

Medicaid Eligibility Quality Control (MEQC) Program: Revised Supplemental Guidance in Effect during the COVID-19 Public Health Emergency – May 13, 2021¹

As a result of the Coronavirus Disease 2019 (COVID-19) public health emergency (PHE), on April 2, 2020, CMS exercised its enforcement discretion to adopt a temporary policy of relaxed enforcement regarding activities related to the Medicaid Eligibility Quality Control (MEQC) program. This temporarily relaxed enforcement was to be in effect until CMS issued additional guidance to states. CMS released supplemental guidance on August 17, 2020 upon resumption of the MEQC program. That release included modified reporting requirements and a deadline extension for the Cycle 1 and 2 states, whose MEQC pilots were directly impacted by the COVID-19 PHE.

Under this revised supplemental guidance,² CMS is extending the prior Cycle 1 and Cycle 2 states' reduced program requirements to Cycle 3 states because the COVID-19 PHE continues to remain in effect.³ As such, this revised supplemental guidance establishes reduced MEQC program requirements for the Cycle 1, Cycle 2, and Cycle 3 states that are conducting MEQC pilots in the review years (RY) January 1, 2019 – December 31, 2019, January 1, 2020 – December 31, 2020, and January 1, 2021—December 31, 2021, respectively. With the continuation of the COVID-19 PHE into 2021, CMS believes there is a need to apply the same reduced program requirements, including reduced sample sizes; suspension of the payment review requirement; a deadline extension; and streamlined and reduced reporting requirements, to the Cycle 3 states, whose MEQC pilots began in January 2021. This will allow the same MEQC flexibilities to be applied to all 50 states and the District of Columbia, which have now had their MEQC pilots impacted by the PHE. The revised program requirements are specified below.

This guidance is supplemental to the “Medicaid Eligibility Quality Control (MEQC) Phase 1 Sub-Regulatory Guidance (August 17, 2020 Update)” document, which describes the complete MEQC program requirements.⁴ This guidance applies directly to the MEQC regulations at 42 CFR §§ 431.816 and 431.820. CMS will continue to monitor the COVID-19 PHE and make any necessary changes for the states in future review years, as appropriate.

I. Sample Size Reduction for Cycle 2 States (RY January 1, 2020 – December 31, 2020) and Cycle 3 States (RY January 1, 2021 – December 31, 2021)

The case review workload for both the Cycle 2 and Cycle 3 states is being reduced from 800 to 200 total cases. The states in Cycle 2 and Cycle 3 have discretion as to the type of cases to

¹ The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law.

² The guidance that this issuance is replacing was entitled “Medicaid Eligibility Quality Control (MEQC) Program: Supplemental Guidance in Effect during the COVID-19 Public Health Emergency.” See <https://www.medicaid.gov/medicaid/eligibility/downloads/meqc-final-covid19-supp-guidance-08172020.pdf>.

³ The current public health emergency was renewed effective January 21, 2021, and will be in effect for 90 days. To assure the public of our commitment to the ongoing response, we have determined that the PHE will likely remain in place for the entirety of 2021, and when a decision is made to terminate the declaration or let it expire, HHS will provide states with 60 days' notice prior to termination.

⁴ <https://www.medicaid.gov/medicaid/eligibility/medicaid-eligibility-quality-control/index.html>

review (i.e., Medicaid or CHIP, active or negative). As a condition of accepting a 6.2 percent FMAP increase, section 6008(b)(3) of the Families First Coronavirus Response Act (Pub. L. 116-127) and implementing regulations at 42 CFR 433.400 require states to maintain Medicaid enrollment and not terminate Medicaid beneficiaries during the PHE, except in limited circumstances. As a result, there may be a reduction in the number of negative case actions available to review in states that have accepted the FMAP increase.

II. Reduced Requirements for Cycle 1 States (RY January 1, 2019 – December 31, 2019), Cycle 2 States (RY January 1, 2020 – December 31, 2020), and Cycle 3 States (RY January 1, 2021 – December 31, 2021)

A. Streamlined Reporting

In lieu of submitting comprehensive case level reports, the Cycle 1, Cycle 2, and Cycle 3 states are being asked to submit summary reports. For the Cycle 2 and Cycle 3 states, the summary reports should list the percentage of errors and technical deficiencies (TDs) found in the cases that were reviewed and describe the corrective action plans (CAPs) developed for the top ten (10) most frequent findings across all cases reviewed.⁵ The list of top ten frequent findings will include the most commonly cited errors and TDs across all active and negative cases reviewed.

The summary data elements to be reported include:

- Total number of cases reviewed, broken out by active cases and negative case actions.
- Percentage of correctly determined active cases
- Percentage of correctly determined negative cases
- Percentage of total correctly determined cases
- Percentage of active cases with errors
- Percentage of negative cases with errors
- Percentage of total cases with errors
- Percentage of active cases with technical deficiencies (TDs)
- Percentage of negative cases with technical deficiencies (TDs)
- Percentage of total cases with technical deficiencies (TDs)
- Top ten (10) most frequently occurring findings (errors and TDs) across active and negative cases reviewed
- Corrective action taken or to be taken to address the top ten (10) findings across all active and negative cases.

NOTE: The above information will be entered in Attachment A, the CMS Summary MEQC Reporting Template. The top ten most frequently occurring findings should be listed in two

⁵ The Cycle 1 states submitted summary reports and CAPs in November 2020 that contained the data listed above, except it included a top ten list of most frequently occurring findings for both active cases and negative case actions because the Cycle 1 states were engaged in full MEQC reviews before the COVID-19 PHE went into effect and had sufficient data to submit separate lists for active and negative cases.

places in Attachment A: the “Summary of Case Reviews” tab and the “Summary CAP Report” tab. When providing the top ten list on each tab, please use the alphanumeric indicators and descriptions that can be found in the Attachment B case level reporting template discussed in the appendix below. Please be sure and include the number of times that each of the most frequent findings was cited. Also note that breakouts of cases by Medicaid and CHIP may be included if such data is available.

To submit the MEQC summary reports and CAPs, please:

- Complete Attachment A, “CMS Summary MEQC Reporting Template” in full.
- Include complete state point of contact information on the general information tab of the case level reporting template.
- When completed, email all summary reports to CMS’ MEQC mailbox at CMS-MEQC-Inquiries@cms.hhs.gov.

Additional guidance on compiling and aggregating data for the summary reports can be found in the Appendix below.

B. Suspension of Payment Reviews and Adjustments

In addition to the streamlined reporting requirements described above, the Cycle 1, Cycle 2, and Cycle 3 states will not be required to conduct payment reviews for those active cases involving erroneous eligibility determinations. They will also not be required to make payment adjustments for identified overpayments on those cases using the CMS-64 and CMS-21 reports.

C. Deadline Extensions for Summary Reports

For the Cycle 1 states, the summary report and CAPs were due by November 1, 2020 (extended from Aug. 1, 2020).

For the Cycle 2 states, the summary report and CAPs are now due by November 1, 2021 (extended from Aug. 1, 2021).

For the Cycle 3 states, the summary report and CAPs are now due by November 1, 2022 (extended from Aug. 1, 2022).

Note: All due dates listed above are subject to change depending on the duration of the COVID-19 PHE.

Appendix — Compiling and Aggregating Data for the Summary Reports

To compile the summary reports, the Cycle 1 and Cycle 2 states should use the error or TD codes, general categories, and qualifiers provided by CMS in a separate spreadsheet (Attachment B). States may, if they choose, use the Attachment B case level reporting template to rate individual active and negative case actions and report on corrective action(s) taken for the active and negative cases found to have errors and TDs. The case level data compiled on the spreadsheet can then be rolled up into the reporting categories that are described in Section II.A., above, and included in the summary report (Attachment A).

The MEQC case level reporting template includes several case level reporting tabs or worksheets for active and negative cases. These consist of a series of case description fields (Columns A-N), case evaluation fields (Columns P-AN), and payment review fields (Columns AP-BC for active cases only). For purposes of compiling the aggregate data and CAP information for the summary reports, states need only complete Column A in the case description section and Columns P through AL, where needed, in the case evaluation section. States may complete the other fields on the active and negative case tabs of the spreadsheet for purposes of internal analysis, but those fields will not be required for the summary reports. For this reason, the non-required fields have been hidden on the active and negative case report worksheets.

The MEQC case level reporting template also contains separate tabs or worksheets for reporting on the corrective action(s) taken on active and negative cases that were found to have errors or TDs. Instructions for completing these worksheets are included below. The tabs on the spreadsheet labeled “general information” and “status of prev CAP” do not have to be completed for the summary reports.

Dropdown Lists: Numerous fields in the active and negative case tabs of the spreadsheet and some in the corrective action tabs make use of dropdown lists. *An asterisk next to the column heading signifies that a dropdown list is present.* To access any dropdown list, please do the following:

- Click the cell in which the data is to be entered
- Click the button which appears at the lower right of the cell
- When the dropdown list appears, select the appropriate item by clicking on it
- After checking that the correct item has appeared in the cell, move to the next column

In order for states to compile the case level information that must be aggregated for the summary report, case review information should be entered on the fields in the template listed below.

Column A: Sample Count

Column A is an alphanumeric field in which reviewers are required to provide a count of each case that they sampled during the MEQC review period. Cases dropped because they met some exclusion criterion, were duplicative, or were otherwise invalid should not be included. Cases should be numbered in numerical order, starting with A1 or N1 for active cases or negative case actions, respectively. Thus in this field, all active cases will be numbered A1, A2, A3 . . . A400. All negative case actions will be numbered N1, N2, N3 . . . N400. **Note:** the auto-fill feature can be used to fill in this column, but when doing so, it is necessary to turn off data filtering.

Column P: State Rating of Sampled Case (Dropdown List)

In the dropdown box provided, click on one of the following four overall case ratings.

- Correct
- Error (cases with one or more errors only)
- TD (cases with one or more TDs only)
- Errors and TDs (cases with one or more errors and TDs)

Note that for purposes of rating the case, a mistake in calculating income or a system or procedural error in the handling of a case that did **not** affect the correctness of its final determination should be treated as a TD.

Please note also that Column P **must** be filled out for the other case evaluation fields to register correctly.

Columns Q-R-S (also Columns V-W-X, AA-AB-AC, and AF-AG-AH)

If reviewers find that a case was correctly determined, they do not need to complete any other fields on the worksheet. If they find that there were one or more errors and/or TDs, they should proceed to fill out the groupings of three columns labeled Error or Deficiency Code, General Category, and Qualifier. These fields describe the general nature of the error or TD (financial or non-financial), identify the general type of issue under which it falls, and provide a more specific description of the type of error or TD that was found. There is room on the worksheet for up to four findings to be described with error or deficiency codes, general categories, and qualifiers. There are separate and parallel, though not identical, sets of codes for active and negative cases.

Examples:

- **Active case:** If the determination of a beneficiary's Medicaid eligibility was found to be in error because of an income counting error, the reviewer would select "financial error," the general category of "income," and the qualifier "1AF. Income incorrectly calculated."
- **Active case:** If a caseworker entered a person's income incorrectly and this caused an otherwise eligible person to be denied eligibility, the reviewer would select "financial error," the general category of "data entry," and qualifier "17AF. Data entry error."
- **Active case:** If a caseworker entered a person's address incorrectly but this did not cause the case to be incorrectly determined, the reviewer would select "non-financial TD," the general category of "data entry," and the qualifier "10ANFTD. Data entry error."
- **Negative case:** If a case was improperly denied on the basis of missing citizenship verifications that were actually in the case file, the reviewer would select "non-financial error," the general category of "data source/documentation," and the qualifier "12NNF, "Missing verification or indicator cited as basis for denial/was present or verification not conducted in accordance with verification plan."
- **Negative case:** If a non-MAGI applicant's resources were incorrectly calculated, but this did not affect a correct decision to deny eligibility, the reviewer would select "financial TD," the general category of "non-MAGI resources (asset) issues," and the qualifier "12AFTD. Resources incorrectly calculated (non-MAGI only)."

Note: *The error or TD codes, general categories, and qualifiers must be selected sequentially. You must specify the type of error or TD (financial or non-financial) first for the related*

dropdown list of general categories to appear. Likewise, you must select one of the relevant general categories before a dropdown list of related qualifiers will appear.

Columns T, Y, AD and AI: Source of Error 1, 2, 3, and 4 (Dropdown List)

For the first four errors or TDs found in any case, reviewers should select the applicable source of the error from the available dropdown list. This field is intended to identify who or what is responsible for the problems found in a case. The choices are:

- Caseworker error
- System error
- Caseworker and system error
- Agency error
- Other

The “Agency error” option can be selected when issues relating to policy communication or a need for system programming arise that cannot be attributed to the malfunctioning of the eligibility system or mistakes committed by caseworkers. They may instead be the result of an agency failing to implement necessary policy or programming directives.

At times, MEQC reviewers may also find cases that were not correctly determined because of incorrect information given or withheld by beneficiaries. They may not have been able to identify discrepancies because non-current information from electronic data sources appeared to corroborate the attestations. If MEQC reviewers find that the state has performed all the required checks and done due diligence in such cases, the case may be rated as correctly determined. However, the reviewer should inform their supervisor of the circumstances, so that a possible redetermination due to change in circumstances can be conducted, or in extreme cases a fraud referral can be made.

We recommend that states continue to look at the source of error field for all cases that have errors or TDs because information on the source of the error is usually essential in the development of appropriate corrective action plans.

Column AK: List of First 4 Qualifiers Cited

The active and negative case level report worksheets are programmed to grab any qualifiers appearing in Columns S, X, AC, and AH and list them in Column AK. This field can be used to analyze the relative frequency of errors and TDs. After filling in one or more of the four qualifier columns, the reviewer can then transfer the relevant qualifiers to the active and negative CAP reports by hitting the UPDATE REPORT button at the top left of the spreadsheet. This information, along with the information from Columns A and P of the active and negative case action reports, will automatically be copied onto separate rows in the active case and negative case action CAP Report worksheets. States can then begin to fill in corrective action information for each error and TD identified.

If more than four qualifiers are needed to describe the case findings, the reviewer should complete Column AL: List of All Additional Qualifiers Cited.

Note: *Entries in Column AK are generated by a complex formula that concatenates any entries in Columns S, X, AC, and AH. Deleting entries in Column AK will delete the formula*

used and prevent transmission of information about the errors and/or TDs found to the active and negative CAP worksheets. To change any entry in Column AK, the qualifiers that appear in Columns S, X, AC, and AH must first be deleted and changed.

Column AL: List of All Additional Qualifiers Cited

If any case has more than 4 errors and/or TDs, the reviewer should list all the additional qualifiers describing these in Column AL. Only the qualifiers should be entered, not the error or deficiency codes and general categories. Once the additional qualifiers are entered, the spreadsheet will automatically copy them onto separate rows in the active and negative CAP reports when the UPDATE REPORT button at the top left of the spreadsheet is clicked.

NOTE: *When listing additional qualifiers in Column AL, be sure to include the alphanumeric designation and accompanying description for all items. Also, in order to copy the qualifiers onto separate rows in the CAP worksheets, each additional qualifier must be separated by a semi-colon from the next qualifier.*

Example:

20AF. Resources verification not on file/incomplete; 16ANF. Paper, electronic or telephonic record could not be located or application/review form not on file; 15ANFTD.
Approval/redetermination not conducted/processed timely

* * * * *

Completing the CAP Worksheets:

After transferring information about all active and negative cases with errors and/or TDs to the CAP worksheets, the team should proceed to describe the CAPs that have been implemented or will be implemented. The active and negative CAP worksheets are identical in structure. The information that must be entered for each error or TD found includes the following:

- Root cause of the error or TD. (The root cause should not restate the error or TD.)
- Corrective action taken or to be taken to address the root cause. (The CAP should be specific to the error or TD finding.)
- Status of the corrective action and date implemented or estimated implementation date.
- Party who is responsible for the corrective action. (This should specify a person or persons, with name, title, phone number and e-mail address.)
- How state will monitor implementation of the corrective action. (How often will trainings, policy updates, system changes, etc. be monitored and by whom?)
- How state will monitor effectiveness of the corrective action. (Should include post-pilot case review plan that relates to specific errors or TD.)

Handling Repeat Errors and TDs: It is expected that states will encounter a significant incidence of case determinations affected by the same or related errors and TDs. Many such errors and TDs will have the same root causes. While there may be occasional exceptions, we would expect errors and TDs with the same root causes to be addressed by the same corrective actions. When reporting the same corrective action for a case whose errors or TDs were found to have the same root causes as an earlier case on the CAP Report worksheet, reviewers may refer to the first case when completing later rows in the spreadsheet (especially Columns F, G, K, L, and M). This will eliminate redundancy and save time.

After identifying the most common errors and TDs on the active and negative CAP reports, states may then copy the specific CAP information listed about these into Attachment A, “CMS Summary MEQC Reporting Template.”