



PROGRAM EVALUATION DIVISION

NORTH CAROLINA GENERAL ASSEMBLY

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Timeliness of Medicaid Eligibility Determinations Declined Due to Challenges Imposed by NC FAST and Affordable Care Act Implementation

Summary

The Joint Legislative Program Evaluation Oversight Committee directed the Program Evaluation Division to examine the effectiveness and efficiency of Medicaid eligibility determinations. In North Carolina, county departments of social services (county DSS offices) perform Medicaid eligibility determinations under the supervision of the Department of Health and Human Services (DHHS).

County DSS offices failed to meet North Carolina's timeliness standard for processing Medicaid applications in Fiscal Years 2013–14 and 2014–15. North Carolina's timeliness performance standard requires that Medicaid applications be processed within 45 days. The statewide timeliness percentage was 70% in Fiscal Year 2013–14 and 61% for Fiscal Year 2014–15. No county DSS office met its individual timeliness standard for Fiscal Year 2014–15.

The decrease in the statewide timeliness percentage in Fiscal Years 2013–14 and 2014–15 coincided with a workload increase for county DSS offices. The 43% increase in Medicaid applications processed by county DSS offices during Fiscal Year 2013–14 coincided with a 30% decrease in statewide timeliness percentage from Fiscal Year 2012–13.

NC FAST implementation and enactment of the Affordable Care Act created conditions that affected the workload of county DSS offices and posed other challenges. NC FAST implementation and changes to Medicaid eligibility policies mandated by ACA implementation increased the Medicaid workload and created backlogs that decreased the timeliness percentages for most county DSS offices.

NC FAST offers DHHS the opportunity to proactively manage and monitor county DSS offices; however, the department needs additional resources and authority to hold counties accountable. DHHS does not have explicit state authority to rescind a county DSS office's authorization to administer Medicaid eligibility or to compel a county to expend resources if an office fails to comply with state timeliness performance standards.

Based on these findings, the General Assembly should

- enact state law authorizing DHHS to intervene and take over county administration of Medicaid eligibility determinations when warranted;
- direct DHHS to report on the timeliness of Medicaid eligibility determinations for Fiscal Years 2015–16 and 2016–17; and
- appropriate \$300,000 to DHHS to support utilization of NC FAST data for performance measurement and evaluation.