



Follow-up Review: MinnesotaCare Eligibility Determination

Major Findings:

- In 2003, OLA reported several problems with MinnesotaCare eligibility determination, including (1) high error rates when staff calculated applicants' income and (2) errors in applicants' self-reported information regarding access to insurance through employers.
- The Department of Human Services (DHS) has implemented most of OLA's 2003 recommendations and related changes to state law that were designed to address these problems.
- However, DHS's 2006 audit of MinnesotaCare family cases found enrollment errors in 10 to 14 percent of cases and incorrect income determinations in over 30 percent of cases. Incomplete information from clients and mistakes made by workers both contributed to these errors.
- "HealthMatch," an automated eligibility system that should improve accuracy, is being developed; but development has taken much longer than expected due to increases in the system's scope, missteps by the contractor and DHS, and other factors.
- Successful implementation of HealthMatch still faces serious risks, and a first version of the system is not likely to be released before 2009—four years later than initially expected. The date of full implementation is unknown.

Recommendations:

- DHS should expedite consolidation of HealthMatch business requirements and completion of design documents.
- DHS should consider taking additional steps to improve the accuracy of MinnesotaCare eligibility determinations while waiting for HealthMatch to be implemented.

Summary of Agency Response

In a letter dated April 9, 2007, Commissioner of Human Services Cal Ludeman said: "Overall, we agree with the report's major findings." In addition, the Commissioner agreed with the report recommendations and said the department will take actions to implement both. Regarding a possible buy-out of the HealthMatch contractors' assets, he added that DHS is optimistic that the sale to a new vendor "will take us over the remaining hurdles to completion of the HealthMatch project." Until the sale is complete, he said the department will continue to manage its relationship with both firms prudently.

The full report, *Follow-up Review: MinnesotaCare Eligibility Determination*, is available at 651-296-4708 or: www.auditor.leg.state.mn.us

Serious problems persist with the accuracy of MinnesotaCare eligibility determinations, and a new system designed to fix the problems has been significantly delayed.