



August 15, 2011

The Honorable Thomas M. Middleton  
Chairman  
Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

The Honorable Edward J. Kasemeyer  
Chairman  
Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, MD 21401

Dear Chairmen Middleton and Kasemeyer:

The Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) continue to be committed to improving the eligibility process for applicants applying for long term care services. As required by the 2011 Joint Chairman's Report (p.77), we are respectfully submitting the following monthly update on our progress to streamline the process for long term care eligibility determinations.

For your convenience, this update mirrors the format of our most recent update and is divided into the following four parts: (1) initiating all annual redeterminations of existing cases to improve cash flow to providers; (2) implementing a new technology; (3) streamlining policy concerning the 60 month look-back period; and (4) simplifying application forms for both new applications and redeterminations in order to make them more user-friendly.

*1. Initiating or Pending all Annual Redeterminations*

As noted in our last update, we have met our goal of implementing by March 21, a statewide change in policy so that all redeterminations are initiated or "pending" shortly after receipt of the paperwork. Once pending, benefits will continue to be paid for recipients while the redetermination process is ongoing and will help alleviate some of the cash flow concerns associated with a delay in final determination of eligibility.

Through this change in policy, the number of redeterminations that have been pending or initiated has grown to approximately 800 per month – an increase of 49 percent from February levels before the policy change was implemented. These additional redeterminations mean that cash flow for providers has increased by approximately \$1.8 million per month.

## *2. Implementing New Technology*

In our last update, we described our efforts to use our new technology to sort through or “triage” our existing caseload. Our efforts have started with cases that are commonly referred to as our backlog – cases that are over 30 days old that are open as a result of an agency delay.

When combined with the other changes we are making to the system, the results have been promising. *In our Bureau of Long Term Care Eligibility (which processes approximately 60 percent of all long term care applications), the average time that it takes to process an application is down to 67 days for the week of August 8 – a 13 percent reduction from June and a 29 percent reduction from May.*

As we noted in our previous update, this technology is used by other states to expedite assessing the risk of an application and speed the processing of cases, particularly cases identified as low risk cases. Using third party databases and information provided by the applicant, the software allows us to quickly verify income, assets and other factors to determine the likelihood that a case is eligible. This will ultimately allow caseworkers to more quickly determine low risk cases and approve them and immediately identify the problems with high risk cases and more quickly request the information required to determine eligibility.

## *3. Streamlining Policy Concerning the 60-month Look-Back Period*

In consultation with community stakeholders, we have made significant progress in making policy changes that will streamline the eligibility process, while continuing to comply with the required five-year “look-back” of applicants’ financial histories. As we updated in our July 15 letter, we met the objective of developing a new procedure for the look-back period to streamline the documentation process while maintaining program integrity and minimizing financial risk to the State by May 2, 2011.

Effective May 1, 2011, the new look-back period process was implemented by the release of an Action Transmittal to eligibility case workers. Also in May, we developed training materials and trained staff in the Bureau of Long-Term Care Eligibility on the new look-back procedures.

DHR and DHMH will evaluate the effectiveness of the look-back procedures by monitoring application timeliness compliance rates monthly and at interim checkpoints throughout the year to ensure the process is helpful for applicants, workers and providers.

*4. Simplified Applications per new Policies and Procedures*

The new applications were finalized as of July 1, 2011 and are being mass produced. Effective August 8, 2011, the new applications were issued statewide by the release of an Action Transmittal to eligibility case workers. The applications are currently available online and can be downloaded and completed. The fill-able applications will be available online effective September 1, 2011. We will conduct trainings for staff, advocates, nursing facilities and providers throughout the state for both the look-back process and the new applications by August 30, 2011. Additionally, we continue to prepare a methodology to evaluate the modified application and redetermination process to be put in place by December 1, 2011.

Thank you for your continued support of our efforts to improve service delivery in this critical program area. Please feel free to contact us if you have any questions or need further information.

Sincerely,



Joshua M. Sharfstein, M.D.  
Secretary  
Department of Health and  
Mental Hygiene



Theodore Dallas  
Secretary  
Department of Human Resources

- c: Rosemary Malone, DHR
- Debbie Ruppert, DHMH
- Tammy Bresnahan, DHR
- Wynee Hawk, DHMH