexibilities critical to ensuring that states can respond to the crisis expeditiously to protect and serve the general public. Over the course of the PHE for COVID-19, state Medicaid agencies adopted many flexibilities to respond effectively to local outbreaks, including changes to modify eligibility requirements and benefit packages, ensure access to home and community-based services (HCBS), and support health care providers' access by adjusting enrollment and screening processes.

In addition, states made program changes to comply with the requirements of the Families First Coronavirus Response Act (FFCRA) (Pub. L. No. 116- 127), as amended by the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. No. 116-136). Section 6008 of the FFCRA provides states with a temporary 6.2 percentage increase to the Federal Medical Assistance Percentage (FMAP) under section 1905(b) of the Social Security Act for certain Medicaid expenditures if states meet certain conditions, including a continuous enrollment requirement for most Medicaid beneficiaries who were enrolled in the program as of or after March 18, 2020.

While Ohio accepted the increased temporary FMAP and agreed to the continuous enrollment requirement, the Department was still required to terminate benefits if the recipient requested a termination, ceased to be a resident of Ohio or was deceased.⁸

Analysis

We reviewed Federal and State laws pertaining to PARIS alerts and obtained a description of the Department's procedures and guidance to process PARIS alerts. We also inquired with the Department as to the corrective actions detailed in the November 2020 HHS-OIG report⁹.

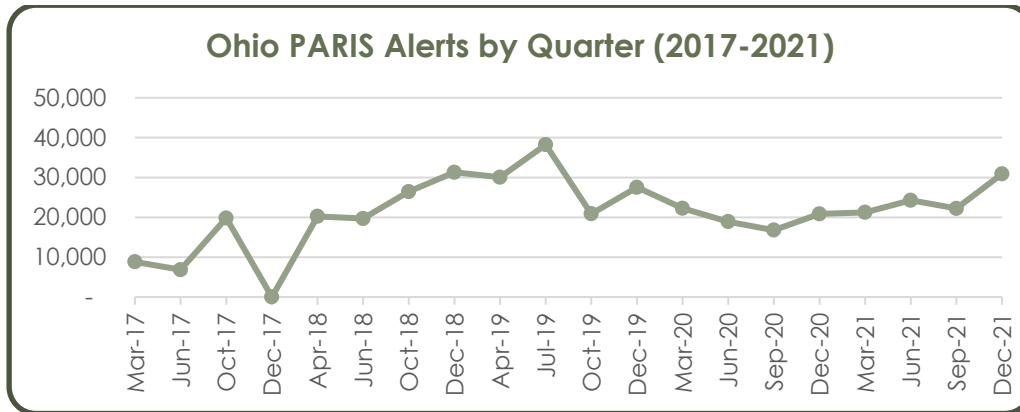
In response, the Department provided its plan for monitoring concurrent eligibility, provided quarterly communication to all Ohio Benefit users on PARIS alerts, provided training to the CDJFS on alerts and returned mail processing, made system enhancements in Ohio Benefits to prevent a case from being passively renewed with an unworked PARIS alert and improved the visibility of alerts for caseworkers. However, the Department did not monitor the PARIS alert report on a quarterly basis at the CDJFS level to ensure the timely processing of PARIS alerts nor did it publish an updated PARIS Alert Processing Guide.

The following chart displays the PARIS alerts generated for Ohio over the span of the last five years (2017-2021).

⁷ Renewal of PHE Determination is available at: [Declarations of a Public Health Emergency](#)

⁸ 42 CFR 433.400(d)(1) and the Department's Medicaid Eligibility Procedure Letter (MEPL) No. 150B (December 2020)

⁹ A copy of this HHS-OIG can be found here: [HHS-OIG 2020 Ohio Concurrent Eligibility Report](#).



Source: Ohio Department of Medicaid

The Department indicated that no alerts were sent in December 2017. The Department reported that it made system enhancements and addressed system defects within Ohio Benefits during this five-year period.

The chart above shows an increase in quarterly PARIS alerts in state fiscal year 2019 (July 2018 through June 30, 2019), which is similar to the increase in alerts noted in the November 2020 Auditor of State report regarding Ohio’s Medicaid Eligibility Determination Process¹⁰ for the same time period which cited that historically the Department did not have controls and procedures in place to monitor alerts. Moreover, the chart above also shows an increase in quarterly PARIS alerts since September 2020 which further exacerbated an already strained alert process.

To identify the population of PARIS alerts, we obtained a data file of interstate alerts generated for June, September and December 2021 from the Department¹¹. We reviewed the data file and noted matches for 42,807 recipients.

42,807 Ohio recipients matched other states:

- 41,594 matched one other state
- 1,152 matched two other states
- 53 matched three other states
- 8 matched four other states

We noted an 84 percent increase in the number of alerts between September 2020 and December 2021. We analyzed the alert data for June, September and December of 2021 and found that more than 7,600 alerts from June (33 percent of total alerts) showed as having been cleared and yet repeated as another alert in September. A total of 5,700 cleared alerts from September (27 percent of total alerts) repeated as an alert in December. Among other reasons, if both Ohio and the corresponding states with a PARIS alert do not clear the alert, it will reoccur as an alert in the next quarterly match.

¹⁰ A copy of this report can be found here: [Medicaid Eligibility Report](#).

¹¹ Interstate PARIS alerts were generated when an Ohio recipient has SNAP, TANF, or Medicaid benefits concurrently with another state.

Methodology

From the total population of PARIS alerts, we extracted all June, September and December 2021 alerts into separate files and summarized each file by the Ohio Benefits case number and social security number. From each file, we selected a statistical random sample of 110 alerts. While we selected a statewide sample, we noted the reported counties of residence were from 45 of the 88 Ohio counties. A breakdown of the recipients' reported county of residence is available in **Appendix A**.

Month	Number of Alerts	Alerts Sampled
JUNE	23,186	110
SEPTEMBER	21,176	110
DECEMBER	29,538	110
TOTAL	73,900	330

For each of the samples, we reviewed Ohio Benefits and MITS, as well as the electronic document management system for each of the recipients to determine if the PARIS alerts were worked timely¹². We performed steps to determine the following:

- Whether a PARIS contact notice was generated in Ohio Benefits and sent to the recipient;
- Whether an initial and subsequent verification request was sent by the CDJFS;
- Whether the recipient responded to the verification request;
- If and how residency was subsequently determined by the CDJFS;
- For recipients determined to be living out of Ohio, if benefits were terminated timely; and
- Once benefits were terminated, if an adverse action was sent to the recipient.

We also obtained capitation payment data, including recoupments, from the Department for all recipients with a PARIS alert during our audit period. We noted that only 37,488 of the 42,807 recipients with a PARIS alert during our audit period had a capitation payment. We used the data to identify improper capitation payment amounts for recipients found to no longer be residing in Ohio. Also using this data, we identified the potential financial impact to Ohio's Medicaid program for PARIS alerts that were not worked or were not worked timely.

Further, we selected three county CDJFS offices, Cuyahoga, Franklin and Summit, and interviewed staff to gain an understanding of their process for working PARIS alerts and the barriers they encounter. Cuyahoga CDJFS reported that it had developed an internal system for tracking alerts while Franklin and Summit CDJFS offices utilize the quarterly spreadsheets from the Department. Cuyahoga and Summit CDJFS staff indicated alerts are worked during processing times while Franklin CDJFS has certain workers who spend three hours per day working alerts.

¹² A timely worked alert is defined as the CDJFS caseworker verifying residency within the timeline of the procedures and guidance as established by the Department which is the end of the month following the alert. See Background section for more information.

The barriers identified by these three CDJFS offices included the following:

- The volume of alerts;
- Lack of staff time and/or insufficient staffing;
- Difficulty receiving information from clients; and
- Not receiving benefit verification from other states.

One CDJFS representative also stated it would be more efficient if the original contact notice generated by the system included a due date so it could be considered the first verification attempt. These barriers were consistent with those identified in the Auditor of State’s November 2020 report regarding Ohio’s Medicaid Eligibility Determination Process in which CDJFS offices cited a high volume of alerts.

We sent preliminary results to the Department, and it subsequently submitted additional documentation which we reviewed and updated our results accordingly prior to the completion of our fieldwork.

Results

Of the 330 sampled alerts, 194 contained errors resulting in a 59 percent error rate. The errors include 158 instances in which the alert was not worked at all and 36 instances in which the alert was not worked timely.

Total Sampled Alerts					
	June	September	December	Total	Percent
Alerts Not Worked	54	51	53	158	48%
Alerts Not Worked Timely	9	12	15	36	11%
Total Errors	63	63	68	194	59%
Alerts Worked Timely	31	33	32	96	29%
Alerts in Which the Recipient was Disenrolled Prior to the Alert or an Inaccurate Match	16	14	10	40	12%
Total	110	110	110	330	100%

Finding for Recovery: \$16,091

Of the 11 percent of the sampled alerts (36 of 330) which were worked, but not within the required timeframe, there were 13 instances in which the recipient was determined to be a non-Ohio resident. In these instances, we identified all capitation payments made from the time the alert should have been worked through June 2022. The total of these improper capitation payments was \$16,091.

Based on our results, we estimate the combined financial impact of not working PARIS alerts and not timely working PARIS alerts could have a potential impact on the Medicaid program of between \$5.3 and \$24.5 million for a 12 month period¹³. See **Appendix B** for the methodology used in calculating the estimated financial impact.

¹³ In its 2020 audit, HHS-OIG contacted other states to verify residency and found that the recipient was not an Ohio resident for approximately 45 percent of alerts. The potential estimate identified in this report uses 17 percent as rate for non-residency and as such is a conservative estimate.

Estimated Annual Financial Impact	
Alerts not Worked	\$5 million / \$23.2 million
Alerts not Worked Timely	\$289,000 / \$1.3 million
Total Estimated Financial Impact	\$5.3 million / \$24.5 million

In addition, we identified that for 199 of the 330 sampled alerts (60 percent), no initial verification letter was sent by the CDJFS and an additional six instances in which a subsequent verification letter was not sent.

Recommendations

This report includes the following recommendations to the Department to help improve the process for working PARIS alerts. These recommendations are limited to the results of procedures performed during this audit and may not reflect all deficiencies or weaknesses.

Recommendation 1: Evaluate Current PARIS Alert Process and the Ohio Benefits System

As cited in the Auditor of State’s public interest audit of *Ohio’s Medicaid Eligibility Determination Process*, the Ohio Benefits system, the complexity of the State’s Medicaid system, use of a county administered system and multiple avenues for information to be submitted have resulted in system errors, human errors and communication difficulties.

The Department has added system enhancements in Ohio Benefits to prevent a case from being passively renewed with an unworked PARIS alert and improved the visibility of alerts for caseworkers. Although the Department has taken initiative by adding some system enhancements, fundamental changes are needed in the process and/or resources devoted to PARIS alerts in order to reduce the number of unworked alerts and those alerts not worked timely.

We recommend that the Department evaluate the current PARIS alert process and Ohio Benefits system to determine if additional enhancements can result in a more efficient and effective alert process. Moreover, we determined that for 60 percent of the sampled alerts, there was no initial or subsequent verification letter sent to the recipient by the CDJFS caseworker when an alert was created and residency often went unverified. Additionally, as was suggested in interviews with County CDJFS workers, the Department should consider the feasibility of adding a due date to the initial contact notice and/or automate the sending of verification letters to increase the efficiency of the PARIS alert process. Furthermore, the occurrence of repeated alerts between quarters has increased the county workload and contributes to an ineffective alert process.

As noted in this report, the magnitude of the financial impact of not working alerts calls for increased efforts on the part of the Department. The Department should evaluate these areas and obtain input from CDJFS staff on enhancements and recommendations to the Ohio Benefits system to improve the PARIS alert process and increase the confidence of the public.

Recommendation 2: Monitoring and Technical Assistance

In response to the 2020 HHS-OIG report, the Department stated it would monitor the PARIS alert report, at least quarterly, to ensure CDJFS' timely processing of alerts. The Department's 2020 Monitoring Plan stated, "ODM Compliance will generate and issue reports identifying PARIS alerts to all 88 counties and monitor completion of the detail information pages." The Department communicated to us that due to low staffing levels, it was not available to monitor county specific pending alerts and provide outreach and that in February and May 2022 it added new staff.

The Department's 2022 Monitoring Plan stated that "Beginning August 2022, ODM Compliance will begin gathering weekly statistics on each county's pending PARIS alerts. Counties which are not showing a sufficient decrease in total pending PARIS alerts will receive additional outreach monthly to ensure they understand the importance of processing PARIS alerts as well as offering additional support, as needed." As of September 2022, the Department provided a county monitoring report which included PARIS alerts; however, it had not yet "begun outreach to those counties which are not making progress on their PARIS alerts..."

We recommend the Department follow its plan to monitor the county PARIS alert reports on a monthly basis to ensure the timely processing of PARIS alerts and provide assistance to counties as needed.

Recommendation 3: PARIS Alert Processing Guide and Training

In response to the 2020 HHS-OIG report, the Department stated, "an updated PARIS Alert Processing Guide will be published." The Department provided copies of desk aides and instructions prepared by ODJFS dating back to 2015 but stated they were not being distributed or used by counties.

We recommend the Department update the PARIS Alert Processing Guide as recommended by the HHS-OIG.

Recommendation 4: Review the Sampled PARIS Alerts

We recommend the Department review the sampled PARIS alerts that were not worked and verify residency of the recipient to determine whether the recipient resided in another state and was improperly receiving Medicaid benefits in Ohio. If the Department finds that the recipient did not reside in Ohio, we recommend the Department identify and recoup any capitation payments that were made on behalf of the recipient from the managed care organization and refund the federal share.

Conclusion

The Department provided a response to the results of this audit which can be found in Appendix C.

In its response to Recommendation 3: PARIS Alert Processing Guide and Training, the Department indicated that it had “conducted the first annual PARIS training on November 9, 2020” and provided supporting documentation that the training was held on that date. Accordingly, we updated our recommendation to remove the training issue.

In its response to Recommendation 4: Review the Sampled PARIS Alerts, the Department indicated that “during the public health emergency (PHE), Ohio is required to either receive confirmation from the Medicaid recipient that they have moved out of state, or the other state must confirm the individual has an open Medicaid case in that state prior to discontinuing the individual’s Ohio Medicaid.” The results of our testing showed that 59 percent of PARIS alerts were either not worked or were not worked timely. Consequently, our recommendation for the Department to review our sample results and take appropriate action remains valid.

We reviewed the Department’s response and except as noted above, made no additional changes, and maintain that our results and recommendations are valid.

Appendix A

This table indicates the breakdown of the sampled statewide alerts by county per the address contact notices were sent to and is not intended to be reflective of a CDJFS' performance in working alerts.

County of Residence	Number of Alerts
Allen	5
Ashtabula	1
Belmont	1
Butler	10
Clark	1
Clermont	4
Columbiana	2
Cuyahoga	44
Darke	1
Erie	1
Fairfield	1
Franklin	40
Gallia	2
Greene	2
Guernsey	2
Hamilton	33
Highland	1
Hocking	1
Huron	1
Jefferson	5
Lake	1
Lawrence	2
Licking	1
Lorain	5

County of Residence	Number of Alerts
Lucas	17
Mahoning	11
Marion	1
Medina	1
Meigs	1
Miami	1
Montgomery	11
Muskingum	2
Portage	4
Putnam	1
Richland	3
Ross	1
Scioto	2
Seneca	1
Stark	3
Summit	11
Trumbull	3
Union	1
Warren	3
Washington	2
Wayne	3
Out of State	3
Not Recorded	77
Total	330

Note: Out of state indicates a contact notice was sent to an address outside of Ohio. In addition, not recorded includes instances in which no contact notice was sent, inaccurate matches and previously disenrolled recipients.

Appendix B

The following table details the potential financial impact of **not working alerts**:

Annual Potential Financial Impact of Alerts not Worked	
Error rate of alerts not worked in the population	48%
Recipients with an alert and a capitation payment	37,488
Total potential alerts not worked timely	17,994
Non residency rate	17%
Estimated number of non-residents	3,059
Lowest and average monthly capitation payments	\$137 / \$633
Potential financial impact for 12 payments	\$5 million / \$23.2 million

Note: The non-residency rate is calculated as the percent of recipients found to be non-Ohio residents in the alerts worked (timely and not timely) in the samples.

The following table details the potential financial impact of **not working alerts timely**:

Annual Potential Financial Impact of not Working Alerts Timely	
Error rate of alerts not worked timely in the population	11%
Recipients with an alert and a capitation payment	37,488
Total potential alerts not worked timely	4,124
Non residency rate	17%
Estimated number of non-residents	701
Lowest and average monthly capitation payments	\$137 / \$633
Potential financial impact for 3 payments	\$289,000 / \$1.3 million

Note: The non-residency rate is calculated as the percent of recipients found to be non-Ohio residents in the alerts worked (timely and not timely) in the samples. In addition, the potential financial impact is calculated for three months because the average time to work an alert was 94 days, or approximately three months.

Appendix C



Department of Medicaid

Mike DeWine, Governor
Jon Husted, Lt. Governor

Maureen M. Corcoran, Director

November 30, 2022

Keith Faber, Auditor of State of Ohio
Attn: Sam Long, Assistant Chief Auditor
Medicaid/Contract Audit Section
88 East Broad Street, 4th Floor
Columbus, Ohio 43215

Dear Auditor Faber:

Thank you for the opportunity to respond to the draft report issued by the Auditor of State (AOS) regarding the audit of Public Assistance Reporting Information System (PARIS) Alerts. The Ohio Department of Medicaid (ODM) offers the following response to the recommendations contained therein.

Recommendation 1: Evaluate Current PARIS Alert Process and the Ohio Benefits System

As cited in the Auditor of State's public interest audit of Ohio's Medicaid Eligibility Determination Process, the Ohio Benefits system, the complexity of the State's Medicaid system, use of a county administered system and multiple avenues for information to be submitted have resulted in system errors, human errors and communication difficulties.

The Department has added system enhancements in Ohio Benefits to prevent a case from being passively renewed with an unworked PARIS alert and improved the visibility of alerts for caseworkers. Although the Department has taken initiative by adding some system enhancements, fundamental changes are needed in the process and/or resources devoted to PARIS in order to reduce the number of unworked alerts.

We recommend that the Department evaluate the current PARIS alert process and Ohio Benefits system to determine if additional enhancements can result in a more efficient and effective alert process. Moreover, we determined that for 60 percent of the sampled alerts, there was no initial or subsequent verification letter sent to the recipient by the CDJFS caseworker when an alert was created and residency often went unverified. Additionally, as was suggested in interviews with County CDJFS workers, the Department should consider the feasibility of adding a due date to the initial contact notice and/or automate the sending of verification letters to increase the efficiency of the PARIS alert process. Furthermore, the occurrence of repeated alerts between quarters has increased the county workload and contributes to an ineffective alert process.

As noted in this report, the magnitude of the financial impact of not working alerts calls for increased efforts on the part of the Department. The Department should evaluate these areas and obtain input from CDJFS staff on enhancements and recommendations to the Ohio Benefits system to improve the PARIS alert process and increase the confidence in the public.

ODM Response

ODM is committed to working with our state and county partners to improve the PARIS alerts process at both the state and county levels. ODM heard from counties that the volume of alerts generated in Ohio Benefits (OB) hindered the caseworkers' ability to complete daily tasks. The OB Program team, consisting of ODJFS, DAS, and ODM representatives, worked collaboratively to reduce the volume of alerts generated in the system. The team started analysis in 2020, reviewing the alerts that represented the highest volume and the highest error rates and prioritizing any defects or enhancements identified for upcoming releases. Since that time, the OB Program team has completed significant work to reduce the number of all alerts generated by OB.

To continue the effort of Alert improvements in OB, staff continued engaging in "Sprints," a project management approach to identify, design, and deploy changes to functionality that can be made quickly but with a significant impact. Since the onset of alert sprint efforts, the project team has completed five alert sprints and a release focused on implementing smarter alert logic that includes removal of redundant alerts, clearing outdated alerts, re-evaluation of income comparison logic and automation of alert actions on behalf of the worker. Through these efforts so far, we have seen overall reduction of incoming alerts of up to 50% per month.

The OB Program team will continue to analyze and improve OB system functionality into 2023, including alert functionality. ODM has identified two known defects related to PARIS alerts. The team has slotted one defect fix related to system-generated PARIS contact notices for release 4.4.1 on December 10, 2022, and the second defect fix related to performance of the interstate matches coming into OB is slotted for release 4.5 on January 23, 2023. A sprint is scheduled in April 2023 after monitoring the impact of the five alert sprints.

The Department has a unit of County Engagement managers who work closely with the counties and meet regularly, at least quarterly, with all 88 counties individually. The County Engagement managers will add PARIS alert function and processing to their next quarterly meeting agenda and use this opportunity to review the importance of PARIS alert processing, receive county feedback on the PARIS alert system, and discuss process improvements. The County Engagement managers will review and provide feedback on county procedures for processing PARIS alerts.

Regarding the system-generated initial contact notice, ODM agrees with the suggestion from County Department of Job and Family Services (CDJFS) caseworkers to consider adding a due date to the notice. ODM is beginning the process to determine the level of effort and feasibility of making system changes to add the actual due date on the initial contact notice. Today, the notice requires a response by the Medicaid recipient within 10 days of receiving the notice. ODM will work with our vendor and ODJFS to request a change to add the actual date. By doing so, the CDJFS may consider this initial contact notice as the first request notice and it will only need to send a second notice, resulting in less administrative work for the CDJFS. This change is tentatively slotted for release 4.6.2, scheduled on June 23, 2023.

Regarding the Auditors concerns about repeated PARIS alerts increasing county workload, repeated alerts between quarters are an obstacle not easily overcome. The OB eligibility system generates the PARIS Interstate Match alerts each quarter in March, June, September, and December. This alert is generated when an inbound PARIS interstate file is a match with an individual in OB and the disposition code has not been updated. If the CDJFS worker updates the disposition code, the repeated alert should not occur within the same quarter; however, this CDJFS worker action will not prevent the system from generating the alert in future quarters if the match is included in the interstate file.

States have little control over the matches received in the PARIS interstate file. When ODM identifies an issue from another state, we proactively attempt to correct it. For example, ODM recently learned of a neighboring state that is continuously sending erroneous matches due to an issue in the client record in that state's eligibility system. ODM, DAS and ODJFS discussed and ODJFS contacted that state to resolve the issue.

ODM will continue to collaborate with the OB Program team to evaluate the PARIS alerts process, implement changes to enhance effectiveness, and reduce alerts generated by the OB eligibility system.

Recommendation 2: Monitoring and Technical Assistance

In response to the 2020 HHS-OIG report, the Department stated it would monitor the PARIS alert report, at least quarterly, to ensure CDJFS' timely processing of alerts. The Department's 2020 Monitoring Plan stated, "ODM Compliance will generate and issue reports identifying PARIS alerts to all 88 counties and monitor completion of the detail information pages." The Department communicated to us that due to low staffing levels, it was not available to monitor county specific pending alerts and provide outreach and that in February and May 2022 it added new staff.

The Department's 2022 Monitoring Plan stated that "Beginning August 2022, ODM Compliance will begin gathering weekly statistics on each county's pending PARIS alerts. Counties which are not showing a sufficient decrease in total pending PARIS alerts will receive additional outreach monthly to ensure they understand the importance of processing PARIS alerts as well as offering additional support, as needed." As of September 2022, the Department provided a county monitoring report which included PARIS alerts; however, it had not yet "begun outreach to those counties which are not making progress on their PARIS alerts..."

We recommend the Department follow its plan to monitor the county PARIS alert reports on a monthly basis to ensure the timely processing of PARIS alerts and provide assistance to counties as needed.

ODM Response

ODM sends a communication to all OB users to notify them of the date the PARIS alerts will generate, provide general PARIS alert processing reminders, and inform counties that ODM will send a report of the PARIS alerts to each CDJFS when the alerts are generated. The ODM Eligibility Compliance team creates the PARIS alert report, consolidating all PARIS alerts into one report for ease of completion by the CDJFS caseworkers. ODM sends the reports twice per quarter along with detailed instructions.

The ODM Eligibility Compliance team began gathering weekly pending PARIS alert statistics in July 2022 for each county. On October 17, 2022, ODM selected ten counties for outreach based on their continued high level of pending PARIS alerts in their county. ODM sent emails to each of the ten counties to inform them of their pending PARIS alert trend, notify them of the upcoming annual PARIS Alert training, and offer assistance that may be needed for their county to understand how PARIS alerts should be processed. ODM Eligibility Compliance will select a new round of counties in November 2022 and will provide outreach in the same manner.

ODM Eligibility Compliance has also started reviews of cleared PARIS Interstate alerts for each county to ensure the counties process alerts appropriately. Once we complete the reviews for the current quarter, we will share the results with the ODM County Engagement team for use in follow up discussions with counties as needed. As noted above, the County Engagement managers will add PARIS alert function and processing to their next quarterly meeting agenda to review the importance of PARIS alert processing, receive feedback on PARIS alert system and process improvements, and review/provide feedback on the county's procedures for processing PARIS alerts.

ODM has fully implemented the monitoring plan established in 2020 and will continue to monitor as planned.

Recommendation 3: PARIS Alert Processing Guide and Training

In response to the 2020 HHS-OIG report, the Department stated, “an updated PARIS Alert Processing Guide will be published.” The Department provided copies of desk aides and instructions prepared by ODJFS dating back to 2015 but stated they were not being distributed or used by counties. The Department also stated in response to the HHS-OIG report that it would “conduct the PARIS alert training jointly with ODJFS on November 9, 2020. This training will cover finding PARIS alerts, reviewing PARIS Interface screens, and the steps that should be taken to properly process a PARIS alert,” however; this training was not conducted until November 2021. The Department did state this alert training “was available on their Innerweb for workers to review on demand and the next steps will be to update the PARIS alert processing guide.”

We recommend the Department update the PARIS Alert Processing Guide as recommended by the HHSOIG and hold PARIS alert training annually in accordance with its Monitoring Plan.

ODM Response

Based on the ODM practice of replacing the outdated versions of training on the website with the most current version, some of the statements in Recommendation 3 are not accurate. As ODM explained in the exit conference, the misunderstanding about past training likely stemmed from the training being updated on the website, leading to an appearance that 2020 training did not occur. The auditors understandably concluded, based on the website review, that training in 2020 did not occur. To clarify, ODM does hold PARIS alert training annually in addition to providing PARIS-related information during monthly conferences as needed. We conducted the first annual PARIS training on November 9, 2020, the second annual PARIS training on November 30, 2021, and the third annual PARIS training is scheduled to take place on November 29, 2022.

The updated PARIS Alert Processing Guide draft is currently in the review phase of the development process. ODM ensures that each procedure guide that it develops goes through three levels of review: management, county, and ODM legal and eligibility policy. During the second level of the review phase, ODM shares procedure guides with a county focus group to obtain county feedback and makes updates to the procedure guide based on county feedback. We expect to finalize and publish the PARIS Procedure Guide during the first quarter of 2023.

Recommendation 4: Review the Sampled PARIS Alerts

We recommend the Department review the sampled PARIS alerts that were not worked and verify residency of the recipient to determine whether the recipient resided in another state and was improperly receiving Medicaid benefits in Ohio. If the Department finds that the recipient did not reside in Ohio, we recommend the Department identify and recoup any capitation payments that were made on behalf of the recipient from the managed care organization and refund the federal share.

ODM Response

ODM provided the sample of PARIS alerts with errors to the CDJFS agencies to verify residency of the recipients and take steps to disenroll the individuals from Ohio Medicaid if confirmed that the recipients live out of state. This will ensure ODM does not continue capitation payments for individuals identified who no longer reside in Ohio. ODM has collected all responses from CDJFS agencies. Upon initial review of the responses received, fewer than half of the PARIS alerts included in the sample resulted in Ohio Medicaid being discontinued.

Also, during the public health emergency (PHE), Ohio is required to either receive confirmation from the Medicaid recipient that they have moved out of state, or the other state must confirm the individual has an open Medicaid case in that state prior to discontinuing the individual's Ohio Medicaid. In the instance where the CDJFS does not receive confirmation from either source, the individual's Ohio Medicaid must remain open. The AOS noted in their draft report that two of the four barriers identified by CDJFS offices were difficulty receiving information from clients, and not receiving benefit verification from other states. The PHE amplified these challenges.

ODM will consider whether recouping managed care capitation payments in these instances is appropriate. Factors to consider include whether the CDJFS is aware of the date the individual moved out of state and when the notice of action is sent to the individual. ODM will consult with the state-contracted actuary to determine materiality of these scenarios in rate setting and consider adjusting capitation rates if necessary to reduce adverse impact.

ODM appreciates the Auditor of State's review and recommendations. Thank you for the opportunity to provide comments on the draft report. Please let me know if you have questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Maureen M. Corcoran". The signature is fluid and cursive, with a long horizontal stroke at the end.

Maureen M. Corcoran, Director

OHIO AUDITOR OF STATE KEITH FABER



OHIO DEPARTMENT OF MEDICAID - PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM ALERTS

FRANKLIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/15/2022

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