

An AutoGov White Paper



AutoGov, Inc.
6300 Bridgepoint Parkway, Suite 115
Two Bridgepoint Square
Austin, Texas 78730
512.439.2900
www.autogov.com

Score Data to Streamline Eligibility for Government Programs

July 22, 2009

*by: Gregg A. Phillips
Rose A. Hayden*

Contents

Introduction	2
Summary: Accuracy and Timeliness	3
Historical Approach: From Social Services to Improper Payments	4
The Dilemma: More Data to Fewer People	5
Problems with the Status Quo	6
Formula for Success: The Scoring Engine	7-8
How We Can Work With You	9

Introduction

Accurate determination of eligibility for government programs is one of the key conundrums for today's social service workers. Errors in eligibility cost states millions of dollars. People in critical need are denied access to help, while high-risk candidates slip through a flawed system.

Current data gathering has increased over the past forty years, while functional ways to use data at the point of determination eludes the most efficient caseworker. Government data combined with additional data gathering techniques from private sector businesses creates a volume of information too large to be useful. Recent economic slowdowns have necessitated staff reductions, increasing the workload for many caseworkers. Streamlining the process creates more data going to fewer people thereby increasing the risk of errors.

Programs such as Medicaid, SNAP (Foodstamps) and Unemployment Insurance are grappling with a cumbersome process to determine eligibility. With a simple tool from AutoGov, a numerical score determines the risk of each candidate for these programs based on historical data for the caseworker.

This white paper explores the advantages of deploying AutoGov technology at the point of determination for eligibility. With the AutoGov Scoring Engine, each client is rated by a score based on changing data. It is inexpensive, simple to run with existing systems and creates a threshold for your department to determine timely eligibility while reducing errors.

Summary of the Problem: Accuracy and Timeliness

Professionals who operate eligibility for health and human services in states find a wide range of errors. Detecting errors before they occur, uncovering ones already made while assessing the impact of these mistakes can become a full time job. Rules and regulations for each program's error reporting are cumbersome and full of arcane details. Reporting errors to the departmental leadership as well as federal programs wastes valuable resources.

There are two basic types of errors: active case and negative case errors. An active case error is an error made in a case when the recipient was determined eligible. A negative case error is an error made in a case that caused the applicant to be determined not eligible or benefits have been suspended or terminated.

State quality control officials often uncover these active case errors. Error rates are determined for each state and program. Very low active case error rates can result in a state receiving bonuses or incentive payments, while exceptionally high error rates can result in multi-million dollar sanctions and improper payments.

Negative case errors are a relatively new area of focus and are no less taxing to the system. Recent congressional leadership has sponsored legislation that seeks to prevent people getting services for which they are not eligible. Negative case errors cause a reduction in access to programs and have serious consequences for the health and safety of applicants when denied healthcare and nutritional services.

For those seeking Unemployment Insurance, the dynamics are the same. States are draining their unemployment trust funds to pay claims so insuring that those collecting benefits are eligible is critical.

States are also compelled to make eligibility decisions on a timely basis. Different programs require different standards, but 30 to 45 days is common. Decisions made beyond these requirements can result in an error. Accurate appraisal of a candidate's eligibility in a timely manner is paramount. This is where AutoGov's Scoring Engine can help.

Historical Approach: From Altruistic Purpose to Improper Payments

In the 1960's in the United States, government programs like Medicaid, Foodstamps (now SNAP) and Unemployment Insurance burgeoned. At the time, computer systems were in the nascent stages so candidates filled out voluminous paper applications for each program. Caseworkers were expected to study existing regulations for the programs and make subjective evaluations based on these dense, paper applications. Eligibility for the programs was determined shortly after the applicant met with the caseworker.

During the 1970's early computer applications helped condense applications by half. However, workers were not only receiving information, they were expected to input data accurately. To leverage best practices, states often shared their systems. But the speed of technological changes outran most state's ability to keep up and take advantage of the benefits. The result was that states became burdened with antiquated systems or hired private vendors to implement new systems.

Through the nineties, government administrators recognized the need for more manageable and effective data analysis. It became evident through lengthy intake sessions with clients often resulting in incomplete applications with missing information that the process was flawed. Private sector consultants sought to provide ways to work around these juggernauts while government managers sought to re-invent the system.

AutoGov approached the problem from a different angle by "teasing" useful information from masses of information. A score for the potential risk any client poses can be assigned through historical data and applications of an algorithm or a complex formula. Errors are identified before they are made. Access is given only to people with the lowest threshold of risk. States are better able to meet stringent federal requirements for funding. Money is saved, caseworkers are unburdened and the clients receive help more quickly.

The Dilemma: More Data to Fewer People

Accurately determining eligibility for SNAP, Medicaid, and Unemployment Insurance is at best challenging and at worst a subjective guessing game. Caseloads are rising to unprecedented proportion while the numbers of experienced eligibility workers continue to reach new lows. Long term care cases are often so difficult and cumbersome that decisions are incorrect more often than they are accurate.

Combine these challenges with program complexity and conflicting mandate, even the most senior caseworkers feel burdened. Active case errors, negative case errors, PERM, MEQC, FNS, CMS, ARRA, DRA, IPIA, and state requirements all contribute to the problem of ubiquitous data.

States and counties are plagued with too much information. For instance, some states ask their caseworkers to carry caseloads up to 1,500 cases per worker for simple cases and 600 standard cases. Yet in other states, missing information in cases causes an overall increase in both active and negative case errors.

Determining eligibility accurately and on a timely basis—all while holding responsibility for these enormous caseloads—places tremendous burdens on caseworkers. Add to these challenges, hundreds of new data points for each case, workers are dealing with a volume of information never before seen in health and human services.

AutoGov's Scoring Engine solves the troubling dilemma of juggling competing factors—too much information, complex program rules, and programs in constant flux. And it evaluates huge volumes of data more quickly than a burdened caseworker could be expected to handle. Through a simple score, a caseworker can establish a threshold of risk for each case with ease and accuracy.

Problems with the Status Quo

Today government programs face a burdensome quantity of data, fewer caseworkers and voluminous regulations resulting in stagnation and low morale.

In the health and human services area, generic caseworkers are called upon to understand multiple programs across many services. For example one caseworker may need to be versed in three hundred pages of Medicaid regulation as well as multiple volumes related to Foodstamps. Even those who are specialized in a particular area face similar challenges of ever increasing rules and regulations.

As the volume of data has increased, the usefulness of the data has decreased. More or current information is not necessarily accurate or useful information. As the economic climate worsens, staffs are cut.

Managing eligibility in the context of conflicting mandates and rising caseloads is taxed by diminishing resources. The challenge faced by government professionals today can be met with a simple, inexpensive, easy to use tool: AutoGov's Scoring Engine.

Formula for Success: The Scoring Engine

Auto Gov's Scoring Engine functions much like a credit score for clients of the government programs. The scoring engine blends with current information technology systems as a simple widget within existing software.



AutoGov's Scoring Engine is a formula derived from historical data that is mined, coupled with current program rules and staff expertise. This formula is applied to new transactions to score a client's risk level.

The formula is based on rigorous analysis of historical eligibility data taking into account the potential for errors or fraud. If a client is lacking significant data such as a driver's license

or birth certificate, the scoring engine weights this information differently than data determined to be less important. AutoGov's Scoring Engine presents the caseworker only necessary data to support eligibility decisions. The formula is continuously updating the historical data in real time, so caseworkers are offered the most accurate evaluation of the candidate possible.

A large state's health and human services department used the AutoGov Scoring Engine for its Medicaid program. Since its implementation, the state has saved millions of dollars per year. Many clients were rightly denied services at the point of origin. This is far less costly than removing non-eligible clients once in the system or recouping payments made in error.

“...Qualitative measures should eventually be quantified, and indeed some companies are working to that end. An example is AutoGov Inc., an Austin, Texas, firm whose analytical programs can tease useful lessons out of floods of data in federal health and human services programs.

Using advanced research and analytical capabilities, AutoGov can help ensure timely and accurate eligibility determinations —and optimal services—to clients.”

***Tim Clark
Executive Editor
Government Executive Magazine***

All information is secured through AutoGov's data services, which have recently gone through a full privacy and HIPAA audit.

The AutoGov Scoring Engine simplifies the complicated process of determining eligibility. Caseworkers can handle their workload more efficiently so that clients get a quick answer. The Scoring Engine is easy to implement and cost effective.

How We Can Work With You

Our team has decades of experience implementing health and human service solutions. We understand procurement constraints faced by state leaders.

Auto Gov's Scoring Engine is designed to dovetail and integrate with existing platforms and can be purchased on an as-needed basis per click basis or can be licensed directly to the state agency.

Contact us to discuss how our practical solution for improving eligibility requirements can be implemented quickly to enhance the growing need for services. A web-based demonstration of the scoring engine is available.

Rose A. Hayden
rose@autogov.com

Gregg A. Phillips
gregg@autogov.com

Corporate Office:

AutoGov, Inc.
6300 Bridgepoint Parkway
Two Bridgepoint Square
Suite 115
Austin, TX 78730

512. 439.2900