



## Case Study: MCO Compliance Auditing

### CHALLENGE

Healthy Indiana Plan (HIP) is a health insurance program for qualified adults ages 19-64 who meet specific income levels. Each HIP member has a POWER Account that is used to pay the first \$2,500 in medical expenses. The State of Indiana contributes all or a portion of the funds in the POWER account; members may be responsible for a fixed monthly payment of varying amounts based on income.

POWER accounts are managed by the Managed Care Organizations (MCOs) that participate in HIP. Plan members make their required POWER account contributions directly to the MCO. Payments can be made by mail, phone, online, via payroll deduction, and in person at designated retail locations. It is the responsibility of the MCO to manage the payment of the member contribution amounts throughout the lifecycle of the process.

### PROBLEM

The State of Indiana requires participating Managed Care Entities (MCEs), such as netlogx' client, to engage an independent company to audit POWER accounts annually to ensure that the company's policies and procedures comply with the terms of their contracts with the State, Indiana Office of Medicaid Policy and Planning (OMPP), and Federal regulations.

Our client engaged netlogx to conduct the required audit because of our experience with the company, the Family and Social Services Administration (FSSA), and our knowledge of Medicaid regulations.

### SOLUTION

To understand how the POWER account policies and procedures were being implemented, the netlogx team conducted a series of interviews with key staff members, including project leaders, account managers, and representatives from the Finance, Accounting, and Contracting departments, to gather an understanding of how each of the defined audit criteria were addressed within the organization. The outcome of these meetings allowed netlogx to verify and document the audit items prescribed by the state.



## SOLUTION (Continued)

In addition, the netlogx team completed a review of the supporting documents that were provided during the interviews along with demonstrations of the POWER account system and a review of process implementation.

The following areas were included in the audit:

- POWER account administration
- Use of POWER account funds
- Provider Reimbursement and the POWER account
- POWER account balance information
- POWER account interest accrual

## RESULTS

netlogx presented the findings to our client in an audit report that included a general overview, a summary of compliance, and detailed findings and recommendations. We also helped create an “audit tool” that was utilized during the audit and will be used going forward to streamline future audits.

## ADVANTAGES

- netlogx’ familiarity with State and Federal Medicaid requirements enabled the company to conduct an effective audit designed to identify any problem areas
- netlogx’ prior experience with federal certification enabled us to help our clients create a tool to organize and store applicable documents and artifacts
- netlogx’ prior experience with Medicaid and the MCO enabled us to identify the correct people who could provide the needed level of detail required to successfully complete the audit requirements