



MISSISSIPPI DIVISION OF
MEDICAID



**Medicaid and Human Services Transparency and Fraud Prevention
Act**

Bi-Annual Status Report

December 29, 2017

State of Mississippi

Division of Medicaid

Department of Human Services

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1 Legislative Request

This report is in response to the legislative requirement in the Medicaid and Human Services Transparency and Fraud Prevention Act (House Bill 1090). Section 3 requires:

“The department shall have the eligibility verification service required by this section implemented and operational not later than July 1, 2019. The department shall submit a report every six (6) months on its progress on implementing the eligibility verification service to the Chairmen of the House and Senate Appropriations Committees, the House Public Health and Human Services Committee and the Senate Public Health and Welfare Committee, and the House and Senate Medicaid Committees. The report also shall be provided to the other members of the Legislature upon request.”

This report was prepared by the Mississippi Division of Medicaid (DOM) and Mississippi Department of Human Services (MDHS).

2 Executive Summary

The DOM and MDHS are pleased to submit this Bi-Annual Status Report on the progress on the Medicaid and Human Services Transparency and Fraud Prevention Act (House Bill 1090).

DOM and MDHS are working to implement the provisions of House Bill 1090 by the deadlines specified in Section 25. DOM and MDHS jointly launched the HHS Transformation Project or “HHSTP” in July 2017 which is dedicated to accomplishing the goals of House Bill 1090. DOM and MDHS met the initial deadlines of House Bill 1090 and submitted the first required report on July 11, 2017 focused on satisfying all provisions of Section 2 and securing federal approvals and funding. This Bi-Annual Status Report is focused on providing a status on all 25 sections of House Bill 1090.

DOM and MDHS have completed or implemented approximately 30% of the applicable twenty-three provisions of House Bill 1090 and are on-track to implementing the rest of the provisions by the specified dates in Section 25. A detailed summary of the progress on each provision is included in the body of this report. DOM and MDHS have provided a tabular overview of provision status in Table 1 below, and further detail in Section 4.

Table 1: House Bill 1090 Summary of Provision Status

SECTION #	SECTION TITLE	STATUS
1	Short Title	Acknowledged
2	Integration of eligibility systems	Complete
3	Real-time eligibility verification service	In-progress
4	Enhanced eligibility verification process	In-progress
5	Enhanced identity authentication process	In-progress
6	Discrepancies and case review	In-progress
7	Referrals for fraud, misrepresentation, or inadequate documentation	In-progress
8	Reporting	In-progress
9	Transparency in Medicaid	Complete
10	Work Requirements	Complete
11	Federal asset limits for the Supplemental Nutrition Assistance Program	In-progress
12	Broad-based categorical eligibility	In-progress
13	Sharing enrollee information across agencies	In-progress
14	Maximum family grant	Complete
15	Verify identities and household composition, and all expenses of welfare applicants	Complete
16	Full cooperation with fraud investigations	Prohibited by Federal Regulations
17	Gaps in eligibility reporting	Complete

SECTION #	SECTION TITLE	STATUS
18	Noncompliance with Temporary Assistance for Needy Families program rules	In-progress
19	Noncompliance with Supplemental Nutrition Assistance Program rules	In-progress
20	Out-of-state spending	In-progress
21	Public Reporting	In-progress
22	Pilot program for photos on EBT cards	In-progress
23	Limits on spending location	In-progress
24	Excessive EBT card loss	Complete
25	Timeframes	Acknowledged

3 Background

As required by House Bill 1090, DOM and MDHS delivered an initial report on July 11, 2017 on Section 2 and the progress toward submitting an Advanced Planning Document (APD). Building on work already in progress between the two agencies prior to the enactment of House Bill 1090, DOM and MDHS signed a Memorandum of Understanding (MOU) to develop a vision of interoperability and shared services leveraging 90/10 Federal Financial Participation (FFP) and A-87 Cost Allocation Exception. DOM and MDHS finalized a joint vision in January 2017, drafted the APD in parallel to the 2017 Legislative Session, and submitted it shortly after the passage of the Act in April 2017. This approach enabled DOM and MDHS to act on the legislation quickly while giving the State the maximum time available to leverage the A-87 Exception, which is currently set to expire at the end of 2018. DOM and MDHS reported in the July 11, 2017 initial report that our Federal partners, the Centers for Medicare & Medicaid Services (CMS) and the Federal Nutrition Services (FNS) have approved the APD. The approved APD allows DOM and MDHS to receive FFP for approximately \$46M in IT investments with a State share of approximately \$8M or 17% (see the previous report for more details).

Because of the planning effort and the approved APD, DOM and MDHS jointly launched the HHSTP in July 2017 which is dedicated to accomplishing the goals of House Bill 1090 and the APD. DOM and MDHS are moving quickly and decisively to implement the provisions of House Bill 1090 and allow for as much time as possible to leverage the A-87 Exception and meet the deadlines. While the initial report in July was focused on progress related to the APD submission requesting project funding, this Bi-Annual Status Report is focused on reporting status for all provisions.

4 Current House Bill 1090 Status

As of January 2018, the current status for each of the Sections of the Medicaid and Human Services Transparency and Fraud Prevention Act is provided below. The Subsections that follow within this report follow the Sections as written in the bill, and all references beyond this point shall constitute references to Sections within the Medicaid and Human Services Transparency and Fraud Prevention Act, unless otherwise noted.

4.1 Short Title

Status: Acknowledged

DOM and MDHS acknowledge the act shall be known as the "Medicaid and Human Services Transparency and Fraud Prevention Act."

4.2 Integration of eligibility systems

Status: Complete

DOM and MDHS submitted an Initial Advanced Planning Document to CMS and FNS on April 3, 2017 as well as a final report on July 11, 2017. All requests made in the Medicaid and Human Services Transparency and Fraud Prevention Act, Section 2 were included as part of the final Advanced Planning Document. Section 2 of the Medicaid and Human Services Transparency and Fraud Prevention Act has been completed.

4.3 Real-time eligibility verification service

Status: In-progress

DOM and MDHS are in the process of capturing detailed requirements for developing a computerized income, asset, residence and identity eligibility verification service to verify eligibility, eliminate the duplication of assistance, and deter waste, fraud, and abuse within each respective assistance program. DOM and MDHS are carefully defining the aspects of the service, analyzing existing processes, and conducting analysis to maximize value to the State and minimize costs. Additionally, DOM and MDHS are participating in discovery sessions with vendors to understand if their identity authentication and asset verification tools will meet the requirements stipulated in the Medicaid and Human Services Transparency and Fraud Prevention Act. Section 3 provisions are all part of the requirements and on-track to be completed by the specified date. More details will be found in the next Bi-Annual Status Report.

4.4 Enhanced eligibility verification process

Status: In-progress

DOM and MDHS acknowledge the request to verify eligibility for assistance by using the enhanced eligibility verification service established in Section 3(2) of this act as well as periodically reaffirming assets where applicable. DOM and MDHS already terminate recipients with active programs within receipt of information about recipients moving out of state or within a maximum of 10 days. Section 4's

remaining provisions will be addressed in a subsequent report and as progress is made on the enhanced real-time eligibility verification service.

4.5 Enhanced identity authentication process

Status: In-progress

DOM and MDHS acknowledge the request to verify identity of applicants before moving to the next stage in the eligibility process and before the possible awarding of assistance. Additionally, the departments acknowledge the request to review the recipient's identity ownership periodically to verify and protect the identity of the recipient. DOM and MDHS are participating in discovery sessions with vendors to understand if their identity authentication tools will meet the requirements. Details regarding the processes and procedures requested in Section 5 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be addressed in a subsequent report and as progress is made on the enhanced real-time eligibility verification service.

4.6 Discrepancies and case review

Status: In-progress

DOM and MDHS are continuing to confirm that the requested processes and policies in this Section are implemented in their respective agencies. MDHS uses the best available information to process cases where discrepancies may exist. Once new information becomes known to the department, eligibility redeterminations are made. If discrepancies exist at that point, the department provides the client with written notification of the discrepancy and the recipient has 10 days to respond to resolve the discrepancy or change. The department views the enhanced verification service as another data source and will use the data provided by it in future eligibility redeterminations. As part of the project, DOM and MDHS are continuing to analyze all existing processes, procedures, and data sources and will be finalizing those policies as the project progresses. The remaining processes and procedures requested in Section 6 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be addressed in a subsequent report and as progress is made on the enhanced real-time eligibility verification service.

4.7 Referrals for fraud, misrepresentation, or inadequate documentation

Status: In-progress

DOM and MDHS are continuing to confirm that the requested processes and policies in this Section are implemented in their respective agencies. As of December 2015, MDHS implemented policy changes that required staff to refer changes or discrepancies that may affect program eligibility to appropriate agencies and divisions within 10 days. This includes suspected cases of fraud, misrepresentation, or inadequate documentation and cases where an individual is determined to be no longer eligible for the original program. In cases where fraud affecting program eligibility is substantiated, the department garnishes wages and/or state income tax refunds until the state recovers an amount equal to the amount of benefits that were fraudulently received. The remaining processes and procedures requested in Section 7 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be addressed in a subsequent report and as progress is made on the enhanced real-time eligibility verification service.

4.8 Reporting

Status: In-progress

DOM and MDHS acknowledge the request for a pre-development report as well as a post-implementation report referred to in Section 8. The pre-development report will be delivered at the end of the detailed requirements process and thirty days before entering into a competitively bid contract or before renegotiating an existing contract with a current vendor. The post-implementation report will be completed 6 months after the implementation of the enhanced eligibility verification service. Both reports will be delivered to the requested audiences when complete.

4.9 Transparency in Medicaid

Status: Complete

DOM has completed the request for the data specified in Section 9 and has posted the following reports publicly on an external website. The reports can be found at the following address:

<https://medicaid.ms.gov/resources/legislative-resources/>

They are located under the “HOPE Act Reports” and are titled:

- Medicaid Physician and Other Supplier National Provider Identifier (NPI) Aggregate Report, Calendar Year 2016
- Medicaid National Healthcare Common Procedure Coding System (HCPCS) Aggregate Report Calendar Year 2016

4.10 Work requirements

Status: Complete

As of January 2016, MDHS has not sought out, applied for, or accepted/renewed any waiver of requirements established under 7 USC Section 2015(o), except during a formal state or federal declaration of a natural disaster. Section 10 of the Medicaid and Human Services Transparency and Fraud Prevention Act has been implemented.

4.11 Federal asset limits for the Supplemental Nutrition Assistance Program

Status: In-progress

MDHS intends to update department policies pursuant to Section 11 by implementing asset limits verification. Section 11 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be updated in a subsequent report as department policies are updated and implemented.

4.12 Broad-based categorical eligibility

Status: In-progress

MDHS intends to update department policies pursuant to Section 12 by eliminating broad-based categorical eligibility as well as implementing Federal Asset Limits for SNAP, as requested by Section 11. Section 12 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be updated in a subsequent report as department policies are updated and implemented.

4.13 Sharing enrollee information across agencies

Status: In-progress

DOM and MDHS acknowledge the request to share eligibility information with each other within 30 business days when an enrollee has been disenrolled for any financial or nonfinancial reason that may result in the enrollee's disqualification for benefits with the other department, including the rationale for the action. Additionally, DOM and MDHS will establish procedures to re-determine eligibility for any enrollee whose eligibility or benefit levels could change as a result of new information provided by either department. Additional details for Section 13 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be addressed in a subsequent report, and as progress is made on the real-time eligibility verification service.

4.14 Maximum family grant

Status: Complete

As a result of the Personal Responsibility and Work Opportunity Act of 1996, MDHS implemented policies specific to TANF recipients, limiting them to children already born or conceived at the time of initial application. Further, only children born into the family during the first 10 months of assistance or a child whose date of birth is prior to the end of the 10-month cap period for the case will be added to the case and eligible to receive benefits. Section 14 of the Medicaid and Human Services Transparency and Fraud Prevention Act has been implemented.

4.15 Verify identities and household composition, and all expenses of welfare applicants

Status: Complete

As of January 2018, MDHS has implemented policies regarding the verification of all expenses for all programs. Regarding verification of household composition, the department verifies household composition when questionable. Lastly, in accordance to 7 CFR 273.2 (a) (vii) Federal Regulations, MDHS currently verifies identity. Section 15 of the Medicaid and Human Services Transparency and Fraud Prevention Act has been implemented.

4.16 Full cooperation with fraud investigations

Status: Prohibited by Federal Regulations

MDHS currently implements policies regarding TANF clients fully cooperating with fraud investigations by providing information or permitting the caseworker to obtain essential information to establish continued eligibility. Caseworkers proactively identify and review questionable cases. If conclusive information is not received, the case(s) are closed and reason for closure is fully documented. This also prevents those cases from entering into the fraud investigation process.

Alternatively, SNAP case closure as the result of noncompliance with a fraud investigation is not permitted by the Code of Federal Regulations. The Code of Federal Regulations, 7 CFR § 273, provides instances in which a case may be closed, or a participant denied benefits due to noncooperation with SNAP. Noncooperation is detailed in §273.2(d), §273.12(d), §273.11(o)(1). Noncooperation occurs at application, recertification, during a Quality Control review, or when failing to cooperate with child

support services. §273.16(e)(5) requires cases to remain open, if the household is eligible, while awaiting a disqualification hearing. Section 16 of the Medicaid and Human Services Transparency and Fraud Prevention Act is unable to be implemented as requested.

4.17 Gaps in eligibility reporting

Status: Complete

As of January 2018, MDHS has implemented change reporting for all new applications. As ongoing cases come due for renewal of benefits, they will be converted from simplified reporting to change reporting. Section 17 of the Medicaid and Human Services Transparency and Fraud Prevention Act has been implemented.

4.18 Noncompliance with Temporary Assistance for Needy Families program rules

Status: In-progress

MDHS is currently reviewing the code of federal regulations in respect to the requests made in this Section. The processes and procedures requested in Section 18 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be addressed in a subsequent report.

4.19 Noncompliance with Supplemental Nutrition Assistance Program rules

Status: In-progress

MDHS is currently reviewing the code of federal regulations in respect to the requests made in Section 18. The processes and procedures requested in Section 19 of the Medicaid and Human Services Transparency and Fraud Prevention Act will be addressed in a subsequent report.

4.20 Out-of-state spending

Status: In-progress

MDHS acknowledges the request for the distribution of de-identified out-of-state spending data based on dollar amounts and separated by program. Data is currently being assembled and more detail within Section 20 will be available and addressed in a subsequent report.

4.21 Public reporting

Status: In-progress

DOM and MDHS acknowledge the request for the annual distribution of de-identified recipient data within Section 21 of the Medicaid and Human Services Transparency and Fraud Prevention Act. The first distribution of this data will be as requested by July 1, 2018.

4.22 Pilot program for photos on EBT cards

Status: In-progress

MDHS is currently in the discovery stage of establishing a pilot program for photos on EBT cards. MDHS has learned that our EBT vendor does not store Photo IDs therefore a new photo or a stored photo from

another source will be required for card replacement. MDHS has met with the Mississippi Department of Public Safety (MDPS) and has identified potential partnerships. MDHS feels that a partnership that involves the sharing of photos stored by MDPS may be a solution that will allow this pilot to move forward. MDHS will update this section as we progress forward.

4.23 Limits on spending location

Status: In-progress

Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) requires states receiving TANF grants to “maintain policies and practices as necessary to prevent assistance provided under the State program funded under this part from being used in any electronic benefit transfer transaction in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.” Additional limits on spending locations are prohibited by these federal regulations, though DHS proactively works with each recipient requiring the acceptance of a Personal Responsibility contract acknowledging limits on spending locations and consequences thereof. Also, the federal law does not expressly prevent certain products from being purchased with TANF assistance via EBT transactions; rather it specifies locations where state policies and practices should prevent any transfer of TANF assistance via EBT transaction from occurring, regardless of the product being purchased. Additionally, DHS currently identifies fraudulent activity through a SNAP Integrity grant and is exploring continuing to use those tools and processes to satisfy Section 23, thus, this section of the Medicaid and Human Services Transparency and Fraud Prevention Act will be updated in a subsequent report.

4.24 Excessive EBT card loss

Status: Complete

MDHS has already implemented policies pursuant to Section 24(1), (2), and (3). Regarding Section 24(4), terminating the SNAP recipient’s benefits due to failure to make contact with a fraud investigator regarding excessive EBT card ordering is not permitted by the Code of Federal Regulations. The Code of Federal Regulations, 7 CFR § 273, provides instances in which a case may be closed, or a participant denied benefits due to noncooperation with SNAP. Noncooperation is detailed in §273.2(d), §273.12(d), §273.11(o)(1). Noncooperation occurs at application, recertification, during a Quality Control review, or when failing to cooperate with child support services. §273.16(e)(5) requires cases to remain open, if the household is eligible, while awaiting a disqualification hearing. Section 24 of the Medicaid and Human Services Transparency and Fraud Prevention Act has been implemented to the extent possible under Federal Regulations.

4.25 Timeframes

Status: Acknowledged

The department acknowledges the timeframes requested in this Section of the Medicaid and Human Services Transparency and Fraud Prevention Act.