



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

April 7, 2014

The Honorable John Allen, Chair
Joint Legislative Audit Committee

The Honorable Chester Crandell, Vice Chair
Joint Legislative Audit Committee

Dear Representative Allen and Senator Crandell:

Our Office has recently completed an 18-month followup of the Arizona Health Care Cost Containment System (AHCCCS)—Medicaid Eligibility Determination regarding the implementation status of the four audit recommendations (including sub-parts of the recommendations) presented in the performance audit report released in June 2012 (Auditor General Report No. 12-02). As the attached grid indicates:

- 2 have been implemented, and
- 2 are in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on AHCCCS' efforts to implement the recommendations from the June 2012 performance audit report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:ss
Attachment

cc: Tom Betlach, Director
Arizona Health Care Cost Containment System

Arizona Health Care Cost Containment System (AHCCCS)— Medicaid Eligibility Determination Auditor General Report No. 12-02 18-Month Follow-Up Report

Recommendation

Status/Additional Explanation

Finding 1: AHCCCS should take some additional actions to strengthen the eligibility-determination process

1.1 AHCCCS should develop a corrective action plan that will help ensure that it and DES correct the types of income and resource verification and calculation errors identified in this audit as well as minimize their frequency going forward. This plan should include:

- a. Providing additional caseworker training, particularly in areas determined to be error-prone;
- b. Assessing whether it needs to clarify its income and resource policies; and

Implemented at 18 months

Implementation in process

The income policies for the Acute Care program that were in effect at the time of the audit no longer apply due to changes in how income is determined and verified under the 2010 Federal Patient Protection and Affordable Care Act. As a result, AHCCCS, with the assistance of a consultant, updated its Acute Care eligibility policies, including policies related to verifying an applicant's income. These policies became effective in January 2014. In addition, AHCCCS is working to update and clarify its resource determination policies for the Arizona Long Term Care System program and expects to complete them by the end of April 2014.

- c. Enhancing the supervisory review of income and resource requirements for Medicaid determinations.

Implemented at 18 months

1.2 AHCCCS should ensure that it and DES make greater use of the available electronic means for verifying citizenship, such as the AHCCCS Citizenship Verification System.

Implementation in process

In October 2013, AHCCCS implemented its new eligibility determination system, which features automatic electronic verification of citizenship, for some of the Medicaid programs it administers. AHCCCS plans to pilot the new system for all Acute Care programs in May 2014 at one DES office and plans to implement the new system at all DES offices by September 2014. In addition, AHCCCS plans to begin developing the system for use for the Arizona Long Term Care System program in July 2014, and anticipates that development will be completed by October 2015.