

NEWS RELEASE

Office of Performance Evaluations
Idaho Legislature
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FOR IMMEDIATE RELEASE

Date: January 23, 2012

FOR MORE INFORMATION:

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Meeting Location: State Capitol, Senate and House Auditorium
Meeting Time: 5:00 p.m.

(BOISE) In a follow-up report released to the Joint Legislative Oversight Committee today, the Office of Performance Evaluations (OPE) detailed the results of its survey of Medicaid providers. The survey revealed that 43% of the 1,445 respondents are now satisfied with the new claims processing system implemented in June 2010. The follow-up report discusses efforts made by Molina Healthcare, Inc. and the Department of Health and Welfare to implement eight OPE recommendations. However, despite the efforts of the department and Molina, 33% of the providers surveyed are currently unsatisfied with the system. Evaluators have asked the department and Molina to further examine the reasons for unsatisfied providers.

Evaluators found that Molina has increased communication with providers, improved customer service, and strengthened quality assurance procedures. It has also begun measuring the accuracy of the system as opposed to only measuring the timeliness of claims processing. Additionally, the number of pended claims has substantially decreased. Molina processes an average of 150,000 claims each week and pends between 10,000 and 15,000 claims that require additional processing—a significant improvement since last February when we reported approximately 58,400 claims were in pending status.

Evaluators asked the Department of Health and Welfare to create a contract amendment that holds Molina accountable for the system's performance. As a result, the department reduced the contractually

obligated payment amount for operations to Molina by \$2.7 million (20%). This reduction was calculated using quality assurance criteria recently developed by both the department and Molina.

In July and August 2010, the department issued \$117 million in interim payments to supplement provider cash flow because the system was not processing claims correctly. The department still has \$3.5 million in outstanding payments to collect from providers. Of this amount, 75% is on a repayment program and the other 25% has been turned over to a collection agency.

The committee requested a follow-up review with another survey of the providers in fall 2012. The complete follow-up report, along with survey results and the original March 2011 report are posted on the Office of Performance Evaluations' website at <http://www.legislature.idaho.gov/ope/>.

Performance audits or evaluations are an essential function of legislative oversight to ensure that taxpayer dollars are spent efficiently and in accordance with Idaho law. At the end of the 2011 legislative session, the Joint Legislative Oversight Committee unanimously voted to direct the Office of Performance Evaluations to conduct this study. The eight-member committee is equally divided between the two political parties and the two chambers of the Legislature. Senator Elliot Werk and Representative Clifford Bayer co-chair the committee.