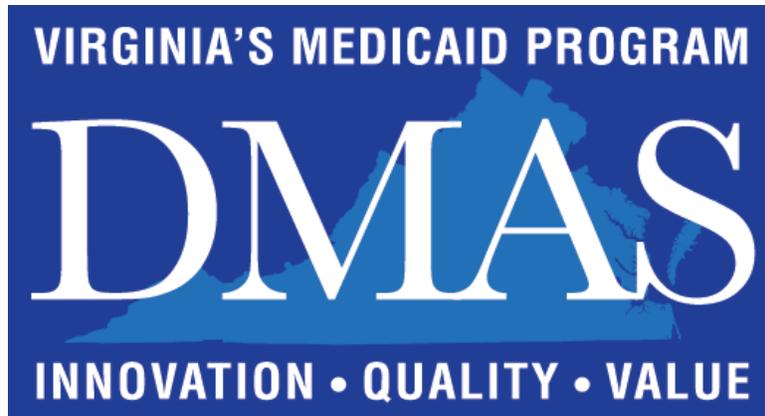


Monthly MCO Compliance Report

Medallion 4.0 December 2020 Deliverables



Health Care Services Division

February 9, 2021

Monthly MCO Compliance Report

Medallion 4.0 December 2020 Deliverables

Contents

Compliance Points Overview.....	2
Summary.....	3
Aetna Better Health of Virginia.....	4
Anthem Healthkeepers Plus.....	6
Magellan Complete Care.....	9
Optima Health.....	10
UnitedHealthcare.....	12
Virginia Premier.....	14
Next Steps.....	177

Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from November 2020	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	2.0	1.0	1.0	2.0	FINDINGS EI Claims Issue CONCERNS NONE
<u>Anthem</u>	11.0	1.0	2.0	10.0	FINDINGS Untimely Internal Appeals CONCERNS Newborn ID requirements
<u>Magellan</u>	0	0	0	0	FINDINGS NONE CONCERNS NONE
<u>Optima Health</u>	14.0	0	0	14.0	FINDINGS NONE CONCERNS Provider Call Center Pharmacy PA Report
<u>United</u>	2.0	1.0	1.0	2.0	FINDINGS EI Claims Issue CONCERNS NONE
<u>VA Premier</u>	21.0	1.0	7.0	15.0	FINDINGS EI Claims Issue CONCERNS Pharmacy PA Report Newborn ID requirements

**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 December 2019 (Issue date: 1/15/2020) expire on 1/15/2021 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on February 5, 2021 to review deliverables measuring performance for December 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 December's compliance issues in letters and emails issued to the MCOs on February 5, 2021.

Aetna Better Health of Virginia

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the December 2020 Early Intervention Services Report deliverable from Aetna. Upon review, the Compliance Unit discovered that the report indicated that Aetna failed to adjudicate one (1) clean claim for EI services within 14 days of its receipt in December 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 one (1) 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 one (1) clean claim within 14 days.

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. The CRC voted not to require Aetna to submit a corrective action plan (CAP). **(CES # 3653)**

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- **Case # 3553:** November 2020 – Appeals/Grievances – Appeals & Grievances Summary – Rescinded Warning Letter with one (1) Compliance point due to DMAS approving the extension request despite the request including an incorrect Member Medicaid ID number.

Expiring Points:

- **Case # 2632:** December 2019 – Claims Payment – Early Intervention Services Report. 1 point was removed from Aetna's total by closing **CES # 2632.**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for December 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 100% of the Early Intervention Claims within 14 days (as addressed above in **CES # 3653**). 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 December 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) 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 **one (1) point violation** due to its failure to process two (2) member appeals within 14 days without a request for an extension.

Anthem has accumulated 10.0 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, Anthem will not be issued financial sanctions for this issue. The CRC voted not to require Anthem to submit a corrective action plan (CAP). **(CES # 3656)**

Concerns:

- **Contract Adherence:** Anthem failed to report 100% of the Newborn Medicaid or FAMIS IDs within 60 days of birth. Anthem reported 145 out of 157 (92%).

Section 6.4.A of the Medallion 4.0 contract requires the Contractor must ensure that the newborn has a Medicaid or FAMIS ID number before sixty (60)

days. Thus, Anthem violated the terms of the Medallion 4.0 contract in the as addressed above.

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 # 3657)**

The HCS Compliance Unit reached out to Anthem to remind the MCO of the contract requirements for Newborn Medicaid or FAMIS IDs within 60 days of birth.

The following communication was sent via email to Anthem on February 5, 2021.

"Please see below the following area 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.

- **Newborn Enrollment:** Anthem HealthKeepers Plus reported 145 out of 157 newborn Medicaid or FAMIS ID numbers. Anthem failed to submit the Medicaid or FAMIS ID number for 12 newborns.
 - Medallion 4.0 contract section 6.4.A states "The Contractor must ensure that the newborn has a Medicaid or FAMIS ID number before sixty (60) days."

The Department is requesting that each MCO adheres to the reporting requirements associated with the contract requirement 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 April 15, 2021."

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2637:** December 2019 – Claims Payment – Early Intervention Services Report. 1 point was removed from Anthem’s total by closing **CES # 2637**.
- **Case # 2638:** December 2019 – Data Submission Error – Newborn Reconciliation Report. 1 point was removed from Anthem’s total by closing **CES # 2638**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for December 2020, Anthem showed a high level of compliance. Anthem timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One contract requirement was not met requiring the MCO to report the Newborn Medicaid or FAMIS IDs for all Newborns within 60 days of birth. This issue was addressed above via email communication with Anthem. One monthly deliverable failed to meet contract adherence requirements to adjudicate internal member appeals within 14 days (addressed above in **CES # 3656**). In summation, Anthem complied with most applicable regulatory and contractual requirements.

Magellan Complete Care

Findings:

- No findings (*i.e.*, no compliance issues severe enough to necessitate the issuance of compliance points)

Concerns:

- No Concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- **Case # 3413:** October 2020 – Missing Data Submission – Enrollment Broker Weekly File – Rescinded NONC due to DMAS’ technical issue preventing the file content to be delivered.

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for December 2020, Magellan showed an outstanding level of compliance. Magellan timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Magellan’s member and provider call centers complied with abandonment ratio requirements, and Magellan complied with all applicable provider payment timeliness requirements. In summation, Magellan was a top performer in December 2020, and complied with every regulatory and contractual requirements.

Optima Health

Findings:

- No findings

Concerns:

- **Call Center Statistics:** DMAS timely received the December 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 answered 81.67% of incoming provider calls in the month of December 2020.

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 Medallion 4.0 program.

As a result, the CRC voted to assess Optima Health a **Notice of Non-Compliance** for its failure to answer at least 95% of incoming calls to its provider call center due to Optima currently developing their **MCO Improvement Plan (MIP)** from November 2020 call center data. Optima had 15 days to submit a plan for addressing future provider call center issues. Once received the Department will review the plan to evaluate its adequacy. **(CES # 3633)**.

- **Contract Adherence:** Optima failed to timely process Pharmacy Prior Authorization requests. Per December data, there were 91 Pharmacy Prior Authorization Requests processed past 24 hours (out of 3,025).

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 # 3634)**

MIP/CAP Update:

- **CES # 3498:** The Department required Optima to submit an MCO Improvement Plan (MIP) in response to repeated failures to answer at least 95% of incoming calls to its provider call center. The due date for submission of the MIP was January 22, 2021. Optima submitted the MIP to the Department on January 25, 2021. Optima's response was reviewed and met the Department's requirements.

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for December 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. One monthly deliverable failed to meet contract adherence requirements for processing Pharmacy Prior Authorization requests (as addressed above in **CES # 3634**). One monthly deliverable failed to meet contract adherence requirements for answering incoming provider calls (as addressed above in **CES # 3633**). In summation, Optima complied with most applicable regulatory and contractual requirements.

UnitedHealthcare

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the December 2020 Early Intervention Services Report deliverable from United. Upon review, the Compliance Unit discovered that the report indicated that United failed to adjudicate one (1) clean claim for EI services within 14 days of its receipt in December 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 one 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 United a **one (1) point violation** due to its failure to adjudicate 45 clean claims within 14 days of its receipt.

United has accumulated 1.0 point, 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, United will not be issued financial sanctions for this issue. The CRC voted not to require United to submit a corrective action plan (CAP). **(CES # 3613)**

Concerns:

- No Concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- **Case # 2629:** December 2019 – Late/Missing Data Submission – Newborn Reconciliation Report. 1 point was removed from United's total by closing **CES # 2629**.

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for December 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. United failed to adjudicate 100% of the Early Intervention Claims within 14 days (as addressed above in **CES # 3613**). In summation, United complied with nearly all applicable regulatory and contractual requirements.

Virginia Premier

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the December 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 two (2) clean claims for EI services within 14 days of its receipt in December 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 one 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 two (2) clean claims within 14 days of its receipt.

Virginia Premier has accumulated 15.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, the Compliance Deficiency Identification System requires a plan in Level 2 to be issued a financial sanction in the amount of \$5,000 for each compliance enforcement action taken. As a result, Virginia Premier will be assessed a **\$5,000 financial sanction** for its failure to adjudicate EI clean claims within 14 days of their receipt. The CRC voted not to require Virginia Premier to submit a corrective action plan (CAP). **(CES # 3614)**

Concerns:

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per December data, there were 236 Pharmacy Prior Authorization Requests processed past 24 hours (out of 2,001).

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 # 3616)**

- **Contract Adherence:** Virginia Premier failed to report 100% of the Newborn Medicaid or FAMIS IDs within 60 days of birth. Virginia Premier reported 161 out of 162 (99%).

Section 6.4.A of the Medallion 4.0 contract requires the Contractor must ensure that the newborn has a Medicaid or FAMIS ID number before sixty (60) days. Thus, Virginia Premier violated the terms of the Medallion 4.0 contract in the as addressed above.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier 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 # 3673)**

The HCS Compliance Unit reached out to Virginia Premier to remind the plan of the contract requirements for Newborn Medicaid or FAMIS IDs within 60 days of birth.

The following communication was sent via email to Virginia Premier on February 5, 2021.

"Please see below the following area 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.

- **Newborn Enrollment:** Virginia Premier reported 161 out of 162 newborn Medicaid or FAMIS ID numbers. Virginia Premier failed to submit the Medicaid or FAMIS ID number for one (1) newborn.
 - Medallion 4.0 contract section 6.4.A states "The Contractor must ensure that the newborn has a Medicaid or FAMIS ID number before sixty (60) days."

The Department is requesting that each MCO adheres to the reporting requirements associated with the contract requirement 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 April 15, 2021.”

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- **Case # 2630:** December 2019 – Late/Missing Data Submission – Appeals & Grievances Summary. 1 point was removed from Virginia Premier’s total by closing **CES # 2630**.
- **Case # 2631:** December 2019 – Call Center Statistics – MCO Call Center Statistics Report. 5 points were removed from Virginia Premier’s total by closing **CES # 2631**.
- **Case # 2634:** December 2019 – Claims Payment – Early Intervention Services Report. 1 point was removed from Virginia Premier’s total by closing **CES # 2634**.

Financial Sanctions Update:

The following financial sanctions will be sent to DMAS’ Fiscal Division for enforcement:

- December 2020 EI Claims Payment Issue - \$5,000 (**CES # 3614**)

Summary:

- For deliverables measuring performance for December 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 contract requirement was not met requiring the MCO to report the Newborn Medicaid or FAMIS IDs for all Newborns within 60 days of birth. This issue was addressed above via email communication with Virginia Premier. Two monthly deliverables failed to meet contract adherence requirements for the EI claims adjudication within 14 days, and the timely processing of Pharmacy Prior Authorization requests within 24 hours (as addressed above in **CES # 3614, & 3616**). 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 timely processing of Appeals & Grievances, Early Intervention Claims, 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 and issued of points as well as financial sanctions as appropriate.

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