



# CALIFORNIA CORRECTIONAL HEALTH CARE SERVICES

## NASCIO 2018 State IT Recognition Awards Nomination

**Title:** Increasing Productivity with the Federal Reimbursement Application

**Category:** Cross-Boundary Collaboration & Partnerships

**State:** California

**Agency:** California Correctional Health Care Services

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**Project initiation and completion dates:**

- Project initiation: September 2016
- Completion (Go-Live): December 2017



## EXECUTIVE SUMMARY

### **Increasing Productivity for Federal Reimbursements for Medi-Cal Patients in California's Prisons**

The California Department of Corrections and Rehabilitation (CDCR) was the first state correctional system nationwide to create an inmate Medicaid (Medi-Cal in California) reimbursement program to complement its existing provider network and payment systems.

Per California Penal Code Section 5072, California Correctional Health Care Services (CCHCS) may enroll patients in Medi-Cal, for the purposes of drawing down federal dollars only, for inpatient hospital services rendered to individuals who, but for their institutional status as inmates, are otherwise eligible for Medi-Cal. CCHCS can claim federal dollars for each eligible patient for a covered inpatient stay of more than 24 hours in a community hospital. CCHCS currently collects more than \$50M per fiscal year in federal reimbursement and to date has received more than \$215M since the program began receiving reimbursement in 2012.

Previously, CCHCS was using a Microsoft Access database to track its Medi-Cal patient population. Due to limited functionality and slowness when multiple users attempted to work in the database at the same time, CCHCS transitioned the Access version of the Medi-Cal Application Tracking Database to Microsoft SQL. The new Federal Reimbursement Application contains patient eligibility and demographic information, including eligibility status, type of eligibility, patient disposition, admission dates, and expiration dates. This SQL database allows up to eight users to enter application data simultaneously. It also streamlines the patient eligibility and demographic tracking process by providing enhanced reports, faster processing, and increased data and transactional security using role-based access. The conversion to SQL also provides for enhanced technical support, upgraded response times, and mitigates the risk of the state of California losing millions of dollars in federal reimbursement.

### **Key Accomplishments and Project Metrics**

- This application allows for an intersystem relationship that aligns the claims data with the patient eligibility timeframes to allow CCHCS to submit files to the California Department of Health Care Services to collect more than \$50M per year in federal reimbursements.
- This application provides a stable tracking platform that allows CCHCS to apply for Medi-Cal benefits on behalf of patients under Penal Code Section 5072, track eligibility and demographic information, and collect more than \$50M in federal reimbursement each year to supplement the Department's budget, as well as the California General Fund.
- This application accepted the migration of more than 50,000 patient records from the old system to ensure sustainability through accurate reporting and monitoring of eligibility timelines and patient demographics, which results in more timely claims processing and receipt of federal reimbursements.



## CONCEPT

CCHCS is responsible for timely access to health care as well as timely payment to providers. Another core objective is cost containment. In addition, CCHCS endeavors to ensure continuity of care and coverage for its patients from pre-incarceration through incarceration and their reentry into society. As part of the early adoption of the Affordable Care Act in 2010 and under California Penal Code Section 5072, CCHCS has the authority to apply for Medi-Cal on behalf of patients for the purposes of claiming federal dollars only, for each eligible patient, for a covered inpatient stay of more than 24 hours in a community hospital.

In 2010, CCHCS began discussions with the Department of Health Care Services (DHCS) to develop a CCHCS patient-specific application as well as identify transmittal documentation that would contain all necessary and required elements to determine Medi-Cal eligibility for each patient. A series of complex policies and procedures were developed. This information and data was used to build a Microsoft Access database for CCHCS to track its Medi-Cal patient population as well as redetermination and termination timelines. The system was created from the ground up to track the multiple patient- and hospital-specific identifiers and details to apply for Medi-Cal eligibility on behalf of patients and process claims for covered inpatient stays of more than 24 hours in a community hospital. The Medi-Cal Application Tracking Database was launched in 2011.

When a patient goes into a community hospital for an inpatient stay for more than 24 hours, CCHCS staff are notified. Staff then prepare an application and ancillary documentation using the elements in the database to submit electronically to DHCS. DHCS then submits eligibility dates and status back to CCHCS electronically to complete the application process. The timeline for the application enrollment process must take no longer than 90 days or the patient will not be covered for that qualifying stay and CCHCS will not receive reimbursement.

**A federal reimbursement may be claimed for each Medi-Cal eligible patient for a covered inpatient stay of more than 24 hours in a community hospital—but only if the application enrollment process is completed within 90 days.**

CCHCS also uses the information from this database to identify inpatient claims associated with specific patients and timeframes. At some point in time, after the hospital has billed for and been paid for that stay, CCHCS provides information to its Third Party Administrator (TPA), which oversees the electronics claims processing system and matches that claims file with the application. The TPA, overseeing the electronics claims processing system, builds a claims file with this information and submits it to DHCS in accordance with Medi-Cal billing guidelines. From this process, CCHCS then receives a payment file from DHCS, which closes the loop. The CCHCS Medi-Cal



application and enrollment process and the electronic payment process are complex and working with those intricacies, the Penal Code, and other state entities added to the effort.

Over time, however, this system degraded, especially when multiple users attempted to work in the database at the same time. By 2016, only one user could access the database at a time. At that time, alternative and manual processes were implemented to preserve the application and claims submission timeframes. A faster and more stable and nimble environment was needed to preserve the Department's ability to bring in federal reimbursement as well as track patient eligibility.



CCHCS needed to transition the Access version of the Medi-Cal Application Tracking Database to an enterprise, two-tier web application system with Microsoft SQL backend. This project was initiated in September 2016 and developed using the Agile Scrum Framework. Over the next 16 months, teams from CCHCS's Healthcare Invoicing Section (HIS) and Information Technology Services Division (ITSD) worked together, meeting in person daily, to develop the new system. Throughout the project, additions

and changes to enhance the product and increase efficiency were incorporated to ensure the new application would meet all business needs. Progress was evaluated every two weeks as the teams worked together to create requirements and develop and test small chunks of the software for deployment to HIS. The final application was successfully deployed in December 2017.



## SIGNIFICANCE

### Benefits of the Federal Reimbursement Application

Since 2010, more than 22,000 patients in California Department of Corrections and Rehabilitation institutions have been enrolled in Medi-Cal for the purpose of collecting federal reimbursement. Eligibility is effective for one year, at which time they are either suspended or enrolled through a redetermination process if they have a qualifying inpatient stay. The ability to enroll the patients within 90 days for limited reimbursement while they are in the institutions allows for a streamlined eligibility process as they parole to their county of last legal residence.

The Medi-Cal application and enrollment business process provides for a data exchange between CCHCS, the DHCS, Health Net Federal Services (CCHCS's Third Party Administrator), counties, and parolees. Every month CCHCS identifies new patients who are eligible for Medi-Cal through its Census and Discharge Data Information System and submits any new patient claims for federal reimbursement. DHCS processes the applications and advises CCHCS about the enrollment dates and status, which are input in to the Federal Reimbursement Application. CCHCS uses those dates to submit an eligibility file to its TPA, who then pulls claims associated with those patients and eligibility timeframes. The TPA then creates a Medi-Cal specific claiming file for submission to DHCS. DHCS then returns the status and eligibility dates of each patient. This inter-organizational data exchange is key for continuity of care and coverage, as well as federal reimbursement claiming.

CCHCS receives inquiries from counties as well as parolees regarding eligibility details once the patient is released to their county of last legal residence upon discharge. The Federal Reimbursement Application contains patient eligibility and demographic information, including eligibility status, type of eligibility, patient disposition, admission dates, and expiration dates, all of which are crucial when assisting with these requests.

The new SQL database allows multiple users to enter application and enrollment status data simultaneously and assists the entire process to comply with the 90-day timeframes. The application streamlines the patient eligibility and demographic tracking process by providing enhanced reports, faster processing, and increased data and transactional security using role-based access. The conversion to SQL also provides for enhanced technical support, upgraded response times, and mitigates the risk of the State of California losing tens of millions of dollars in federal reimbursement each year.



## IMPACT

### Improved Productivity, Stability and Scalability

The Federal Reimbursement Application offers:

- **Improved productivity** – This application houses more than 54,000 total records and allows for multiple staff to use the application at the same time. Application processing times have improved due to the platform of the updated system, which allows more time for evaluation and eligibility determination within the 90-day timeframe required. Manual processes that were put in place to work around the slowness of the Access database version were eliminated. More than 850 entries are completed monthly and as inpatient utilization has increased, the new application has sustained increased volumes of applications.
- **Greater ease of use for staff** – This application allows multiple staff to easily enter information due to the organizational flow of each tab within the application. Staff can utilize multiple reports to easily identify the status and location (CCHCS or DHCS) of an application at any given time, which makes it easier to manage each case.
- **More data elements** – This application provided additional tracking date fields and validations to help ensure the 90-day timeframe is met. In addition, the new data elements eliminated the need for tracking that was previously housed outside of the Access database. The information is now contained in one system.
- **Enhanced reporting** – This application provides many additional reports that allow staff to view application information at a high level or drill down in order to manage their individual caseload. They can view application statuses at various times throughout the process to ensure all of the requirements are met and the applications are completed timely.
- **A more stable environment** – This application is monitored by IT staff to ensure system availability, adequate performance and reliability to achieve consistent quality of user experience.
- **Scalability** – This application has the ability to grow as the program increases as well as accept records in an exponential trajectory over time. More functionalities can also be added to the application to fulfill future business needs and continue to improve system performance over time.

CCHCS currently collects more than \$50M per fiscal year in federal reimbursement and to date has received more than \$215M since the program began receiving funds in 2012. These funds supplement the Department's budget, as well as augment the State's General Fund.