

EXHIBIT I

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Ohio Politics

State reveals \$1.2 billion Ohio Benefits system riddled with defects a year out from Medicaid work requirements

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By [Laura Hancock, cleveland.com](#)

COLUMBUS, Ohio – The state’s technology system that determines whether adults and children are eligible for Ohio Medicaid has nearly 1,100 defects, the department’s director announced Tuesday.

Ohio Benefits, an information technology system that has cost the state \$1.2 billion since it was implemented six years ago, has been found to overwrite and eliminate historical documentation needed to prove Ohio Medicaid enrollees’ eligibility. It has ascribed incorrect dates for benefit renewals, or has failed to trigger renewals at all. The system has incorrectly linked newborns to people who are not their parents -- at one time linking a baby to an 11-year-old child.

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The defects have become apparent to Ohio Medicaid Director Maureen Corcoran, who took over the department for Gov. Mike DeWine, throughout 2019 in various state and federal audits and internal reviews. She described the problems in a 13-page memo to DeWine at the end of the year, made public Tuesday.

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(Read the memo below. Some readers may need to [visit this link](#) to read the memo.)

“It has become clear that the state of (the) Medicaid program, as we inherited it, was a mess,” Corcoran wrote in the memo, which outlines other issues that go beyond Ohio Benefits.



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But a spokesman for former Gov. John Kasich defended his record.

Jim Lynch said that when the former governor came into office there was an \$8 billion shortfall, in part due to unsustainable Medicaid growth.

“So, we got to work to reform the program, cut the cost growth from 9% to below 4%, and covered 700,000 more people,” Lynch said. “The state’s leadership now has the opportunity to build on eight years of progress, further fine-tune a complex program, and reassure Ohioans that critical health care services will be there when they need them.”

Medicaid is a joint state and federal program that offers health care to disabled and low-income Ohioans. The legislature ordered Ohio Medicaid to require many able-bodied adults to work part time or attend school to obtain health care. The federal government has OK’d Ohio’s work requirement plan, and it is expected to begin Jan. 1, 2021.

Corcoran said the state hopes to hit that timeline. However, the devil is in the details about whether work requirements will be successful. If Corcoran doesn’t feel confident that the improvements to Ohio Benefits will be made by next year, there may be delays.

“If we get up to the point of implementation and we don’t have confidence that this is going to be done right, then we will pause,” she said.



Planned Ohio Medicaid work requirements call for case workers to contact recipients before they're cut off

Work requirements

The Ohio General Assembly had required the Kasich administration to begin preparing a work requirement plan -- which needed federal approval -- in June 2017. Corcoran said communication with the federal government appeared to stall under Kasich.

The DeWine administration had to pick up negotiations with the federal government shortly after DeWine took office, she said. Federal approval of Ohio's work requirements didn't occur until March 2019.

While working with the federal government takes time, Corcoran said that 21 months was an "extended period" and shows Kasich's employees did not prioritize it.

"It clearly was not a priority for the prior administration, and that is not the way we want to operate," she said.

It's not the first time Corcoran said she's worked to clean up problems from the Kasich administration. When she started as Medicaid director, [she heard](#)

[criticisms](#) that the department under Kasich wasn't transparent.



New Ohio Medicaid director pledges transparency

Other problems

Other problems with Ohio Benefits described in the memo:

- The system allows duplicate member identifications, potentially resulting in paying a managed care plan more than once for the same person.
- The system isn't tracking whether it is properly submitting all required IRS forms.
- Errors caused hundreds of privacy lapses in which Medicaid enrollees received mail for other enrollees, and enrollees have been able to access the portals of other members. Corcoran said that everyone who was affected was notified and received free credit monitoring from the state.
- The system auto-populates new browser windows when a

case worker does not close a prior case file, which can result in the wrong data uploaded into a case file.

- County workers report that the Ohio Benefits system is causing some individuals' applications for benefits to disappear.
- The system allows multiple ways of inputting data such as "male," "m," "ma," or "2," which can cause problems when assessing and aggregating data.

"It just doesn't sound like the system is working," said John Corlett, a former Ohio Medicaid director and president of the Center for Community Solutions, a health care think tank.

"They say they're faced with 1,100 system defects," he said. "And because of those defects, they say they have to do 1,765 workarounds. That means the case worker has to do a manual process when they encounter a defect. That creates lots of extra work for county case workers. This is probably part of the challenge with why we've seen so many people drop off the system."

Corcoran -- quoting from a federal audit -- said there's no evidence that people been found ineligible for the program.

Ohio Medicaid, which covered 2.7 million Ohioans in December, [has experienced decreases in enrollment](#) for children and adults, which the state has attributed to a number of factors, including the improving economy and problems with Ohio Benefits.



Ohio Medicaid enrollment for children and adults is falling. 6 possible reasons why.

"Do I believe that Ohio Benefits is a bigger contributor than I previously thought? My answer is no," Corcoran said Tuesday. "We have always included IT systems concerns as being a variable here."



Number of uninsured Ohio kids increases by 28 percent – 7th highest jump in U.S.

Other effects?

In addition to Ohio Medicaid, the Ohio Department of Job and Family Services uses Ohio Benefits to manage eligibility for the cash welfare program, known as Temporary Assistance for Needy Families, or TANF, and food stamps, known as the Supplemental Nutrition Assistance Program, or SNAP.

“There were a handful of incidents in 2019 caused by computer error that affected fewer than 1,000 Ohioans receiving JFS benefits, but our experience has not been to the degree of that of Medicaid,” said Bret Crow, a JFS spokesman.

In February, [food banks said](#) there were problems with the system.

Who developed Ohio Benefits?

The state doesn't own Ohio Benefits, but licenses it from Accenture, which owns the system. Accenture and other contractors customized the system to meet Ohio's specific needs.

Ohio Benefits was implemented in 2013 to comply with the Affordable Care Act. It replaced a 30-year-old system. Ohio Benefits was intended to be a

simplified, one-stop application process for various benefits, according to Corcoran's memo.

"Highlighted as a priority for the last administration, numerous components and functionality were added," Corcoran's memo states. "Unfortunately, it appears that the messaging may have been more important than the basic functioning of the system, which calls into question our ability to trust the data output from the system to make multi-billion-dollar decisions."

The federal government didn't keep its regular schedule of audits as it was implementing Obamacare, which means some of the technology issues went undetected for years.

"We're not contemplating a change in the vendor," Corcoran said. "...If we come to a different conclusion as we get to the heart of these things, then we as an administration will make that decision."

