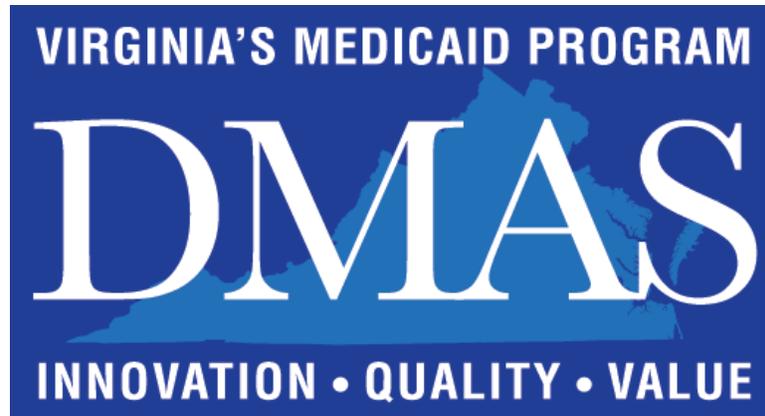


Monthly MCO Compliance Report

Medallion 4.0 October 2020 Deliverables



Health Care Services Division

January 15, 2021

Monthly MCO Compliance Report

Medallion 4.0 October 2020 Deliverables

Contents

Compliance Points Overview.....	2
Summary.....	3
Aetna Better Health of Virginia.....	4
Anthem Healthkeepers Plus.....	5
Magellan Complete Care.....	7
Optima Health.....	9
UnitedHealthcare.....	11
Virginia Premier.....	13
Next Steps.....	17

Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from October 2020	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	3.0	0.0	1.0	2.0	NO FINDINGS OR CONCERNS
<u>Anthem</u>	11.0	1.0	2.0	10.0	FINDINGS Untimely Internal Appeals
<u>Magellan</u>	2.0	0	1.0	1.0	CONCERNS Enrollment Broker File
<u>Optima Health</u>	11.0	1.0	0	12.0	FINDINGS Provider Call Center CONCERNS Pharmacy PA Report
<u>United</u>	1.0	1.0	0	2.0	FINDINGS EI Claims Issue
<u>VA Premier</u>	14.0	7.0	2.0	19.0	FINDINGS Member Communication EI Claims Issue Untimely Internal Appeals CONCERNS Pharmacy PA Report

**All listed point infractions are pending until the expiration of the 15-day comment period.*

Notes:

- Findings**- Area(s) of violation; point(s) issued.
- Concerns**- Area(s) of concern that could lead to potential findings; **no** points issued.
- Expired Points**- Compliance points expire 365 days after issuance.

Summary

The **Compliance Review Committee (CRC)** met on December 7, 2020 to review deliverables measuring performance for October 2020 as well as other reported program issues. The CRC consists of five managers and supervisors from the Health Care Services division who vote on what, if any, compliance enforcement actions to take in response to identified issues of potential non-compliance.

Due to the current emergency crisis during COVID-19, Health Care Services (HCS) Compliance Unit will exercise its enforcement discretion on the issuance of points and/or financial penalties on identified issues of non-compliance during this period, unless the identified areas of non-compliance are egregious violations. HCS Compliance Unit will continue to monitor and document areas of noncompliance. The Department will expect health plans to come into compliance with all aspects of the Medallion 4.0 contract prior to the end of the emergency period.

The CRC voted to issue Warning Letters with associated compliance points and Notices of Non-Compliance to managed care organizations (MCOs) for failure to meet contractual requirements/thresholds and data reporting errors.

Each MCO's compliance findings and concerns are further detailed below. Data related to the Health Care Services Division's compliance activities are also included. The Department communicated the findings of its review of October's compliance issues in letters and emails issued to the MCOs on December 8, 2020.

Aetna Better Health of Virginia

Findings:

- No findings

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2369:** Case expired 10/14/20 – Claims Payment –Early Intervention Services Report. 1 point was removed from Aetna’s total by closing **CES # 2369**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2020, Aetna showed a very high level of compliance. Aetna timely submitted required monthly reporting deliverables and those deliverables did not expose any programmatic issues. In summation, Aetna complied with all applicable regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- **Appeals and Grievances' Report:** The Department timely received the October 2020 Appeals and Grievances' Report deliverable from Anthem. Upon review, a DMAS subject matter expert discovered that the report indicated that Anthem failed to adjudicate a total of five (5) internal member appeals within 14 days of their filing as required by the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020.

Per the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020, the federal government has authorized DMAS to exercise its right to change the timeframe in which a MCO issues an internal member appeal decision from 30 days to 14 calendar days. Therefore, "Medicaid members who are enrolled in a Managed Care Organization ('MCO') must continue to exhaust the MCO's internal appeal process before appealing to DMAS." Further, DMAS requires the MCO "to issue an internal appeal decision within 14 calendar days of receipt of the appeal request. If the MCO's decision is not issued within the 14-day period, the appeal is deemed exhausted and the enrollee can appeal to DMAS."

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. As a result, the CRC voted to assess Anthem a **one (1) point violation** due to its failure to adjudicate five (5) member appeals within 14 days of their filing.

Anthem HealthKeepers Plus has accumulated 12.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. The Department is requesting that Anthem adheres to the reporting requirements associated with the deliverable listed above. At this point, financial sanctions will be waived due to 1135 Waiver permitted flexibilities. The CRC voted not to require Anthem to submit a corrective action plan (CAP). **(CES # 3433)**

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2409:** Case expired 10/14/2020 – Data Submission Error – Provider Call Center. 1 point was removed from Anthem’s total by closing **CES # 2409**.
- **Cased #2410:** Case expired 10/14/2020 – Contract Adherence – Appeals/Grievance. 1 point was removed from Anthem’s total by closed **CES #2410**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2020, Anthem showed a moderate level of compliance. Anthem timely submitted required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One monthly deliverable failed to meet contract adherence requirements to adjudicate internal member appeals within 14 days (addressed above in **CES # 3433**). In summation, Anthem complied with nearly all applicable regulatory and contractual requirements.

Magellan Complete Care

Findings:

- No findings

Concerns:

- **Data Submission:** Magellan's October Enrollment Broker file contained missing data.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit all reporting deliverables in the format and with the contents specified in the Medallion 4.0 Contract and the Medallion 4.0 Deliverables Technical Manual.

The Compliance Team recommended that in response to the issue identified above, Magellan be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue (**CES # 3413**)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2372:** Case expired 10/14/2020 – Data Submission Error – MCO Newborn Reconciliation File. 1 point was removed from Magellan's total by closing **CES # 2372**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2020, Magellan showed a very high level of compliance. Magellan timely submitted required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One monthly deliverable failed to meet contract adherence requirements to include all necessary data in the Enrollment

Broker file (as addressed above in **CES # 3413**). In summation, Magellan complied with nearly all of the applicable regulatory and contractual requirements.

Optima Health

Findings:

- **Contract Adherence:** DMAS timely received the October 2020 MCO Provider Call Center Statistics report from Optima Health. Upon review, the Compliance Unit discovered that the report indicated that Optima did not meet the required contract thresholds for call center statistics (did not answer 95% of incoming provider calls). Optima reported an answer rate of 91.78%

Section 5.9 of the Medallion 4.0 contract requires that the MCOs Provider call abandonment rates shall average less than five percent (5%) each month. Optima Family Care failed to answer at least 95% of the incoming provider calls to be in compliance with the Medallion 4.0 contract.

Section 10.1.E.a of the Medallion 4.0 contract states that the Department may, at its discretion, assess one (1) point when the Contractor fails to meet an administrative and/or procedural program requirement, and the Contractor's failure, as determined by the Department represents "a threat to smooth and efficient operation" of the Medicaid program. As a result, the CRC voted to assess Optima Health a **one (1) point violation** without associated financial sanctions in response to this issue (**CES # 3373**).

Concerns:

- **Contract Adherence:** Optima Health failed to timely process Pharmacy Prior Authorization requests. Per October data, there were 194 Pharmacy Prior Authorization Requests processed past 24 hours.

Section 8.7.N of the Medallion 4.0 contract requires the MCOs to provide a response by telephone or other telecommunication within 24 hours of a service authorization request. If the Contractor denies a request for service authorization, the Contractor must issue a Notice of Action within twenty-four (24) hours of the denial to the prescriber and the member. Thus, Optima violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

The Compliance Team recommended that in response to the issue identified above, Optima be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue (**CES # 3374**)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2020, Optima showed a moderate level of compliance. Optima timely submitted required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Two monthly deliverables failed to meet contract adherence requirements for processing Pharmacy Prior Authorization requests and the required contract thresholds for call center statistics (as addressed above in **CES # 3374 & 3373**). In summation, Optima complied with most applicable regulatory and contractual requirement.

UnitedHealthcare

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the October 2020 Early Intervention Services Report deliverable from United HealthCare. Upon review, the Compliance Unit discovered that the report indicated that United failed to adjudicate two (2) clean claims for EI services within 14 days of its receipt in October 2020.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, United violated the terms of the Medallion 4.0 contract in failing to adjudicate two (2) clean claims for EI services within 14 days of its receipt.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. As a result, the CRC voted to assess United **a one (1) point violation** due to its failure to adjudicate forty five clean claims within 14 days of its receipt.

United has accumulated 2.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. The CRC voted not to require United to submit a corrective action plan (CAP). **(CES # 3393)**

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2020, United showed a high level of compliance. United timely submitted required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One reporting deliverables contained claims payment issues (as addressed above in **CES # 3393**). In summation, United complied with most applicable regulatory and contractual requirements.

Virginia Premier

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the October 2020 Early Intervention Services Report deliverable from Virginia Premier. Upon review, the Compliance Unit discovered that the report indicated that Virginia Premier failed to adjudicate 129 clean claims for EI services within 14 days of its receipt in October 2020.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in failing to adjudicate forty five (5) clean claim for EI services within 14 days of its receipt.

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. As a result, the CRC voted to assess Virginia Premier **a one (1) point violation** due to its failure to adjudicate forty five clean claims within 14 days of its receipt.

Virginia Premier has accumulated 19.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. However, a financial sanction will be waived in response to this issue due to the public health emergency period. The CRC voted not to require Virginia Premier to submit a corrective action plan (CAP). **(CES # 3394)**

- **Appeals and Grievances' Report:** The Department timely received the October 2020 Appeals and Grievances' Report deliverable from Virginia Premier. Upon review, a DMAS subject matter expert discovered that the report indicated that Virginia Premier failed to adjudicate a total of three (3) internal member appeals within 14 days of their filing as required by the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020.

Per the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020, the federal government has authorized DMAS to exercise its right to change the timeframe in which a MCO issues an internal member appeal decision from 30 days to 14 calendar days. Therefore, "Medicaid members who are enrolled in a Managed Care Organization ('MCO') must continue to exhaust the MCO's internal appeal process before appealing to DMAS." Further, DMAS requires the MCO "to issue an internal appeal decision within 14 calendar days of receipt of the appeal

request. If the MCO's decision is not issued within the 14-day period, the appeal is deemed exhausted and the enrollee can appeal to DMAS."

According to Section 10.1.E.a of the Medallion 4.0 contract, a failure to comply with the contract that "represents a threat to [the] smooth and efficient operation" of the Medallion 4.0 program is subject to a one point penalty. As a result, the CRC voted to assess Virginia Premier **a one (1) point violation** due to its failure to adjudicate three (3) member appeals within 14 days of their filing.

Virginia Premier has accumulated 19.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. The Department is requesting that Virginia Premier adheres to the reporting requirements associated with the deliverable listed above. At this point, financial sanctions will be waived due to 1135 Waiver permitted flexibilities. The CRC voted not to require Virginia Premier to submit a corrective action plan (CAP). **(CES # 3473)**

- **Member Communication:** In September 2020, On August 5, 2020, Health Services Advisory Group (HSAG) Vendor, National Imaging Associates, utilized an outdated FAMIS template and sent a letter to a Medallion 4.0 Medicaid Expansion member with an adverse determination advising the member to send an appeal to KePro. This member followed the incorrect directions provided on the adverse benefit determination letter by appealing to KePro. In October 2020, Virginia Premier's Vendor, Kaiser Permanente, sent Member communication on Kaiser Permanente letterhead without the co-branding for Virginia Premier. Additionally, the communication included incorrect information as to deadlines for the appeals process, and incorrect phone/fax numbers.

Per the Medallion 4.0 Contract Section 7.10.L Grievances and Appeals [42 CFR Part 438.10 Subpart F)], a description of the grievance and appeals procedures and timeframes including, but not limited to, the issues that may be resolved through the grievance or appeals processes; the fact that members have the right request to a State fair hearing after the Contractor has made a determination in the member's appeal which is adverse to the member, and providing the Department's address for the appeals; the process for obtaining necessary forms; and procedures and applicable timeframes to register a grievance or appeal with the Contractor or the Department as described in this Contract. [42 CFR § 438.10 (g)(2)(xi)]

- a. The availability of assistance in the filing process.
- b. The toll-free numbers that the member can use to file a grievance or an appeal by telephone.
- c. A description of the continuation of benefits process as required by 42 CFR § 438.420 and information describing how the member may request continuation of benefits, as well as information on how the member may be

required to pay the cost of services furnished while the appeal is pending, if the final decision is adverse to the member.

d. The telephone numbers to register complaints regarding providers (Health Professionals, 1-800-533-1560) and MCOs (Managed Care Helpline, 800-643-2273, Fraud 800-371-0824 and 888-323-0587).

Section 10.1.E.b of the Medallion 4.0 contract states that the Department may, at its discretion, assess five (5) points when the Contractor fails to meet an administrative and/or procedural program requirement, and the Contractor's failure, as determined by the Department represents "a threat to the integrity of the program, and has an impact on but does not necessarily imperil member care." of the Medicaid program. As a result of the issue identified above, Virginia Premier will be issued a **five (5) point violation**.

Virginia Premier has accumulated 19.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. The Department is requesting that Virginia Premier adheres to the reporting requirements associated with the deliverable listed above. At this point, financial sanctions will be waived due to 1135 Waiver permitted flexibilities. The CRC voted not to require Virginia Premier to submit a corrective action plan (CAP). **(CES # 3396)**

Concerns:

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per October data, there were 254 Pharmacy Prior Authorization Requests processed past 24 hours.

Section 8.7.N of the Medallion 4.0 contract requires the MCOs to provide a response by telephone or other telecommunication within 24 hours of a service authorization request. If the Contractor denies a request for service authorization, the Contractor must issue a Notice of Action within twenty-four (24) hours of the denial to the prescriber and the member. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a **Notice of Non-Compliance (NONC)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 3395)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- **Case # 2373:** Case expired 10/14/2020 – Call Center Statistics – 1 point was removed from Virginia Premier’s total by closing **CES # 2373**.
- **Case # 2371:** Case expired 10/14/2020 – EI Services Report – 1 point was removed from Virginia Premier’s total by closing **CES # 2371**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for October 2020, Virginia Premier showed a moderate level of compliance. Virginia Premier timely submitted required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One reporting monthly deliverable failed to meet contract adherence requirements for processing Pharmacy Prior Authorization requests (as addressed above in **CES # 3395**). Two monthly deliverables failed to meet contract adherence requirements for the timely resolution of internal appeals within 14 days and EI claims adjudication within 14 days (as addressed above in **CES # 3473 & 3394**). One reporting monthly deliverable failed to meet contract requirement relating to member communication (as addressed above in **CES # 3396**). In summation, Virginia Premier complied with most applicable regulatory and contractual requirements.

Next Steps

At this time, the Compliance Unit is continuing monthly Compliance Review Committee meetings, following up on reoccurring issues, and communicating with the MCOs regarding identified issues. The Compliance Unit is in the process of expanding the types of compliance issues it investigates, and involving itself with programmatic issues as well as technical deliverable issues.

The Compliance Unit continued its enforcement efforts in the area of the Maternal and Child Health deliverables, Early Intervention Claims, Appeals & Grievance, and Pharmacy Prior Authorization turnaround times. The MCOs were notified of their non-compliance with these issues. The Compliance Unit requested adherence to the Medallion 4.0 contract or the Department may proceed with issuance of points or financial sanctions for failing to meet contractual requirements not met, effective on deliverables due by January 15, 2021.

The HCS Compliance Unit is also coordinating with the IC Compliance Unit to align enforcement actions as applicable between the two contracts.