

OFFICE OF THE AUDITOR GENERAL

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Performance Audit

Report Highlights

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Performance Audit of Medicaid Eligibility Determinations for Long-Term Care

Background:

On August 25, 2017, the Governor signed into law Public Act 100-380 which amended the Illinois Public Aid Code.

This amendment to the Illinois Public Aid Code requires that beginning July 1, 2017, the Auditor General is to report every three years to the General Assembly on the performance and compliance of the Department of Healthcare and Family Services (HFS), the Department of Human Services (DHS), and the Department on Aging (DoA) in meeting the requirements placed upon them by Section 11-5.4 of the Illinois Public Aid Code and federal requirements concerning eligibility determinations for Medicaid long-term care services and supports (see **Appendix A**).

This is the third audit (CY21-CY23) on their performance and compliance related to Medicaid eligibility determinations for long-term care. The first audit (CY15-CY17) was released in March 2019 and contained eight recommendations. The second audit (CY18-CY20) was released in September 2022 and contained five recommendations.

Key Findings:

- During this audit, issues related to the Integrated Eligibility System (IES) continued to be identified. These issues surrounded the system's internal controls as well as the completeness of the data provided. Due to these issues, we determined reviewing the entire population of the applications data would not provide accurate results for the purposes of this audit and instead performed sample testing.
- For the 50 applications tested, we found that 11 applications (**22%**) were pending past the required number of days. On average, it took **41 days** from receipt of application to decision. Three different reports produced by HFS (backlog reports, monthly reports, and weekly reports) all indicated applicants were not receiving their determinations of eligibility in a timely manner, particularly after the end of the Public Health Emergency. Consequently, the status of the prior recommendation on the timeliness of eligibility determinations was determined to be **partially implemented**.
- DHS and HFS noted that an IES system enhancement was established to address the processing delays related to OIG asset investigations. However, applications involving HFS OIG asset discovery investigations continued to be overdue during this audit period. The prior audit found that all 16 applications involving asset discovery investigations were not completed in a timely manner. For this audit, we tested 17 cases referred to the HFS OIG in calendar year 2023 to follow up on this recommendation. During this testing, we found that 8 of the 17 applications were not completed in a timely manner, ranging from **14 to 156 days overdue**.
- In addition, multiple issues were identified for these HFS OIG cases during our review. These issues included incorrect information in IES and a lack of controls in IES. As a result, the status of the recommendation on processing delays related to HFS OIG asset discovery investigations was determined to be **partially implemented**.
- Although HFS noted that a system enhancement was implemented in IES to address the prior audit recommendation regarding extension tracking, the testing results showed the enhancement was not fully effective. For the 10 extension cases reviewed, 5 applications (**50%**) had issues with inaccurate IES data, including granting one 60-day extension. While there continued to be cases with inaccurate IES data, there was improvement over the prior audit. Also, we found no examples of more than two extensions or extensions that were not in IES. As a result, the status of the recommendation on extension tracking was determined to be **partially implemented**.

- HFS is not posting the LTC reports on a monthly basis as required by the Illinois Public Aid Code. HFS completed reports for **28 of the 36 months (78%)** during the audit period. We also requested documentation to support the posting of the monthly reports completed during calendar years 2021 to 2023. HFS was only able to provide documentation for **5 of the 28 (18%)** reports.

- The prior audit found the LTC monthly reports did not contain all elements as required by statute. We reviewed the LTC monthly reports for calendar years 2021 to 2023 and found some required elements were still not included. As a result, the status of this recommendation on the LTC monthly report completeness was determined to be **partially implemented**.
- During the prior audit, we found the LTC monthly reports were not accurate due to duplicate entries and other issues with the source data. During this audit, we reviewed the monthly reports for calendar years 2021 to 2023 and found similar issues with accuracy that were identified during the prior audit. We also found 19 of 50 applicants tested (38%) had a reported disability, which would allow 60 days for processing those applications.
- We requested LTC data on the total number of redeterminations completed during the audit and found the redeterminations data in the monthly reports did not have any issues with the totals matching. The only remaining issue involved multiple entries, and no reports after February 2023 contained multiple entries. Therefore, the status of the recommendation on the LTC monthly report accuracy was determined to be **partially implemented**.
- Public Act 100-380 requested the Auditor General to review and evaluate the efficacy and efficiency of the task-based process used for making eligibility determinations in the centralized offices of DHS for LTC services. During this audit period, DHS moved away from the task-based system to a new facility-based system. During the current audit period, the IES reports used to identify work were designed to identify tasks. However, work is assigned to teams based on facilities rather than tasks. After the end of the audit period DHS began re-assessing the reports. Since the reports were not re-designed until after the end of the current audit period, we could not fully assess the efficacy and efficiency of the facility-based approach. Therefore, additional follow-up will need to be conducted during the next audit period.

Key Recommendations:

The audit report contains six recommendations directed to HFS and DHS, including:

- HFS, including the HFS OIG, and DHS should work together to implement controls to improve the timeliness of long-term care eligibility determinations to comply with timelines contained in federal regulations and the Illinois Administrative Code.
- HFS, including the HFS OIG, and DHS should, in order to decrease the opportunity for application processing delays, work together to implement changes to improve the process of: referring applications to the HFS OIG to ensure referrals are received by the HFS OIG, and receiving and acting upon recommendations from the HFS OIG upon completion of its asset investigations.
- HFS, including the HFS OIG, and DHS should ensure extensions are tracked so processing times can be tolled, as required by the Illinois Public Aid Code, for extension days granted. Specifically, the agencies should ensure: extensions are captured in a usable manner; extensions are captured accurately; and the length of extensions granted by IES are in accordance with statute.
- HFS and DHS should complete the monthly reports and post the reports to each Department's website as required by the Illinois Public Aid Code.
- HFS and DHS should ensure monthly reports contain all elements required by the Illinois Public Aid Code.
- HFS and DHS should develop controls to ensure monthly reports required by the Illinois Public Aid Code are accurate.

This performance audit was conducted by the staff of the Office of the Auditor General. HFS and DHS agreed with the recommendations.

Report Digest

On August 25, 2017, the Governor signed into law Public Act 100-380, which amended the Illinois Public Aid Code. This amendment to the Illinois Public Aid Code requires that beginning July 1, 2017, the Auditor General is to report every three years to the General Assembly on the performance and compliance of the Department of Healthcare and Family Services (HFS), the Department of Human Services (DHS), and the Department on Aging (DoA) in meeting the requirements placed upon them by Section 11-5.4 of the Illinois Public Aid Code and federal requirements concerning eligibility determinations for Medicaid long-term care services and supports (**see Appendix A**). This is the third audit (CY21-CY23) of their performance and compliance. Our assessment of the audit determinations is shown below in **Digest Exhibit 1**. (pages 1-2)

Digest Exhibit 1

ASSESSMENT OF AUDIT DETERMINATIONS

Audit Determination	Auditor Assessment
<i>Compliance with federal regulations on furnishing services as related to Medicaid long-term care services and supports as provided under 42 CFR 435.930.</i>	<ul style="list-style-type: none"> We determined calculating timeliness using the data provided would not provide accurate results. Therefore, a sample of 50 was selected. Eleven applications (22%) were pending past the required number of days. On average, it took 41 days from receipt of application to decision for the 50 applications. All three reports prepared by HFS indicated applicants were not receiving their determinations of eligibility in a timely manner, particularly after the end of the Public Health Emergency. (pages 19-26)
<i>Compliance with federal regulations on the timely determination of eligibility as provided under 42 CFR 435.912.</i>	
<i>The accuracy and completeness of the report required under paragraph (9) of subsection (e).</i>	<ul style="list-style-type: none"> HFS completed reports for 28 of the 36 months (78%) during the audit period. Although HFS was providing most of the required elements in the LTC monthly reports, there were still some remaining issues with the completeness of the reports. The reports have an inaccurate representation of the number of potential overdue applications, and the data used to create the redeterminations table contained duplicate entries. We were unable to determine the accuracy of the data in the reports due to numbers not matching. (pages 35-44)
<i>The efficacy and efficiency of the task-based process used for making eligibility determinations in the centralized offices of the Department of Human Services for long-term care services, including the role of the State's integrated eligibility system, as opposed to the traditional caseworker-specific process from which these central offices have converted.</i>	<ul style="list-style-type: none"> DHS gradually transitioned from the task-based approach to the facility-based approach during the audit period, starting in February 2021 and ending by October 2021. The IES reports used to identify work had to be re-assessed in order to assign work based on facilities versus tasks and that was completed after the end of the audit period. (pages 45-47)

Digest Exhibit 1

ASSESSMENT OF AUDIT DETERMINATIONS

Audit Determination	Auditor Assessment
<i>Any issues affecting eligibility determinations related to the Department of Human Services' staff completing Medicaid eligibility determinations instead of the designated single-state Medicaid agency in Illinois, the Department of Healthcare and Family Services.</i>	<ul style="list-style-type: none"> • No apparent issues affecting eligibility determinations were identified related to DHS staff completing these determinations instead of HFS, the single State Medicaid agency. (pages 17-18)

Source: OAG assessment of the audit determinations contained in Public Act 100-380.

Background

The U.S. Department of Health and Human Services defines long-term care services as services that include medical and non-medical care for people with a chronic illness or disability. Long-term care helps individuals meet health and personal needs. Long-term care can be provided at home, in the community, or in a facility. For purposes of Medicaid eligibility and payment, long-term care services are those provided to an individual who requires a level of care equivalent to that received in a nursing facility.

In order for Medicaid to pay for long-term care services, an applicant must meet general Medicaid eligibility requirements as well as financial and functional eligibility criteria. Eligibility requirements are established by federal regulations and state law.

- **Financial eligibility** requires an assessment of a person's available **income** and **assets**.
- **Functional eligibility** is defined as an assessment of a **person's care needs**, which may include a person's ability to perform activities of daily living (bathing, dressing, using the toilet, eating, etc.) or the need for skilled care.

If either financial or functional eligibility requirements are not met, Medicaid will not pay for long-term care services. However, over time, individuals may deplete their resources or income and become financially eligible, or their functioning may deteriorate to the point where they do meet functional eligibility criteria. (page 3)

Agencies Involved with LTC Eligibility Determinations

There are three State agencies involved in determining long-term care (LTC) eligibility: DHS, DoA, and HFS. Each of these agencies has responsibilities in the LTC eligibility process:

- **DHS** has the responsibility of determining an applicant's medical eligibility.
- **DoA** has the responsibility to conduct level of care determinations for nursing home facilities/institutional care (functional eligibility).

- **HFS** has the responsibility to develop policy related to LTC eligibility, investigate assets (if needed) to assist in determining an applicant's financial eligibility, and ensure payment is made to the LTC provider.

Digest Exhibit 2 shows the locations of the LTC hubs as well as the regions covered by each hub. Prior to March 2017, there were only two hubs: Medical Field Operations North and Medical Field Operations Downstate. Medical Field Operations Central opened in April 2017.

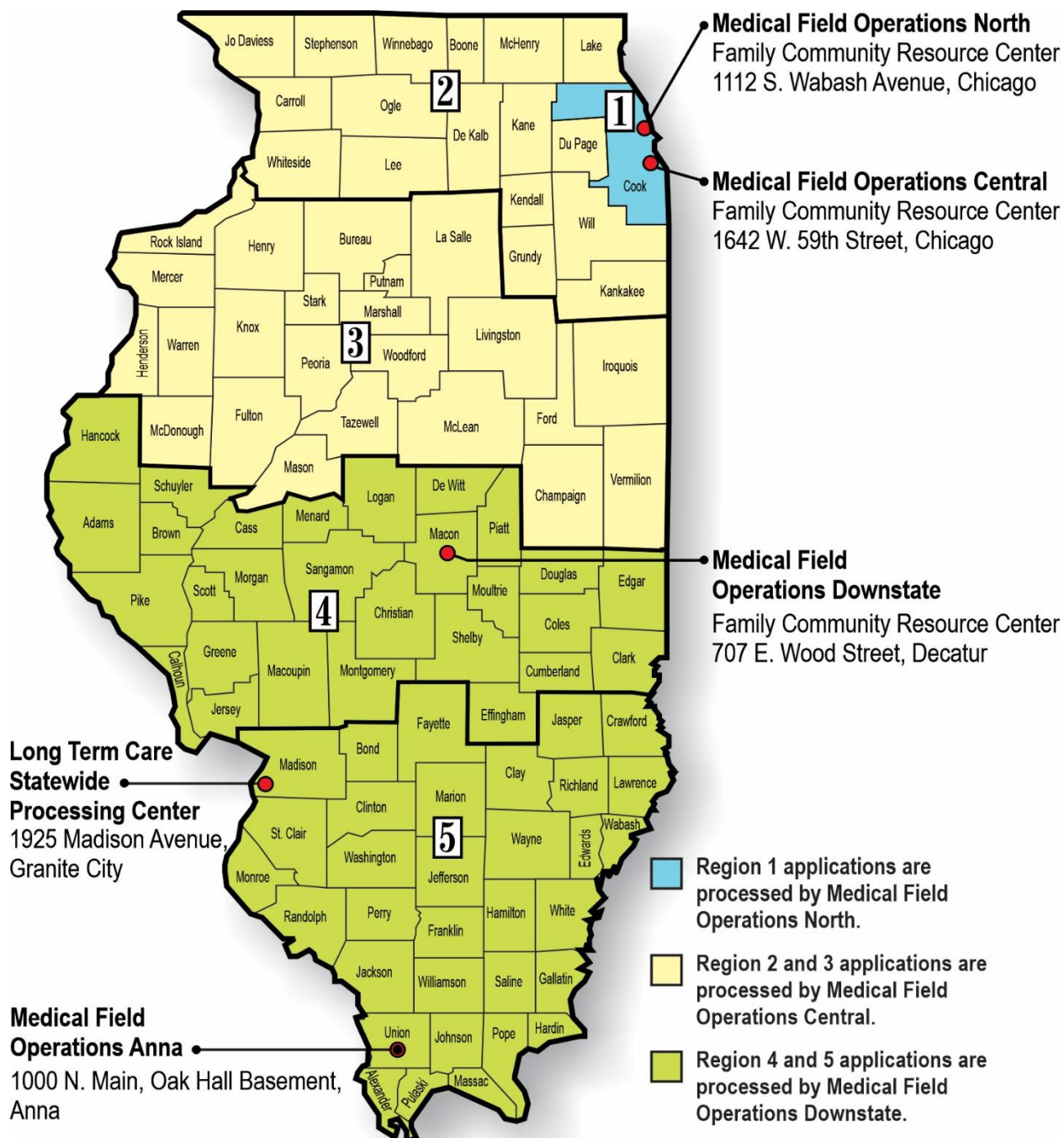
Medical Field Operations Anna was established in late 2020 becoming operational on January 16, 2021. A new LTC Statewide Processing Center was also established in 2020 becoming operational on March 16, 2020. Each LTC office processes applications. However, three Medical Field Operations offices process applications and maintain cases for a particular geographical area based on DHS Regions: Medical Field Operations North, Medical Field Operations Central, and Medical Field Operations Downstate.

- **Medical Field Operations North** processes LTC applications for **Region 1**.
- **Medical Field Operations Central** processes LTC applications for **Regions 2 and 3**.
- **Medical Field Operations Downstate** processes LTC applications for **Regions 4 and 5**.
- **LTC Statewide Processing Center** is designed to handle specific work assigned from the other four Medical Field Operations offices. Assignments are based on priority or urgency needs, special projects, and backlog. This center became operational in March 2020.
- **Medical Field Operations Anna** has been implemented to be a functional field office housing cases to alleviate the workload of the other three Medical Field Operations offices. This office was established in 2020 and became operational in January 2021. The agency currently is reviewing the process to redistribute cases to Medical Field Operations Anna and adjusting work at the other three Medical Field Operations offices to equalize the work. (pages 5-7)

Digest Exhibit 2

DHS LONG-TERM CARE MEDICAL OPERATIONS OFFICES AND REGIONS

Calendar Year 2023



Note: The Long Term Care (LTC) Statewide Processing Center and Medical Field Operations Anna offices process applications for the entire State.

Source: OAG prepared based on DHS information.

LTC Eligibility Determination Process

In Illinois, for Medicaid to pay for nursing facility care, an individual must: (1) apply for medical benefits through DHS, and (2) obtain a needs prescreening through DHS or DoA.

DHS Processing of LTC Applications

LTC eligibility is primarily determined by staff at one of the LTC offices in Illinois as discussed previously. An application moves through IES, a public benefits eligibility and case management system, which has been in various stages of implementation since October 2013.

Most LTC applications are received electronically through the Application for Benefits Eligibility (ABE) online portal, where new clients can apply for benefits. Nursing facility and supportive living facility providers submit applications on behalf of clients and are required to complete and submit the applications electronically through the ABE online portal. Once submitted through the ABE online portal, applications are entered into IES.

Additionally, some paper applications are received at either Family Community Resource Centers or LTC offices. When a paper application is received at a Family Community Resource Center, it is forwarded to the appropriate LTC office for processing. Since providers are required to submit applications through the ABE online portal, paper applications are usually received from the client or family members of the client.

Digest Exhibit 3 is a general overview of the process of determining LTC eligibility, but is not intended to cover all iterations of the process. (pages 12-13)

Changes due to the COVID-19 Public Health Emergency

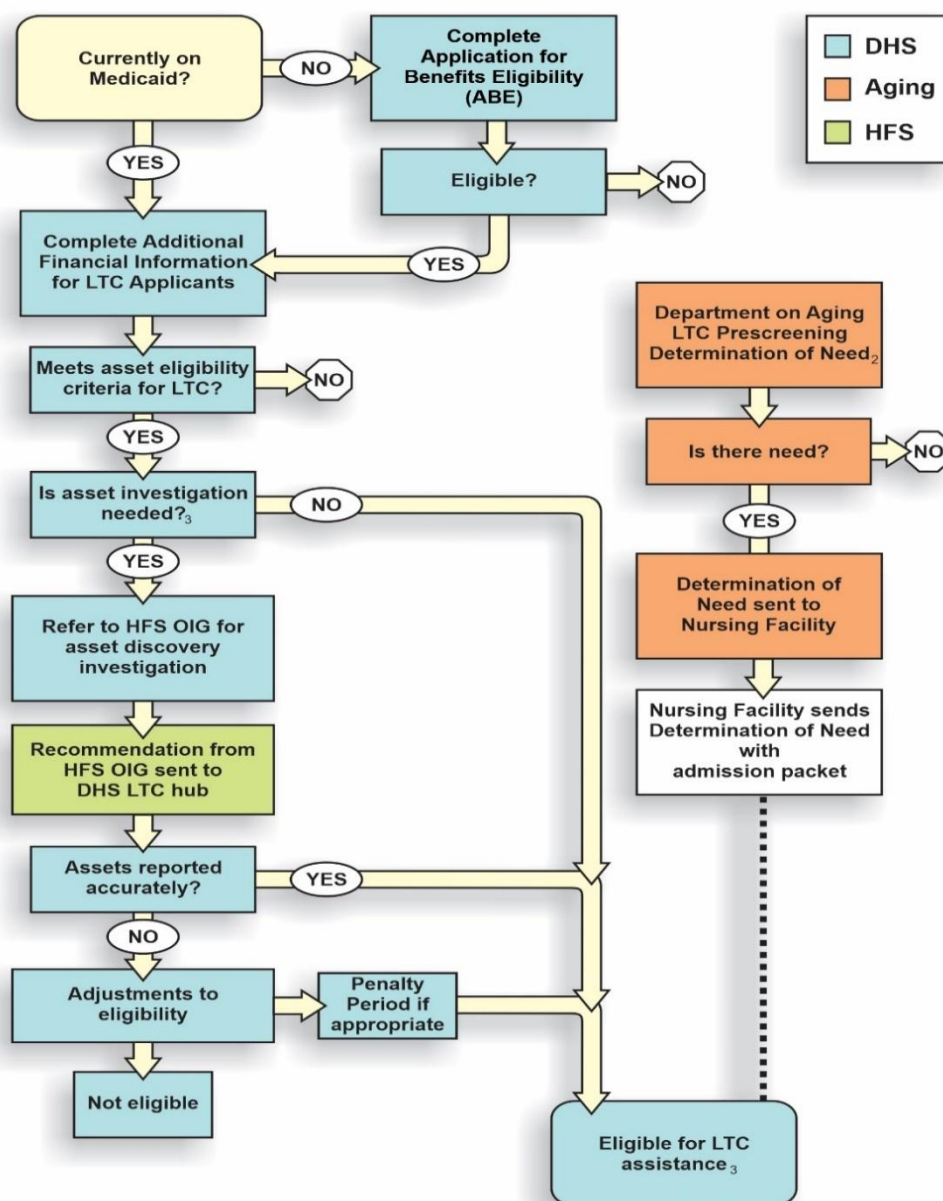
The COVID-19 Public Health Emergency (PHE) allowed for significant changes to the Medicaid LTC eligibility determination process. These changes affected the approval of applications, referrals to the HFS Office of Inspector General (OIG), and redeterminations. The changes to the eligibility determination process due to the PHE began in 2020.

The changes due to the PHE did not end until 2023, so they were in place for most of the current audit period. The Consolidated Appropriations Act, 2023 removed the connection between the PHE and the Medicaid continuous coverage requirement. Therefore, the continuous coverage requirement ended on March 31, 2023, and the redetermination process resumed in April 2023. The PHE ended on May 11, 2023, and the resource test for applications resumed on May 12, 2023. (page 16)

Digest Exhibit 3

LONG-TERM CARE ELIGIBILITY DETERMINATION PROCESS¹

Calendar Year 2023



Notes:

¹ This exhibit presents the basic framework of the long-term care eligibility determination process and agency responsibilities and is not intended to cover all iterations of the process. COVID-19 emergency rules enacted in 2020 affected the eligibility determination process by ensuring applications were reviewed quickly and certain requirements were not required to be reviewed by DHS caseworkers during this time. The Public Health Emergency waivers began unwinding in April 2023.

² The Department on Aging does not complete a prescreening when a Determination of Need was completed within 90 days, a transition occurred from a psychiatric hospital, or a transition occurred from another nursing facility.

³ HFS OIG referrals can occur during initial processing or after a case has been determined eligible.

Source: OAG prepared based on information provided on LTC eligibility determination process.

Delegated Authority to Determine Eligibility

Public Act 100-380 requested the Auditor General to determine if there are any issues affecting eligibility determinations related to DHS' staff completing Medicaid eligibility determinations instead of HFS, the designated single State Medicaid agency in Illinois.

We determined that no apparent issues affecting eligibility determinations were identified related to DHS staff completing these determinations instead of HFS, the single State Medicaid agency. (pages 17-18)

Timeliness of Eligibility Determinations

Public Act 100-380 requested the Auditor General determine if the agencies are in compliance with the following federal regulations:

- **42 CFR 435.930** – Was Medicaid (related to Medicaid LTC services) furnished promptly to beneficiaries without any delay caused by the agencies' administrative procedures; and
- **42 CFR 435.912** – Was the determination of eligibility for all applicants determined within 90 days for applicants who apply for Medicaid on the basis of disability or within 45 days for all other applicants.

Federal regulations require determinations of eligibility for any Medicaid

Eligibility Determination Timelines

- ***Determination Based on Disability:***

- 90 days – Federal Regulations
- 60 days – Illinois Administrative Code

- ***Determination For All Others:***

- 45 days – Federal Regulations and Illinois Administrative Code

applicant cannot exceed 90 days for applicants who apply for Medicaid on the basis of a disability and 45 days for all other applicants. Illinois imposes more strict timelines for Medicaid eligibility determinations for individuals applying on the basis of a disability. According to the Administrative Code sections for HFS and DHS, determination of eligibility for LTC must be completed within 60 days for all persons seeking to qualify on the basis of a disability and 45 days for all other applicants (89 Ill. Adm. Code 110.20 and 10.420).

In order to analyze if applicants were receiving their determinations of eligibility within the required timelines, we reviewed the following three reports: LTC monthly reports, medical application backlog reports, and internal weekly reports. We found that all three reports indicated applicants were not receiving their determinations of eligibility in a timely manner, particularly after the end of the Public Health Emergency.

Issues Affecting the Data

We reviewed data consisting of **44,661** LTC applications received in calendar years 2021 through 2023. Upon review of the data, which was pulled from IES, we determined calculating timeliness for the population of applications using the data provided would not provide accurate results for the purposes of this audit. More specifically, we found:

- **8,487 of 44,661** applications (**19%**) had multiple entries based on the same name, date of birth, and application date. The applications data was pulled by HFS in the same manner as the prior audit; if an application had multiple assistance types, then the application was listed multiple times in the data; and
- the data contained duplicate records and identifiers.

In addition, as discussed in the *Extension Tracking* section, the defect that was identified with the extension tracker during the previous audit was not corrected until June 2023. Therefore, for most of the audit period, there were potential issues with the number of extensions and the allowable number of extension days. Finally, there was no way to determine if the application should be based on a disability due to how the applications are accepted. DHS officials stated that they do not track the 60-day process because the goal is to process all medical applications within 45 days.

For these reasons, an accurate calculation of timeliness required testing individual applications as opposed to being able to test the timeliness of all applications in the population. We also focused on the timeliness of the eligibility determinations and did not assess if the eligibility was determined correctly.

Timeliness Testing Results

According to the IES data, **15,645** applications were submitted during calendar year 2023. We selected a sample of 50 applications for testing due to the issues noted above.

Digest Exhibit 4

DAYS OVERDUE FOR APPLICATION TESTING

Sample of 50 Applications Tested

Days Overdue	Number of Applications ¹	
	PHE	Post PHE
0	18	21
1-30	0	4
31-45	0	2
46-60	0	0
61-90	0	1
91-120	0	2
121+	0	2

¹ PHE applications were submitted prior to the end of the Public Health Emergency on May 11, 2023.

Source: OAG analysis of LTC applications testing.

For the applications testing, we found that 11 applications (**22%**) were pending past the required number of days. Of those 11, 6 applications were completed within 45 days (between 5 and 38 days) beyond the required timeline. **Digest Exhibit 4** provides a detailed breakdown of the days overdue for the 50 applications sampled. For the 11 applications that were not completed within the required timelines, auditors determined that 5 were overdue because of an OIG investigation.

As discussed in the *Changes due to the COVID-19 Public Health Emergency* section, the COVID-19 Public Health Emergency ended on May 11, 2023, and the resource test for applications resumed on May 12, 2023.

All the applications that were not completed in a timely manner occurred after the end of the PHE.

For the 50 applications sampled, it took on average **41 days** from receipt of application to decision. In addition, of the 50 applications sampled, 17

applications were referred to the HFS OIG for an asset discovery investigation. The applications that were referred to HFS OIG spent on average **58 days** at the OIG. For the 33 cases that did not have HFS OIG involvement, it took on average **22 days** for DHS to make a determination.

Due to these testing and reporting results, this recommendation on eligibility timeliness was determined to be **partially implemented** during this audit period. (pages 19, 23-26)

Applications with HFS OIG Asset Discovery Referrals

The HFS OIG reviews complex financial and legal documents as part of an asset discovery investigation; as a result, processing an application referred for an asset investigation requires additional time. However, Public Act 100-665 (effective August 2, 2018) removed the ability of HFS OIG to have an extension of up to 90 days (that is a 135-day total processing time limit). Even though the statutory extension for investigations was repealed, 90 days remains HFS OIG's target for completing the asset investigations. The targeted completion time was developed from time studies of working cases.

Testing Results

We reviewed a total of **17 cases** referred to the OIG for investigation during fieldwork testing. According to DHS officials, during the PHE, DHS was approving cases, then sending the cases to the OIG for post-eligibility determination. This was because assets were disregarded at that time. Because of this, 7 of the 17 cases with OIG referrals were referred to HFS OIG after the initial eligibility decision had already been made by DHS. Additionally, 4 of the 17 referrals were withdrawn or rejected by HFS OIG.

Eight of the 17 HFS OIG cases were not completed in a timely manner, ranging from **14** to **156** days overdue. The time spent at the OIG for these cases ranged from **34** to **154** days. **Eight (62%)** of the 13 investigations were completed in less than 90 days, which is the targeted completion time for OIG investigations.

In addition, multiple issues were identified for the HFS OIG cases. These issues included:

- The OIG referral date in IES was incorrect for **2** of **17** cases (**12%**).
- The OIG completed date in IES was incorrect for **1** of **17** cases (**6%**).
- All 17 OIG cases indicated a lack of IES controls. During the prior audit, DHS officials stated that IES should not accept dates for referral unless the "Has the OIG Referral been initiated" question is marked "Yes." However, the 17 HFS OIG cases tested did not contain a "yes" answer for this question and referral dates were still allowed to be entered in IES. Ten of the cases were marked with a "No," and 7 were blank. According to DHS officials, in July 2024, HFS OIG staff reported working with IES staff to fix the HFS OIG queue, and this field may have been the issue.

DHS worked on the 10 applications referred prior to the decision from **0** days to **77** days before referring them to the HFS OIG, and the average number of days from receipt of application to referral was **26** days.

Seven of the applications were referred to HFS OIG after DHS made an eligibility decision. DHS referred these applications to HFS OIG between **21** and **538** days after the initial decision was made. The time spent at HFS OIG for these cases ranged from **0** to **116** days.

During the previous audit, it was noted that even though the February 2019 system enhancement allowed the HFS OIG to receive notifications from DHS through IES, email notifications were requested from DHS caseworkers after the referral transmission. This was done to ensure that all referrals were received in a timely manner. DHS officials reported that this process has continued to be used during the current audit period due to the issues with the HFS OIG queue. While there were still some applications that were not completed in a timely manner, compared to the prior audit, there was improvement in the number of days overdue. Additionally, there was improvement in the average number of days between the application and when the application was referred to HFS OIG. However, there continued to be issues with incorrect data in IES and a lack of IES controls. Therefore, the status of this recommendation was determined to be **partially implemented**. (pages 27-31)

Extension Tracking

The Illinois Public Aid Code requires DHS and the HFS OIG to allow LTC applicants additional time to submit information and documents needed as part of the resources review (305 ILCS 5/11-5.4(e)). The agencies may grant a total of two extensions.

- The first extension shall not exceed 30 days; and
- A second extension of 30 days may be granted upon request for a maximum of 60 days.

During fieldwork, we followed up on cases with extensions in order to follow up on the prior audit recommendation regarding extension tracking.

Testing Results

We included 10 extension cases in our sample of 50 cases reviewed from IES during fieldwork. In total, 13 extensions were granted for the 10 applications reviewed.

Extensions upon request by applicant:

- **1st Extension:** Up to 30 days
- **2nd Extension:** 30 days

For the extension cases reviewed, we found 5 of 10 applications (**50%**) with inaccurate IES data. We also found that two cases with extensions (**20%**) were not completed in a timely manner.

Although the Statute only allows for a maximum of 30 days per extension, we found one case that was granted one 60-day extension. According to DHS officials, this occurred because IES automatically granted a 60-day extension.

Although HFS noted that a system enhancement was implemented in IES to address this prior audit recommendation, the testing results showed the enhancement was not fully effective. While there continued to be cases with inaccurate IES data, there was improvement over the prior audit. Also, auditors found no examples of more than two extensions or extensions that were not in IES. Therefore, the status of this recommendation was determined to be **partially implemented**. (pages 32-34)

LTC Monthly Reporting

Public Act 100-380 requested the Auditor General to evaluate the accuracy and completeness of the monthly report required by the Illinois Public Aid Code to be posted on both the DHS and HFS websites for the purpose of monitoring LTC eligibility processing (305 ILCS 5/11-5.4(f)).

Required Posting of LTC Monthly Report

HFS is not posting the LTC reports on a monthly basis as required by the Illinois Public Aid Code. These reports are required to be posted on “each Department’s website for the purposes of monitoring LTC eligibility processing” (305 ILCS 5/11-5.4(f)). HFS completed reports for **28 of the 36 months (78%)** during the audit period.

During the prior audit, HFS and DHS posted all LTC reports as required by the Illinois Public Aid Code on a monthly basis. In August 2019, a link to the HFS website was added to the DHS website. During the current audit period, the link remained on the DHS website. However, the HFS website was updated, and the DHS website was not changed to reflect the new link.

Review of LTC Monthly Reports

Auditors requested documentation to support the posting of the monthly reports completed during calendar years 2021 to 2023. HFS was only able to provide documentation for **5 of the 28 (18%)** reports. If LTC monthly reports are not completed and posted to the websites as required, it is difficult for the public to monitor long-term care eligibility processing. (pages 35-36)

LTC Monthly Report Completeness

According to the prior audit, the LTC monthly reports did not contain all elements as required by statute. The reports did not contain information on extensions and the reports only provided the number of redeterminations pending by location, not the percentages as required. As a result, we reviewed monthly reports for this audit period of calendar years 2021 to 2023 and found some required elements were still not included.

- The monthly reports did not include the required percentages for applications and redeterminations that were pending and tolled due to extensions.
- Although the monthly reports provided the numbers for applications and redeterminations by location and pending with HFS OIG, the reports did not

start providing the associated redetermination percentages until the February 2023 report.

Although HFS was providing most information in the LTC monthly reports as required by 305 ILCS 5/11-5.4(f), there were still some remaining issues with the completeness of the reports. HFS stated that the reports will not be corrected until after the current audit period. Therefore, the status of this recommendation was determined to be **partially implemented**. (pages 37-38)

LTC Monthly Report Accuracy

The monthly reports posted on HFS' website pursuant to statute were not accurate (305 ILCS 5/11-5.4(f)). The monthly reports for calendar years 2021 to 2023 were reviewed, and the following issues with accuracy were found:

- the monthly reports did not present an accurate representation of the number of potentially overdue applications; and
- the data used to create the redetermination table in the reports contained duplicate entries.

Lack of Tracking Extensions and Disability Status

For the audit, we tested 50 applications and found evidence of a request for an extension by the applicant in 10 applications (**20%**). Two of the applications had more than one extension.

The reports also did not identify applications on the basis of disability. Because the Illinois Administrative Code allows 60 days for processing applications on the basis of a disability, some of the applications in the 46 to 60-day category might not be overdue if the applicant applied on the basis of a disability. We found that 19 of 50 applicants tested (**38%**) had a reported disability.

Source Data Accuracy

We were unable to make a determination regarding the accuracy of pending LTC applications data. During the prior audit, even though both the data provided and the monthly reports were from IES, auditors could not confirm the accuracy of the various reports. In addition to issues with the applications data, the numbers did not match between various reports. IES continued to be the source of the data in the LTC monthly reports during the current audit period.

Testing Related to Source Data Accuracy

We compared the data provided by HFS to the monthly reports, internal weekly reports, and medical application backlog reports. We were unable to determine the accuracy of the data for the various reports due to the numbers not matching between any of the reports. March 2022 was the only month where the numbers from any of the sources matched (monthly report and the applications data unique number count). The numbers presented in the LTC monthly report only matched the internal weekly reports. However, because the numbers in the LTC monthly report did not match the medical application backlog report nor the LTC

applications data provided by HFS, we were unable to fully confirm the accuracy of the applications tables in the LTC monthly reports.

Redeterminations Data

We requested LTC data on the total number of redeterminations completed for calendar years 2021 through 2023. Redeterminations were affected by the COVID-19 emergency rules, which became effective in April 2020 and suspended redeterminations. Therefore, according to HFS, no redeterminations were completed from January 2021 to May 2023 due to the PHE. Between June and December 2023, **38,038** redeterminations were completed.

HFS did not complete the monthly report for eight months during the audit period and provided the data used to create the redeterminations table in the monthly reports for **22 of the 28** reports during calendar years 2021 through 2023. We found that for the **22** months reviewed, **none** had issues with the totals matching. The only remaining issue with redeterminations data accuracy was with case numbers and Individual IDs with multiple entries. For the 22 months reviewed, **17 (77%)** contained case numbers and individuals with multiple entries. However, none of the reports after February 2023 contained multiple entries.

We reviewed the LTC application data in the LTC monthly reports and attempted

Application Processing Approaches

Caseworker-based: A caseworker is assigned after intake and then serves as a primary contact for the client from that time forward. A single caseworker is seen for all aspects of a client's case.

Task-based: Clients no longer see a single caseworker for all aspects of their cases but instead work with different workers for different tasks. A supervisor assigns tasks to a worker based on what needs to be done in a given day or week, and the assignment can change each day given what the supervisor determines to be the most urgent tasks. When a worker picks up a case, the worker is to address all tasks appearing.

Facility-based: A team of caseworkers is assigned to a specific group of nursing homes. The team is responsible for processing all applications and ongoing case maintenance from those nursing homes.

to ensure the data matched the data in IES. However, we could not determine the accuracy of the LTC monthly reports due to the numbers not matching between any of the reports. We also reviewed the redeterminations data and were able to compare it to the redeterminations data in the LTC monthly reports. There was improvement in the redeterminations data, and the only remaining issue with the redeterminations data was corrected for reports after February 2023. Therefore, the status of this recommendation was determined to be **partially implemented**. (pages 39-44)

Application Processing Approaches

Public Act 100-380 requested the Auditor General to review and evaluate the efficacy and efficiency of the task-based process used for making eligibility determinations in the centralized offices of DHS for LTC services, including the role of IES, as opposed to the traditional caseworker-specific process from which the central offices converted. See the **text box** for an overview of the approaches.

Decision to Switch Approaches

During the previous audit period, DHS completed the implementation of the task-based approach in October 2018. However, DHS officials stated that the task-based approach was not effective for processing. Therefore, in 2019, DHS made the decision to move away from the task-

based system to a new facility-based system. According to DHS, there were several reasons for this decision:

- staff accountability was hard to track;
- many staff were involved in correcting errors;
- barriers were created in looking at the case holistically and processing all work needing to be completed;
- staff would rotate throughout the year to different tasks and would need retraining. After a time of not processing certain work, staff lost the knowledge and skills needed; and
- nursing homes did not know who to contact when they had inquiries. Staff who had no knowledge of the case would have to research and recreate the case to provide answers to the nursing homes and families.

Comparison of Approaches

The efficacy and efficiency of the facility-based approach was not fully assessed during the prior audit since the process was implemented after the audit period. According to DHS, there were significantly more pros and less cons for the facility-based approach when compared to the other two approaches. The decision to switch to the facility-based approach appeared to be based upon reasonable assumptions. During the current audit period, the IES reports used to identify work were designed to identify tasks. However, work is assigned to teams based on facilities rather than tasks. After the end of the audit period DHS began re-assessing the reports. Since the reports were not re-designed until after the end of the current audit period, we could not fully assess the efficacy and efficiency of the facility-based approach. Therefore, additional follow up will need to be conducted during the next audit period. (pages 45-47)

Audit Recommendations

The audit report contains six recommendations directed to DHS and HFS. DHS and HFS agreed with the recommendations. The complete responses from DHS and HFS are included in this report as **Appendix D**.

This performance audit was conducted by the staff of the Office of the Auditor General.

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JOE BUTCHER
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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