

North Carolina Department of Health and Human Services
Division of Medical Assistance

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Ambassador (Ret.)
Secretary DHHS

Robin Gary Cummings, M.D.
Deputy Secretary for Health Services
Director, Division of Medical Assistance

October 21, 2014

Dear County Department of Social Services Director:

Counties have worked very hard over an extended period of time to meet case processing challenges in Food and Nutrition Services (FNS) and Medicaid. As reflected in the Accelerated Medicaid Processing Plans (AMPP) all 100 counties relied on compensatory time and/or overtime to help meet these unprecedented challenges. The purpose of this letter is to detail the challenges that lie ahead and to emphasize the need for all counties to reinvest county savings that will accrue from the retro and ongoing 75 percent Medicaid administrative reimbursement.

All counties must plan for needed resources to achieve and maintain both timeliness and accuracy in administering major public assistance programs. County Directors, County Managers and governing bodies need to consider the following factors in planning and budgeting for needed staff and other resources.

- **FNS case processing requirements for applications and recertifications**
USDA requires that timely FNS recertifications be processed by the **last working day of the month**. At the present time a significant growing number of recertifications are not being processed in accordance with USDA requirements. While this does not mean that households are not receiving their benefits by the issuance date, USDA holds North Carolina accountable for meeting these standards as a condition of receiving administrative reimbursement. Failure to achieve and maintain timeliness standards could result in suspension of Federal administrative reimbursement to counties.
- **Medicaid Applications**
We must continue to focus on eliminating untimely Medicaid applications. While counties have done a great job of pulling resources together and significantly reducing the over 104,000 overdue Medicaid applications since May 2014, approximately 12,000 untimely applications remain to be processed.
- **Healthcare.gov Open Enrollment**
It is important to note that the Annual Open Enrollment Period for Healthcare.gov begins **November 15, 2014** and runs through **February 15, 2015**. We must anticipate a next wave of Medicaid applications being transferred to North Carolina. More than 90,000 applications were received from the Federally Facilitated Marketplace (FFM) during the last enrollment period. Adequate resources are essential to assure timely processing of these additional applications.

It is also important to remember that Open Enrollment for ACA will continue to occur on an annual basis, creating a spike in the Medicaid workload for several months each year.

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- **Medicaid Recertifications**
We must continue to eliminate untimely Medicaid recertifications. The approval from CMS for 75% reimbursement in NC FAST and EIS is based upon counties investing savings in needed staff to “successfully conquer the challenges of ACA MAGI application backlogs, MAGI recertifications and the rollout of NC FAST.” The CMS waiver for MAGI recertifications in EIS **ends on December 31, 2014**, at which time untimely Medicaid recertifications are to be completed. Counties are averaging completing approximately 82,000 reviews each month. There are currently approximately 380,000 recertifications that are due to be completed by the December deadline.
- **NC FAST Hard Launch**
By early November, all counties will have completed the next phase of hard launch as scheduled in NC FAST. Counties are finding that the time needed for full conversion of cases from the EIS legacy system to NC FAST prior to processing recertifications takes up to 2 ½ hours. As cases come up for review over the next year, this additional workload will extend as the full conversion from EIS to NC FAST is completed. This is a one-time effort but does require a significant investment of staff time to complete the conversion process. We continue to encourage counties that have not Hard Launched to enter all new applications in NC FAST and to work down all pending applications and recertifications in EIS.
- **Sustainability Planning**
It is necessary that each county develop a sustainability plan for timely and accurate processing of applications and recertifications for all income support programs, assuring quality customer service, and implementation of effective work support strategies on an ongoing basis.

The attached chart documents the increase in eligible recipients for both FNS and Medicaid over the past several years. As noted previously, many counties have seen dramatic increases in the caseloads of both programs. As we continue to work through the backlog of cases in FNS and Medicaid, every county has relied on compensatory time and/or paid overtime to reduce the number of overdue applications. We have heard from many of you that the stress on staff has increased over the past several months. Comparing growth in program eligibles vs. staffing since August 2008, is a critical and necessary step in evaluating resources needed.

County directors should work with their Boards and County management leadership to assess their ongoing staffing. Continuing to rely on compensatory or paid overtime alone does not constitute a sustainable plan for managing the present and future workload.

Counties should take into consideration the nearly 90,000 Medicaid applications that came in from Healthcare.gov. Processing the applications added significantly to the county workload. In addition, the impact of many incomplete applications coming in from Healthcare.gov and ePASS, and the staff time needed to contact clients and gather necessary information, should also be considered in planning for needed resources.

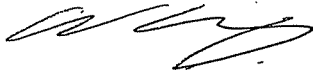
- **Customer Service**
We continue to receive complaints from customers who are unable to speak with DSS staff. We encourage you and your staff to make a renewed commitment to providing excellent customer service. Several counties have added call centers or dedicated staff to answer customer phone calls.

DHHS is continuing to focus on areas of support for county departments of social services, including, strengthening the NC FAST Help Desk, working to reduce the number of system defects and enhancing user experience with the software. DHHS has a fully staffed Operational Support Team (OST). The OST is available to assist counties with policy and business process support. The priority for the OST for the next couple of months will be assisting the NC FAST Help Desk with policy, supporting counties in answering policy questions and conducting training and webinars on Medicaid and MAGI. Local Support Managers and Local Business Liaisons are also available to assist counties. In addition, NC FAST has added a report entitled, "Total Pending FNS and Medicaid Work by County" which provides the status of pending applications and recertifications by county for each program. Staff from the Division of Medical Assistance and the Division of Social Services is available to provide guidance and support in assisting Directors in determining agency needs.

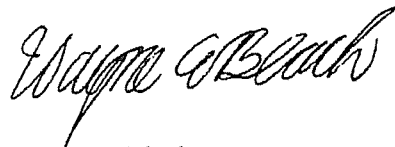
If you have any questions concerning these instructions or need assistance in determining your agency's needs, you may contact either the Local Support Managers, Christy Nash at 252-375-0553 or Darrell Renfroe at 828-230-1912; or DMA Assistant Director Sheila Platts at 919-855-4023 or DSS Director Wayne Black at 919-527-6336.

Thank you for your continued commitment to the provision of timely and efficient services to the residents of North Carolina.

Sincerely,



Robin Gary Cummings, M.D.
Deputy Secretary for Health Services
Director, Division of Medical Assistance



Wayne E. Black
Director, Division of Social Services

Attachment

cc: Rebecca Troutman
County Managers
County Finance Officers
County Human Services Directors or Asst. County Managers for Human Services