



Increasing Operational Efficiency Through Process Automation

State of Ohio

CATEGORY:

Business Process Innovations

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Agency:

Ohio Department of Administrative Services

PROJECT INITIATION:

February 2021

PROJECT END DATE:

April 2022

Executive Summary

Over the last year, technology modernization has enabled the Ohio Benefits system to handle an increase in automated processing. As the state is faced with a growing accumulation of caseworker alerts and Medicaid program renewal applications, the Ohio Benefits team partnered with stakeholders to enable business processes innovation and automation through Smart Alerts and Passive Renewal.

Smart Alerts addressed 32 million alerts through proactive screening and/or the automated processing of alerts. In parallel, Passive Renewal improvements resulted in 750,000 household renewal applications being processed without the need for manual intervention. These two major business process automations allow caseworkers to better spend their time on other activities in support of Ohioans.

Idea

Ohio Benefits is the State of Ohio's Integrated Eligibility system, which is used to determine eligibility and administer public assistance for Medicaid, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Publicly Funded Child Care.

Over the last year, technology modernization enabled the Ohio Benefits system to handle an increase in automated processing. The Ohio Benefits team saw opportunities to leverage this technology improvement for business process innovation.

The team identified two key areas of impact:



Smart Alerts

Within Ohio Benefits, alerts are an essential system function to let caseworkers know that there is an action to be taken that can affect an individual's eligibility for benefits. Alerts are a critical feature, helping caseworkers ensure that benefit recipients receive the correct benefit amount and/or the correct category of coverage (i.e., ensuring eligibility for pregnancy related services, long term care, etc.). By the start of 2021, the backlog of alerts surged to 22 million, beyond what caseworkers could effectively review. The alert backlog was projected to reach 43 million by April 2022. Many of the alerts generated within the Ohio Benefits system have a federal timely processing requirement to ensure the ongoing accuracy of the eligibility determinations for benefit recipients. The Ohio Benefits project team prioritized alert modernization to quickly provide a more streamlined process for workers to administer benefits.



Automation of Medicaid Renewals

The renewal of Medicaid benefits is an annual process that can be taxing not only for workers who are trying to keep up, but also for recipients to retain their benefits. Spending time revalidating that a given case does not have any impactful changes takes time away from caseworkers that could be better spent focusing on those that require a more detailed manual review. Passive Renewal is an existing automated process within Ohio Benefits to determine if the household's situation remains the same, and if so, renews their benefits for another year without worker intervention and the need to gather information from the recipient. Historically, only 14% to 17% of the Medicaid recipients were going through the automated Passive Renewal process each month, leaving a remaining 83% to 86% of Renewals to be processed manually each month. The Ohio Benefits team identified improving the existing automation as a clear opportunity to increase throughput, lighten the workload for Medicaid workers, and optimize the overall Medicaid Renewal process in Ohio.

Implementation

Empowered with new technology and a goal of increasing operational efficiency, the Ohio Benefits team got to work.

Faced with an outsized and growing number of alerts, the Ohio Benefits project team collaborated with the Ohio Departments of Administrative Services (DAS), Medicaid (ODM), and Job and Family Services (ODJFS) to proactively review the backlog, current processes, and original business requirements. The team identified recommendations that could improve the quality and efficiency of alerts without sacrificing the correct and timely processing of information. The team recommended updates that would reduce alert redundancy, reduce generation of alerts for non-recipients, and increase the discrepancy threshold for financial alerts. In addition, the system was also updated to include automated logic to clear an alert upon worker completion of the action required. Four focus categories were identified: IRS (Internal Revenue Service), SWICA (State Wage Information Collection Agency), UCB (Unemployment Compensation Bureau), and SDX SSI (State Data Exchange Supplemental Security Income). These updates were implemented through four iterative sprints between March and July of 2021, prioritizing the most impactful updates first to recognize the most significant benefits as quickly as possible. These design changes streamlined the generation of alerts and reduced outdated backlogs for key areas, thus reducing the burden on caseworkers and improving the overall efficacy of alerts.

Meanwhile, DAS and ODM, in collaboration with the Ohio Benefits project team, reviewed the key drivers and identified recommendations to increase the passive renewal rate. The team

found that the following key factors had an impact on passive renewal rates: verification of financial and non-financial information, fallout (which is when the system begins, but is unable to complete, a passive renewal), and the number of due dates applied to one household. Therefore, improvements targeted those specific factors. Automatic verification of information was improved using data from the Social Security Administration and state data exchanges. The existing automated process was updated to reduce fallout, and a new automated process was introduced to align renewal due dates for the same households. In August of 2021, the Ohio Benefits project team implemented these targeted improvements.

Impact

Throughout 2021, the Ohio Benefits team delivered multiple business process innovations which optimized the way people, processes, and technology work together. As a result, the business transformed, becoming more cost-effective, less taxing for its workers, and ultimately better able to provide services to the people of Ohio.

Within just a few months, the **backlog of alerts was reduced by over 18 million alerts (55%)** (Figure 1). **The annual arrival of new alerts was reduced by 13.8 million alerts.** This run-rate reduction is an **80% reduction for the focused categories.** Because updates were released iteratively, the team was able to realize the most significant benefits as quickly as possible. This quickly reduced the burden on caseworkers, within three months of ideating the enhancement.

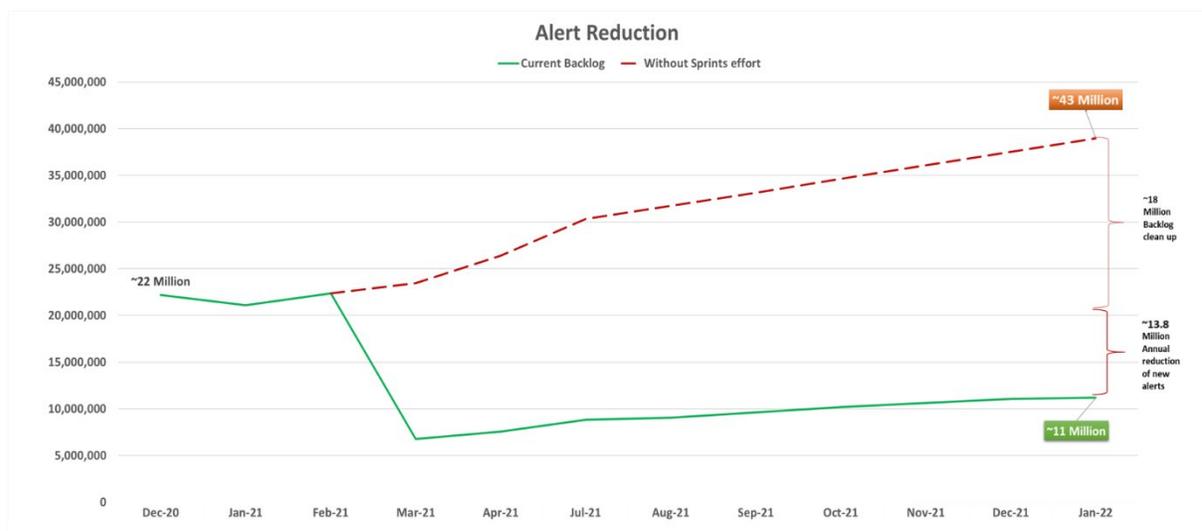


Figure 1

Without this effort, the alert backlog would have reached 43 million alerts by April of 2022. Instead, the backlog as of April of 2022 was one-fourth of that amount, 11 million alerts.

Enhancements to the alerts were accomplished without impacting the system's adherence to state and federal policies. This reduction allowed Ohio to meet the objective of keeping alert

volumes within standard worker productivity levels. Given the success of the Smart Alert logic deployment in the first four sprints, the team is working to identify additional interfaces and areas within the system to which these changes can be extended to continue to streamline alerts.

At the same time, the automation of the Medicaid Renewal process resulted in a new monthly passive renewal rate of **50-57% of households** (Figure 2). This is up from the previous passive renewal rate of 14-17%. Consequently, this upgrade translates into **a reduction of manual work for 600,000 households annually**. In addition to ongoing renewals, an accumulation of 500,000

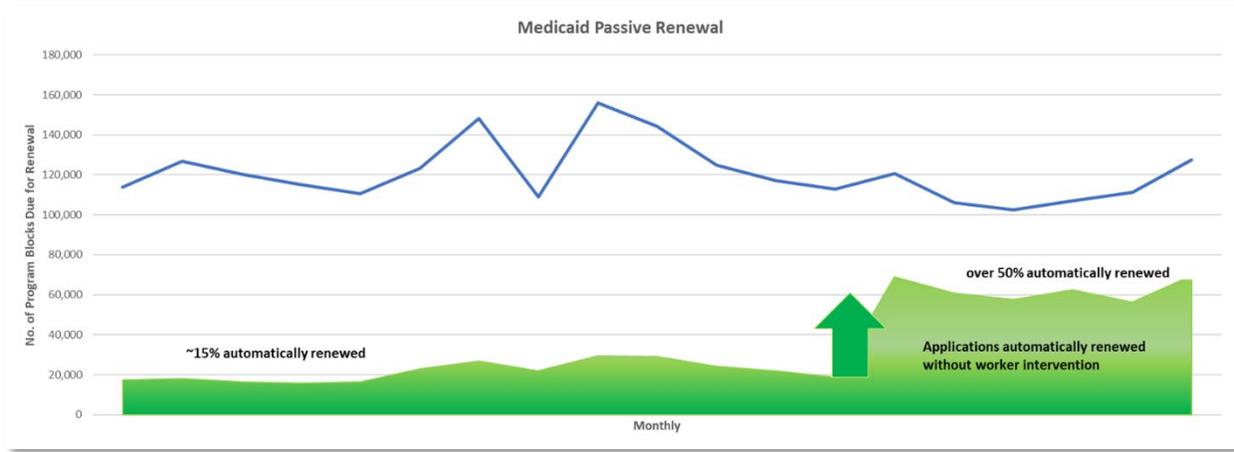


Figure 2

past due renewals (delayed due to the pandemic) were processed and **an additional 150,000 past due households** were renewed passively. The past due accumulation was **reduced by 30%**, easing the burden of the state's unwinding efforts as the Public Health Emergency draws to a close and renewals are required for all Medicaid recipients.

In addition to improving benefit recipient services, there are material time savings for caseworkers. To date, Smart Alerts is responsible for a total savings of up to 25,000 plus working days. It is projected to continue to provide annual savings in the future as well. Each Medicaid Renewal application is estimated to require one hour of manual processing. With 150,000 renewal applications processed automatically, the state saw a one-time savings of up to 18,000 working days. Additionally, with the automatic renewal of 600,000 households per year, Passive Renewal is projected to drive an ongoing estimated savings of 75,000 working days per year.

Business process automation is a key component of the Ohio Benefits Program, it is ensuring that the right beneficiaries receive the right benefits in an increasingly efficient manner.