

Report Highlights

OPEGA Report No.
RR-DHHS-12

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Communications Regarding a Computer System Weakness Resulting in MaineCare Claims Payments for Ineligible Individuals – DHHS MIHMS Project Staff Knew of Issue in 2010, But Executive Management Knowledge of the Issue and Its Impact was Limited Until Early 2012



What was the general focus of this review?

The scope of OPEGA's work was limited to review of communications in the Executive and Legislative Branches regarding a weakness in the State's MaineCare claims processing system, the Maine Integrated Health Management System (MIHMS), which resulted in claims payments for ineligible individuals. This weakness, known as the ineligible segments issue, caused over \$10.6 million of improper payments for 7,730 ineligible individuals, and artificially inflated the MaineCare caseload by 19,000 members.

OPEGA's review focused on who in government knew what and when about the issue. Legislators were concerned they were not informed about it until after spending considerable time weighing controversial cuts to MaineCare eligibility proposed by the Governor to address a MaineCare budget shortfall.

What issues did OPEGA identify during the course of this review?

- MIHMS Project Management Role in Guiding and Escalating Project Decisions and Issues was Unclear
- Steering Committee Role and Purpose was Undefined
- MIHMS Project Team Lacked Effective Process for Prioritizing System Issues
- Communication Issues Contributed to the Ineligible Segments Issue Not Being Addressed Earlier

OPEGA did not gather sufficient information to make specific recommendations related to these issues because this was beyond the scope of our review. However, we believe they are concerning and warrant further DHHS consideration. More information about these issues is included in the full report.

What questions did this review focus on, and what are OPEGA's answers?

1. *Who knew what, and when, within the management ranks of the Executive Branch regarding the fact the ACES and MIHMS systems could not interface directly with each other?*

When OPEGA was assigned this review, we believed DHHS' Automated Client Eligibility System (ACES) and MIHMS were expected to directly interface with each other. In fact, a system known as the Data Hub processes information from multiple external eligibility systems, including ACES, and puts it into a format that can be read by MIHMS. Consequently, the nature of the ineligible segments issue is somewhat different, and more complicated, than originally assumed.

DHHS had established processes and procedures for documenting and reporting MIHMS issues up the chain of command and for tracking actions required to correct

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system problems. In the case of the ineligible segments issue, information about the issue and its potential impact was documented and reported appropriately by DHHS staff in August 2010 and raised again by DHHS staff in March 2011. However, this information was not escalated beyond the DHHS MIHMS Project Manager to the MIHMS Steering Committee. The DHHS MIHMS Project Manager told OPEGA this issue was not given priority because DHHS was dealing with a multitude of other MIHMS issues.

The issue did not come to the attention of the Commissioner of DHHS until late December 2011 when concerns surfaced that indicated it had a substantial impact. Over the next two months the Commissioner regularly sought explanations from DHHS staff and reliable estimates of the financial and caseload impacts of the issue. She informed the Governor's Office of the issue at the end of February 2012.

2. *What actions did Executive Branch management take to ensure the problem was corrected or the potential impacts were monitored?*

Due to the multitude of other MIHMS issues, DHHS did not devote resources to immediately resolving the ineligible segments issue after it was identified in August 2010, or to determining the caseload and financial impact of the issue. DHHS was unable to easily estimate these impacts. The MIHMS project team was able to determine by March 2011 that the issue affected over 23,000 members; however, not all affected members were necessarily ineligible. DHHS did not monitor the number of affected members after this initial estimate.

DHHS told OPEGA that during this period the MIHMS project team was working to address a multitude of other issues. DHHS had no effective method in place for identifying which among these issues was most pressing or should be fixed first; that was left to the MIHMS contractor's discretion. The issue was placed on a list of issues to be addressed by the State's contractor, Molina, in May 2011 but the contractor struggled to implement the fix to address it. As a result, a fix was not successfully implemented until March 2012.

3. *Were the Legislature's Appropriations and Financial Affairs and Health and Human Services Committees made aware of this problem and its financial impact prior to March 2012, and if not, why not?*

DHHS did not inform the Legislature's AFA and HHS Committees about the ineligible segments issue until March 9, 2012. The Commissioner of DHHS was not made aware of the issue until late December 2011. She told OPEGA that during January and February 2012, she did not have confidence in the reliability of data she was receiving from her staff on the estimated caseload and financial impact of the issue, and she was not willing to report potentially unreliable information to the Legislature and the Governor. Emails OPEGA reviewed showed the Commissioner was asking her staff for information on the impact of the issue throughout this period.

The Legislature was first made aware of the precise financial impact of this issue in April 2012. DHHS staff told OPEGA that calculating the financial impact was difficult and time consuming, and they were unable to produce an accurate estimate more quickly.