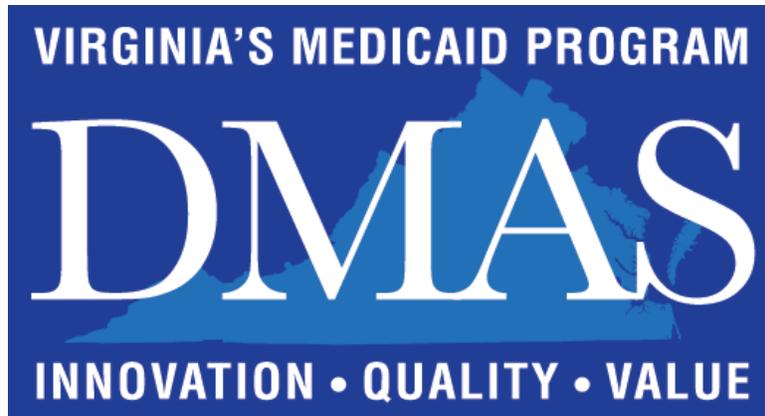


Monthly MCO Compliance Report

Medallion 4.0 September 2020 Deliverables



Health Care Services Division

January 4, 2021

Monthly MCO Compliance Report

Medallion 4.0 September 2020 Deliverables

Contents

Compliance Points Overview.....	2
Summary.....	3
Aetna Better Health of Virginia.....	4
Anthem Healthkeepers Plus.....	6
Magellan Complete Care.....	10
Optima Health.....	122
UnitedHealthcare.....	16
Virginia Premier.....	18
Next Steps.....	211

Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from September 2020	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	3.0	1.0	1.0	3.0	FINDINGS EI Claims Issue CONCERNS Data Submission Error
<u>Anthem</u>	5.0	7.0	1.0	11.0	FINDINGS Missing Submissions Untimely Internal Appeals MCO Claims Report CONCERNS Data Submission Error
<u>Magellan</u>	5.0	0	1.0	4.0	CONCERNS Pharmacy PA Report
<u>Optima Health</u>	6.0	6.0	0	12.0	FINDINGS Provider Call Center Insufficient NCQA CAHPS Survey Data CONCERNS Data Submission Errors Pharmacy PA Report
<u>United</u>	1.0	0	0	1.0	CONCERNS Data Submission Error
<u>VA Premier</u>	17.0	2.0	2.0	17.0	FINDINGS EI Claims Issue Untimely Internal Appeals CONCERNS Data Submission Errors 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. Thus, all points issued in September 2019 (Issue date: 10/15/2019) expire on 10/15/2020 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on November 6, 2020 to review deliverables measuring performance for September 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 September's compliance issues in letters and emails issued to the MCOs on November 10, 2020.

Aetna Better Health of Virginia

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the September 2020 Early Intervention Services Report deliverable from Aetna. Upon review, the Compliance Unit discovered that the report indicated that Aetna failed to adjudicate five (5) clean claims for EI services within 14 days of its receipt in September 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, Aetna violated the terms of the Medallion 4.0 contract in failing to adjudicate 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 Aetna a **one (1) point violation** due to its failure to adjudicate five clean claims within 14 days of its receipt.

Aetna has accumulated 3.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 1 of the Compliance Deficiency Identification System is not subject to financial sanctions. As a result, Aetna will not be issued financial sanctions for this issue. **(CES # 3253)**

Concerns:

- **Data Submission Error:** Aetna timely submitted the September 2020 Maternal Care Monthly Report. However per September data, there were 544 members omitted from the report based on September 834 EOM file. Aetna reported 2,122 maternal members when the September 834 EOM file indicated 2,666 maternal members.

Section 2.2.C of the Medallion 4.0 contract states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM." Thus, Aetna 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, Aetna 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 # 3333**)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2369:** September 2019 – 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 September 2020, Aetna showed a high level of compliance. Aetna timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Aetna failed to adjudicate clean claims for EI services within 14 days (as addressed above in **CES # 3253**). One monthly deliverable contained data submission errors (as addressed above in **CES # 3333**). In summation, Aetna complied with nearly all applicable regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- **Appeals and Grievances' Report:** The Department timely received the September 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 two (2) 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 two (2) member appeals within 14 days of their filing.

Anthem HealthKeepers Plus has accumulated 11.0 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 # 3313)**

- **MCO Claims Report:** On September 14, 2020, the Department requested additional documentation relating to Anthem HealthKeepers Plus MCO Claims Report submission for July 2020. In its July 2020 MCO Claims Report submission, Anthem HealthKeepers Plus reported 1 claim was not processed within 365 days of receipt as required by 42 C.F.R. §447.45. As a part of the Department's desk review process, the Compliance Team reviewed detailed information related to the claim submitted by Anthem HealthKeepers Plus,

including screenshots from Anthem HealthKeepers Plus claims processing system(s) and written descriptions of the root causes of the issues.

In its written descriptions of the claims at issue, Anthem HealthKeepers Plus indicated the claim was adjudicated in under 365 days, as required by 42 C.F.R. §447.45. Anthem HealthKeepers Plus indicated the claim had to be reprocessed after more information was submitted, and the original date of receipt was used.

Upon reviewing the requested documentation, the Department found the 1 claim at issue was adjudicated timely and in compliance with 42 C.F.R. §447.45. The error was a reporting error, rather than an adjudication error.

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 HealthKeepers Plus a **one (1) point violation**.

Anthem HealthKeepers Plus has accumulated 11.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. A financial sanction will be waived in response to this issue due to the public health emergency period. The CRC voted not to require Anthem to submit a corrective action plan (CAP). **(CES # 3094)**

- **Transportation Encounter Data:** On August 5, 2020, Health Services Advisory Group (HSAG) failed to submit transportation encounter data since its new transportation services subcontract effective date of 08/01/2020, and advised the Medallion and CCCPlus Encounters teams that no transportation encounters would be submitted until November 2020. However, delays in encounter submissions affect both Medallion and CCCPlus reporting data, leading to adverse impacts on DMAS reporting, including rate setting and pharmacy rebates.

Per Medallion 4.0 contract section 14.2.A, contractors are required to submit complete, timely, and accurate electronic encounter data to the Department within thirty (30) days of the Contractor's payment cycle, and in the form and manner specified by the Department.

According to Section 10.1.E.b of the Medallion 4 Contract, failures to comply with the Contract that represent “a threat to the integrity of the program” or that “infringe on the rights of a member or potential enrollee” should receive 5 points. As a result of the issue identified above, Anthem HealthKeepers Plus will be issued a **five (5) point violation**.

As described in Section 10.1.D of the Medallion 4.0 Contract, infractions placing Anthem HealthKeepers Plus within categorized levels may contain associated financial sanctions. Anthem HealthKeepers Plus is currently placed in **Level 2** of the Compliance Deficiency Identification System. A financial sanction will be waived in response to this issue due to the public health emergency period.

The CRC agreed with the Compliance Team’s recommendation, and voted to assess Anthem HealthKeepers Plus a five (5) point violation without associated financial sanctions in response to this issue (**CES # 3275**) and is requesting that Anthem submits a Corrective Action Plan.

Corrective Action and/or MCO Improvement Plan:

The Corrective Action Plan (“CAP”) must be submitted to the Department no later than 30 calendar days from the requested date.

The CAP should address Anthem HealthKeepers Plus’s plan to ensure that accurate and timely data is submitted to the Department. In addition, Anthem HealthKeepers Plus should describe the root cause resulting in incorrect data being submitted to the Department.

Concerns:

- **Data Submission Error:** Anthem timely submitted the September Pharmacy PA Report & Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmddyy-mmddyy.xlsx). However per September data, total PA requests in the Pharmacy PA report and total PA requests in the RxDashboard did not match.

The Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Deficiency (NOD)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team’s recommendation, and voted to issue a **NOD without associated compliance points or financial sanctions** in response to this issue. (**CES # 3353**)

The following communication was sent via email to Anthem on November 10, 2020.

“Please see below the following areas of concern. At this point there are no compliance enforcement actions, however, we want to take this opportunity to remind MCOs of the contractual requirements.

Pharmacy Claims, Authorizations, and Appeals Report (RXDashboard MCO Name mmddyy-mmddyy.xlsx): Anthem's RXDashboard should reflect the data on the Pharmacy PA report.

- MCTM section 1.8.47.2 states "MCOs are expected to submit complete and accurate dashboard data by the close of business on the 10th business day following the end of the reporting period. All data shall be current as of the last day of the reporting period."

The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables listed above. At this point, no compliance points or financial sanctions will be issued in response to the above listed areas of concern. However, 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.”

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2409:** September 2019 – Data Submission Error – Provider Call Center. 1 point was removed from Anthem’s total by closing **CES # 2409.**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for September 2020, Anthem showed a moderate level of compliance. Anthem timely submitted 22 out of 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Two monthly deliverables failed to meet contract adherence requirements to process MCO Claims within 365 days, and to adjudicate internal member appeals within 14 days (addressed above in **CES # 3094 & 3313**). One monthly deliverable contained data submission errors (as addressed above in **CES # 3353**). In summation, Anthem complied with most applicable regulatory and contractual requirements.

Magellan Complete Care

Findings:

- No findings

Concerns:

- **Contract Adherence:** Magellan failed to timely process Pharmacy Prior Authorization requests. Per September data, there were 172 Pharmacy Prior Authorization Requests processed past 24 hours. In addition, total PA requests in Pharmacy PA report and total PA requests in the Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmdyy-mmdyy.xlsx) did not match.

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, Magellan 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, 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 # 3254**)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2372:** September 2019 – 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 September 2020, Magellan showed a very high level of compliance. Magellan timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One monthly deliverable failed to meet contract adherence requirements to process Pharmacy Prior Authorization requests within 24 hours (as addressed above in **CES # 3254**). In summation, Magellan complied with nearly all of the applicable regulatory and contractual requirements.

Optima Health

Findings:

- **Contract Adherence:** DMAS timely received the September 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).

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.

Optima has accumulated 12.0 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 Optima to submit a corrective action plan (CAP). (CES # 3255)

- **Contract Adherence:** On August 5, 2020, Health Services Advisory Group (HSAG) informed the Department of Medical Assistance Services that Optima Health did not administer the Consumer Assessment of Healthcare Providers and Systems (CAHPS) in its entirety, specifically Optima did not complete or report on the CAHPS Child Survey results. Per the Medallion 4.0 contract, contractors are required to submit their CAHPS for Children and CAHPS for Adults results to the Agency for Healthcare Research and Quality (AHRQ) for inclusion in the National CAHPS Benchmarking Database if the option is available through AHRQ. Further, the CAHPS Child survey and its results, are not only required for NCQA accreditation, but are also an integral part on the Consumer Decision Support Tool for Medallion 4.0, with survey results impacting the contractor's ratings. Due to the incomplete survey results, Optima Health has offered to submit a self-imposed Corrective Action Plan to demonstrate complete risk assessment and prevention from recurrence, but

also the possible options for DMAS to consider in its review of available data. Optima requested consideration on the two options as described below:

- Receive and combine submitted survey results with CCCPlus data.
- Receive submitted sample data and accept as Inadequate Data.

As described in Section 9.9 of the Medallion 4.0 Contract on HEDIS Measures, Optima Health is required to report on all measures on populations in accordance to the Virginia Medallion 4.0 Managed Care Organization Data Request document provided by the EQRO. In addition, as described in Section 9.11 of the Medallion 4.0 Contract, the contractor is to perform the Children and the Adult CAHPS survey annually.

Section 10.1.E.b of the Medallion 4.0 contract states that the Department may, at its discretion, assess five (5) points per incident of noncompliance 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. As a result of the issue identified above, Optima Family Care will be issued a **five (5) point violation (CES # 3238)**.

Optima Health has accumulated 12.0 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.

In addition to the requirements outlined above, the Department requests follow up from Optima Family Care on the following items:

- Submit the completed self-imposed CAP to the Department by November 30, 2020 to include all applicable names and dates.
- Notify the Department in writing at the beginning of the 2021 CAHPS cycle when Optima Family Care has successfully begun the Adult and Child CAHPS surveys for all of the Virginia Medicaid product lines.

Concerns:

- **Data Submission Error:** The Department timely received the September 2020 Appeals and Grievances' Report deliverable from Optima Health. Upon review, a DMAS subject matter expert discovered that Optima reported a resolved appeal date that was 2 days prior to the actual file date (file date was September 11, 2020 and the listed resolved date was September 9, 2020).

As described in Section 10.1.E.d.b of the Medallion 4.0 Contract, the MCOs are required 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, 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 # 3314**).

- **Contract Adherence:** Optima Health failed to timely process Pharmacy Prior Authorization requests. Per September data, there were 170 Pharmacy Prior Authorization Requests processed past 24 hours. In addition, the data of total PA requests in Pharmacy PA report and total PA requests in the Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard_MCO Name mmddyy-mmddyy.xlsx) did not match.

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 # 3256**)

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 September 2020, Optima showed a moderate level of compliance. Optima timely submitted all 23 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 # 3256 & 3255**). One monthly deliverable contained data submission error (as addressed above in **CES # 3314**). Optima also failed to administer the Consumer Assessment of Healthcare Providers and Systems (CAHPS) in its entirety (as addressed above in **CES # 3238**). In summation, Optima complied with most applicable regulatory and contractual requirement.

UnitedHealthcare

Findings:

- No findings

Concerns:

- **Data Submission Error:** UnitedHealthcare timely submitted the September 2020 Maternal Care Monthly Report. However per September data, there were 449 members omitted from the report based on September 834 EOM file. UnitedHealthcare reported 1,510 maternal members when the September 834 EOM file indicated 1,959 maternal members.

Section 2.2.C of the Medallion 4.0 contract states “The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM.” Thus, UnitedHealthcare 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, UnitedHealthcare 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 # 3335)**

- **Data Submission Error:** UnitedHealthcare timely submitted the September Pharmacy PA Report & RxDashboard Report. However per September data, total PA requests in Pharmacy PA report and total PA requests in the Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmddyy-mmddyy.xlsx) did not match.

The Compliance Team recommended that in response to the issue identified above, UnitedHealthcare be issued a **Notice of Deficiency (NOD)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team’s recommendation, and voted to issue a **NOD without associated compliance points or financial sanctions** in response to this issue. **(CES # 3334)**

The following communication was sent via email to UnitedHealthcare on November 10, 2020.

“Please see below the following areas of concern. At this point there are no compliance enforcement actions, however, we want to take this opportunity to remind MCOs of the contractual requirements.

Pharmacy Claims, Authorizations, and Appeals Report (RXDashboard MCO Name mmddyy-mmddyy.xlsx): United’s RXDashboard should reflect the data on the Pharmacy PA report.

- MCTM section 1.8.47.2 states "MCOs are expected to submit complete and accurate dashboard data by the close of business on the 10th business day following the end of the reporting period. All data shall be current as of the last day of the reporting period."

The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables listed above. At this point, no compliance points or financial sanctions will be issued in response to the above listed areas of concern. However, 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.”

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 September 2020, United showed a very high level of compliance. United timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Two reporting deliverables contained data submission errors (as addressed above in **CES # 3334 & 3335**). In summation, United complied with most applicable regulatory and contractual requirements.

Virginia Premier

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the September 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 forty five (45) clean claims for EI services within 14 days of its receipt in September 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 (45) 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 17.0 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 # 3273)**

- **Appeals and Grievances' Report:** The Department timely received the September 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 17.0 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 # 3293)**

Concerns:

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per September data, there were 201 Pharmacy Prior Authorization Requests processed past 24 hours. In addition, total PA requests in the Pharmacy PA report and total PA requests in the Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmddy-mmddy.xlsx) did not match.

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 # 3274)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- **Case # 2373:** September 2019 – Call Center Statistics – 1 point was removed from Virginia Premier’s total by closing **CES # 2373**.
- **Case # 2371:** September 2019 – 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 September 2020, Virginia Premier showed a moderate level of compliance. Virginia Premier timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One reporting deliverable failed to meet contract requirements of processing Pharmacy Prior Authorizations within 24 hours (as addressed above in **CES # 3274**). 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 # 3273 & 3293**). 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.