



Case Study: Process Improvement Audit

CHALLENGE

An official state audit in 2013 highlighted opportunities for improvement in the State of Michigan's Medicaid Home Help Program. Over three years, \$160M was spent on in-home services for Medicaid recipients requiring critical personal care. The Michigan Office of Auditor General (OAG) identified areas for enhancement in state management, including the need for stricter qualifications and certification standards for individuals providing in-home care. This presented a valuable chance to enhance the quality and oversight of these essential services.

During this time period, about 67,000 clients received services through the Home Help Medicaid state plan. Eligible Michigan beneficiaries with disabilities or cognitive impairments living at home were assisted with eating, bathing, dressing, and other daily living activities. The review of the Home Help program covered October 2010 to August 2013. This program cared for more than twice the number of people cared for by Medicaid in nursing facilities at about 20% of the cost during those three years.

PROBLEM

Along with identifying areas for improvement in Medicaid reimbursements, the audit highlighted opportunities to clarify policies and procedures within Michigan's Medicaid Home Help Program. Operated by the Michigan Department of Community Health (DCH) and the Michigan Department of Human Services (DHS), this program received valuable insights from the audit. In response, these agencies promptly addressed payment inaccuracies identified by the audit and took proactive steps to refine the program's operations.

The audit completed by OAG identified key areas for improvement, including:

- Opportunities to accurately complete payments for home health aides' unemployment benefits
- The necessity to ensure the home help agency service providers are thoroughly vetted for the qualifications to provide home health
- Ensuring that moving forward, home health services should only be paid for if the member has received those services
- Opportunities to expedite the auditing of W-2 forms to ensure accurate payments
- Opportunities to promptly address and implement corrective actions on past payment issues



SOLUTION

Before the final OAG's audit report was released, the State of Michigan engaged netlogx to proactively address the underlying issues identified in the preliminary audit findings of the Home Help program and initiate remediation efforts in advance of the audit's final report. netlogx utilized its expertise in business process reengineering to document a comprehensive end-to-end view of the Home Help program. This enabled the State to develop corrective action procedures swiftly in response to the issues identified in the OAG audit.

The netlogx team worked with Subject Matter Experts (SMEs) from DCH, DHS, the Office of Inspector General (OIG), the Department of Technology Management and Budget (DTMB), and the DHC Office of Legal Affairs to develop a complete set of detailed as-is process maps that documented the administration of the Home Help program by functional area. The development of these detailed business process maps provided the team with a tool for identifying the overlaps, gaps, and conflicts within the existing process and subsequently developed recommendations for remediating these issues.

netlogx also leveraged Lean Six Sigma risk management principles to help prioritize the audit response recommendations. The initial beneficiary referral process was the first of the 26 functional areas reviewed; the final one was federal reporting requirements.

Highlights:

- Held 24 team meetings over a four-month time period
- Created over 65 functional areas as-is process maps
- Identified potential issues within the processes
- Developed recommendations for remediation

Recommendations:

- *Beneficiary/Provider/State of Michigan Reforms*
 - Reinforce the process of conducting background checks for providers and require skills certification
 - Register, track, and rigorously review agency provider performance
 - Restructure provider payments
- *Technology and Automation*
 - Enhance the current case management system to integrate with core Medicaid systems
 - Automate manual processes
 - Streamline and enhance the document management process

SOLUTION (Continued)

Recommendations:

- *Establish and Monitor Program Metrics*
 - Tie reporting and metrics to the enforcement of policies to ensure compliance
 - Create a Home Help Management Council to provide oversight
- *Enforcement and Compliance*
 - Establish sanctions and penalties for beneficiaries and providers for non-compliance or irregularities
- *Improve Communications*
 - Define long-term communication and governance structure for inter- and intra-agencies
 - Develop a web portal for beneficiaries and providers who fail to meet requirements
 - Provide skills training

RESULTS

netlogx' comprehensive review of the Home Help program emphasized the importance for the State of Michigan to re-evaluate the mission of this long-standing program and its alignment within the spectrum of long-term care services. The program aims to deliver essential personal care services to Medicaid-eligible individuals at home, thereby potentially preventing or postponing the necessity for more costly alternative programs in Michigan. Evaluating the costs and effectiveness of serving the population through Home Help was crucial in optimizing service delivery.

In addition, the audit of the Home Help program allowed obstacles to be identified, recognized, and addressed in the partnership with netlogx.

ADVANTAGES

netlogx' business process engineering analysis provided the State of Michigan:

- The required responses to the OAG audit items
- The creation of standardized and benchmarked processes
- A risk management-based list of recommendations on how to develop and implement changes to address the audit findings
- Additional ways to improve the overall workflow management of its Home Help program

Moreover, netlogx' recommendations identified opportunities for the following:

- Reducing rework
- Reducing waste
- Improving outcomes (fewer defects, increased value-added)
- Reducing costs
- Improving the workplace