



PERFORMANCE AUDIT REPORT

**HealthWave: Determining Whether the Program's
Call Center Is Working As It Should**

Executive Summary ***with Conclusions and Recommendations***

A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
June 2008

Legislative Post Audit Committee

Legislative Division of Post Audit

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LEGISLATIVE DIVISION OF POST AUDIT

800 SW Jackson
Suite 1200
Topeka, Kansas 66612-2212
Telephone (785) 296-3792
FAX (785) 296-4482
E-mail: LPA@lpa.state.ks.us
Website:
<http://kslegislature.org/postaudit>

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LEGISLATIVE DIVISION OF POST AUDIT

800 SOUTHWEST JACKSON STREET, SUITE 1200
TOPEKA, KANSAS 66612-2212
TELEPHONE (785) 296-3792
FAX (785) 296-4482
E-MAIL: lpa@lpa.state.ks.us

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To: Members of the Kansas Legislature

This executive summary contains the findings and conclusions, together with a summary of our recommendations and the agency responses, from our completed performance audit, *HealthWave: Determining Whether the Program's Call Center Is Working As It Should*.

The report includes several recommendations for the Kansas Health Policy Authority. We would be happy to discuss these recommendations or any other items in the report with you at your convenience.

If you would like a copy of the full audit report, please call our office and we will send you one right away.

A handwritten signature in black ink that reads "Barbara J. Hinton". The signature is written in a cursive, flowing style.

Barbara J. Hinton
Legislative Post Auditor

EXECUTIVE SUMMARY
LEGISLATIVE DIVISION OF POST AUDIT

Overview of the Kansas HealthWave Program

In 2001, the Legislature combined several medical insurance programs for low-income families into a program called HealthWave. page 4
The HealthWave Program consists of the State’s Children’s Health Insurance Program (Title XXI) and several Medicaid insurance programs (Title XIX). The 2005 Legislature created the Kansas Health Policy Authority, which became responsible for overseeing HealthWave and other medical assistance programs in fiscal year 2007. The Authority contracts with MAXIMUS, a private contractor, to help determine eligibility and market the HealthWave Program. Under the contract, MAXIMUS also is required to operate a Call Center. In fiscal year 2007, about 340,000 people participated in the programs under the HealthWave umbrella.

Question 1: Is There a Problem With the HealthWave Program Returning Phone Calls Placed to Its Toll-Free Number, and If So, What’s the Cause and What’s Being Done To Fix It?

The HealthWave Call Center has a toll-free number accessible 24 hours, seven days a week. page 7
Operated by MAXIMUS, a private contractor, the Call Center receives a monthly average of 27,000 phone calls and 1,300 voicemail messages from current and potential HealthWave Program participants. Generally, MAXIMUS staff are expected to attempt to return messages by the end of the next business day. The contract requires staff to attempt to return voicemail messages left after business hours by the end of the next business day. MAXIMUS also allows messages to be left during business hours (something not required by contract), and its goal is to attempt to return messages left during business hours by the end of the next business day as well.

The contractor doesn’t have a system in place to ensure that all voicemail messages are captured so staff can return them. page 10
Each day, Call Center staff transfer recorded messages on five voicemail boxes to paper message logs. MAXIMUS officials told us supervisors review the number of messages recorded on each of the voicemail boxes, which should match the number of messages staff record on the message logs. However, on 4 of the 11 days we reviewed for the month of February, those counts didn’t match. In discussing these discrepancies with MAXIMUS officials, we learned that reconciling the two reports isn’t always possible because of the continuous nature of voicemail messages being left throughout the day, and because supervisors don’t record the number of voicemail messages consistently.

About one-third of the time we found problems with the Call Center’s efforts to return calls, but most of those problems were fairly minor. *We found one or more problems with 28 of the 100 sample voicemail messages we reviewed. For 19 messages, returned calls weren’t attempted before the end of the next business day, however; 13 of them were late by only one day. For nine messages, staff didn’t fulfill MAXIMUS’ internal goal of making three attempts to reach the caller (for two of these problem messages, staff also made their attempts late). For two other messages, there was no evidence MAXIMUS staff had attempted to return the call.* page 11

Several factors may have contributed to the problems we found. *MAXIMUS officials haven’t clearly documented all the requirements their customer service representatives should meet. MAXIMUS officials also told us that, during the first few months of fiscal year 2008, they still were experiencing the residual effects from changes in federal requirements that caused a huge influx of calls in fiscal year 2007. These new provisions required clients to provide proof of identity and citizenship for Title XIX Medicaid programs, which resulted in the Call Center receiving an average of 10,000 more calls and 4,000 more voicemail messages per month.* page 13

During that time, the Health Policy Authority didn’t strictly enforce certain contract provisions because of circumstances brought on by those changes, and instead directed the contractor to shift resources to reduce the resulting backlogs in applications.

We also noticed several weaknesses related to how MAXIMUS and the Kansas Health Policy Authority monitor or enforce the contract. *Based on records MAXIMUS maintains, it’s difficult to track what actions its staff took to address any particular phone message. That’s because the original messages are recorded on paper, while the actions staff took in response to the messages are contained in the contractor’s computer system.* page 16

For the Kansas Health Policy Authority, we found that its contract with MAXIMUS hasn’t been updated to clearly spell out expectations related to handling phone messages from clients or potential clients. In addition, the weekly reports MAXIMUS provides to the Authority don’t include all the information needed to monitor current contract provisions related to returning phone calls.

Question 1 Conclusion. *The Call Center apparently experienced a significant increase in call volumes in fiscal year 2007 when changes to federal requirements caused many HealthWave participants to call in about the new requirements. However, since that time call volumes have returned to a normal level and additional staff have been provided to the Call Center to help handle calls. Nonetheless, 28% of the phone messages we reviewed weren’t returned according to contract requirements or internal performance goals. While most of those problems* page 18

were't severe—many were returned only one day late—about 10% of all messages had more significant problems. This suggests that better efforts must be made on the part of MAXIMUS and the Health Policy Authority to ensure that staff know what is expected, and that appropriate monitoring occurs to ensure that standards are being followed.

Question 1 Recommendations for executive action. We page 19
recommended that the Health Policy Authority do the following:

- Update its contract language with MAXIMUS to reflect current expectations for returning phone calls.
- Direct MAXIMUS to establish additional written policies and procedures on returning calls from voicemail messages that are in accordance with its expectations and with contract terms.
- Direct MAXIMUS to develop systems that would allow it to know that all voicemail messages are recorded, and to readily ascertain and evaluate its staff's responses to voicemail messages.
- Periodically review a sample of messages to ensure contract requirements and policies are being met.
- Require more detailed reports from its contractor about the number of messages that remain to be returned, and review those reports to assess the contractor's performance.

Question 2: Does It Appear That Problems with Returning Phone Calls Could Be Having a Significant Negative Impact On Program Enrollment?

The fiscal year 2007 drop in HealthWave enrollments likely was the result of new federal citizenship and identity requirements. page 21

Beginning in fiscal year 2007, the federal government required applicants for Title XIX Medicaid insurance programs to provide proof of identity and citizenship. For consistency purposes, the Authority initially decided to apply those same requirements to the State Children's Health Insurance Program participants. However, the Authority lifted those requirements in November 2006 to curb the decline in the number of children enrolled in that Program. In fiscal year 2007, Title XIX Medicaid beneficiaries decreased by more than 8%, while enrollment in the State's Children's Health Insurance Program dropped by only about 1.7%.

For fiscal year 2008, we think unreturned phone messages likely had no significant negative impact on HealthWave Program enrollments. page 23

From a random sample of 100 phone messages we reviewed, we found 11 that weren't returned. Of those, six callers were already members of HealthWave, three previously had been determined to be ineligible for HealthWave benefits, and two callers couldn't be found in the computer systems we reviewed.

Based on statistical projection methods and several assumptions we made, the maximum number of people who wouldn't have enrolled because of unreturned phone calls would represent less than 1% of the total Program enrollment during the first eight months of fiscal year

2008. However, several unknown factors related to the calls and callers could significantly impact any estimates, making a reliable projection of the sample results impossible. We also noted that other factors related to customer service, such as delays in processing applications, could have some impact in delaying enrollments in the HealthWave Program.

Question 2 Conclusion. Many of the thousands of messages the MAXIMUS Call Center receives annually come from individuals who are—or at some point were—part of the HealthWave Program. In addition, not returning a single call to a possible applicant doesn't necessarily mean the person won't call back, or won't get access to HealthWave through another source. We found only a negligible proportion of problem calls that could deter a person's enrollment in the Program, and concluded unreturned phone messages likely didn't negatively impact enrollment. However, improving the contractor's system for retrieving messages as discussed in Question One, as well as processing applications timely, will further ensure that the HealthWave Program is as accessible as it should be. page 25

These appendices can be found in the full report:

APPENDIX A: Scope Statement page 27

APPENDIX B: Agency Responses page 29

In general, the Kansas Health Policy Authority and MAXIMUS agreed with our recommendations. The Authority acknowledged the potential value of recommendations 2b and 2c, but indicated it wouldn't be implementing them because it viewed them as establishing more restrictive and explicit contractual performance targets. Those recommendations call for the Authority and MAXIMUS to agree on an acceptable level of effort for MAXIMUS' staff to make when returning phone messages, to clearly describe that level of effort in MAXIMUS' standard operating procedures, and to train staff on those procedures. Implementing these recommendations wouldn't necessarily require a change to contract terms, but if a contract change is necessary, the Health Policy Authority will soon be modifying the contract to address other issues.

This audit was conducted by Katrin Osterhaus, Nathan Ensz and Brad Hoff. Leo Hafner was the audit manager. If you need any additional information about the audit's findings, please contact Katrin Osterhaus at the Division's offices. Our address is: Legislative Division of Post Audit, 800 SW Jackson Street, Suite 1200, Topeka, Kansas 66612. You also may call us at (785) 296-3792, or contact us via the Internet at LPA@lpa.state.ks.us.