

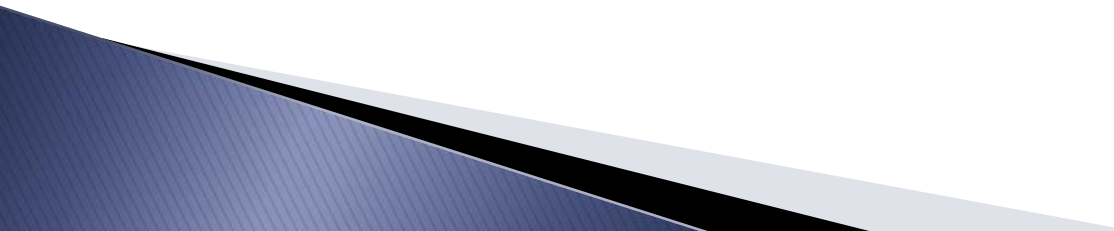
Monthly Wage Reporting

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Save Medicaid Access and Resources Together (SMART) Act

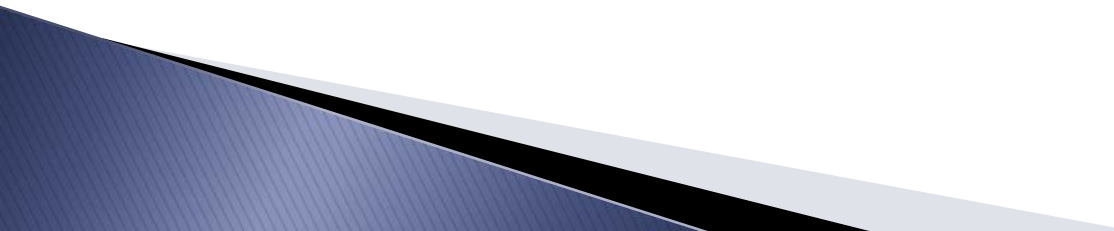
- ▶ Enacted in 2012 as part of legislative package to address estimated \$2.7B shortfall facing Illinois' Medicaid program.
- ▶ Included requirement for monthly submission of UI wage reports to improve ability to monitor Medicaid eligibility.
- ▶ Monthly Reporting considered preferable to New Hire reports in Illinois.
- ▶ Agreed to by Illinois employer community.

Threshold for Monthly Reporting Requirement

- ▶ Monthly reporting requirement limited to employers required to report wages electronically.
 - ▶ Electronic reporting threshold ultimately lowered from 250 or more employees to 25 or more.
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Electronic/Monthly Reporting Period

- ▶ July 1 of calendar year through June 30 of immediately succeeding calendar year.
 - ▶ Based on number of employees reported for last completed calendar year prior to start of reporting period.
 - ▶ Allows time to identify and notify employers who will be subject to electronic/monthly reporting requirement.
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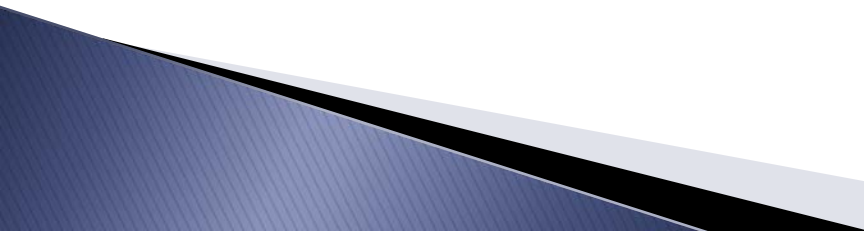
- ▶ Worked closely with interested parties on content requirements.
 - ▶ New reports for each of first two months of quarter.
 - ▶ Traditional quarterly report would constitute report for third month.
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- ▶ Reports for each of first two months submitted through file upload onto IDES's TaxNet system.
- ▶ Reports for each of first two months provide:
 - employer name, FEIN, UI account number, total wages
(E,123456789,9876543,2000,0)
 - employee name, SSN, monthly wage
(S,John,Smith,123-45-6789,1000
S,John,Doe,124-53-9768,1000).
- ▶ Report for quarter submitted through FTP, manual entry or file import or upload onto TaxNet system.

Potential Benefits of Monthly Reporting

- ▶ Combined Medicaid savings from SMART Act initiatives estimated at \$1.1B (not just attributable to monthly wage reporting).
- ▶ Potential as UI integrity tool to detect claim fraud.
- ▶ For July – December 2015, identified 13,197 claimants for whom wages reported for month and who received benefits for at least three weeks of month, including last week.
- ▶ Total potential overpayments of \$83M.
 - \$43M potentially preventable.
- ▶ Monthly reporting offers more granularity.

Other Efforts to Combat Waste, Fraud and Abuse

- ▶ Cross matches against state driver's license records.
 - ▶ Call-in notices where remote claimant provides out-of-state ID (will have to present or send copy of ID).
 - ▶ Federal TOP initiative.
 - ▶ Inmate cross matches.
 - ▶ Social security cross matches.
 - ▶ National Directory of New Hires.
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Potential Future Wage Report Items

- ▶ PA 98–1133 authorized rulemaking to require employers subject to monthly reporting to report employee occupation; hours worked; hourly wage; work location.
- ▶ IDES would have to permit additional items to be submitted via “native files.”