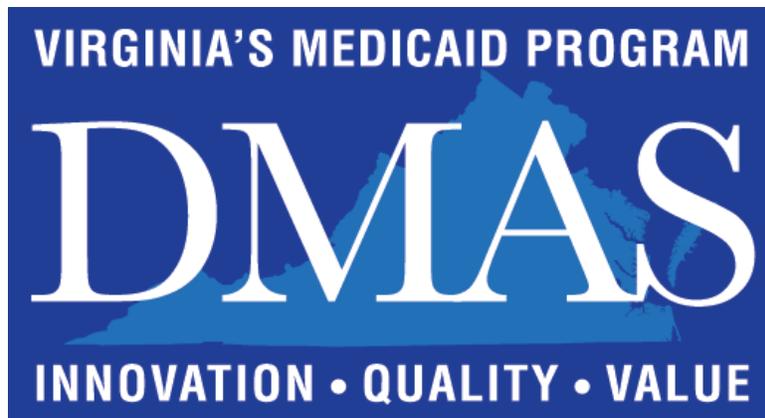


Monthly MCO Compliance Report

Medallion 4.0 February 2021 Deliverables



Health Care Services Division

April 19, 2021

Monthly MCO Compliance Report

Medallion 4.0 February 2021 Deliverables

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Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from February 2020	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	2.0	0.0	0	2.0	FINDINGS NONE CONCERNS NONE
<u>Anthem</u>	11.0	6.0	0	17.0	FINDINGS Untimely Internal Appeals MCO Claims Issues CONCERNS Pharmacy PA Report Data Submission Error
<u>Magellan</u>	0.0	1.0	0	1.0	FINDINGS Untimely Internal Appeals CONCERNS NONE
<u>Optima Health</u>	15.0	1.0	0	16.0	FINDINGS Provider Call Center CONCERNS Pharmacy PA Report
<u>United</u>	2.0	0.0	0	2.0	FINDINGS NONE CONCERNS NONE
<u>VA Premier</u>	20.0	1.0	0	21.0	FINDINGS 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. Thus, all points issued in February 2020 (Issue date: 3/15/2020) expire on 3/15/2021 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on April 2, 2021 to review deliverables measuring performance for February 2021 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 February's compliance issues in letters and emails issued to the MCOs on April 9, 2021.

Aetna Better Health of Virginia

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:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for February 2021, Aetna showed an outstanding level of compliance. Aetna timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues, and Aetna complied with all applicable provider payment timeliness requirements. In summation, Aetna was an outstanding performer in February 2021, and complied with every regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- **Appeals and Grievances Report:** The Department timely received the February 2021 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 six (6) 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 one (1) member appeal within 14 days without a request for an extension.

Anthem has accumulated 17.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. Thus, a financial sanction of **\$5,000.00** will be issued in response to this issue. The CRC voted not to require Anthem to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3875)**

- **MCO Claims Report:** On February 19, 2021, the Department requested additional documentation relating to Anthem's MCO Claims Report submission for January 2021. In its January 2021 MCO Claims Report submission, Anthem reported that **2 claims** were not processed within 365 days of receipt as required by 42 C.F.R. §447.45. As a part of the Department's claims review process, the Compliance Team reviewed detailed information related to the claims submitted by Anthem.

In its written descriptions of the claims at issue, Anthem indicated that both of the claims had not been adjudicated in under 365 days, as required by 42 C.F.R. §447.45. Anthem indicated that both of the claims were held in a queue with Anthem’s front-end team and a daily monitoring process is now in place.

Upon reviewing the requested documentation, the Department found that the **2 claims** at issue were adjudicated untimely and out of compliance with 42 C.F.R. §447.45.

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 five (5) points. As a result of the issue identified above, Anthem HealthKeepers Plus will be issued a **five (5) point violation**.

Anthem has accumulated 17.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. Thus, a financial sanction of **\$5,000.00** will be issued in response to this issue. The CRC voted not to require Anthem to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3699)**

Concerns:

- **Contract Adherence:** Anthem failed to timely process Pharmacy Prior Authorization requests. Per February 2021 data, there was one (1) Pharmacy Prior Authorization Request 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, Anthem 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, Anthem 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 # 3813)**

- **Data Submission Error:** The Department timely received the Enrollment Broker Provider File Report deliverable from Anthem. Upon review, a DMAS subject matter expert discovered that Anthem failed to include the correct file

format required for submission. The file was submitted in Word format instead of the required csv format.

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, Anthem 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 # 3913)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

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

- February 2021 Appeals Process Issue - \$5,000 **(CES # 3875)**
- January 2021 MCO Claims Report Issue - \$5,000 **(CES # 3699)**

Summary:

- For deliverables measuring performance for February 2021, Anthem showed a satisfactory level of compliance. Anthem timely submitted 23 required monthly reporting deliverables and four of those deliverables exposed some programmatic issues. One contract requirement was not met requiring the MCO to adjudicate claims within 365 days. This issue was addressed above **(CES # 3699)**. Two monthly deliverables failed to meet contract adherence requirements to timely adjudicate internal member appeals and to timely process Pharmacy Prior Authorization requests (addressed above in **CES # 3875 and # 3813**). One deliverable was submitted in the incorrect format (as addressed above in **CES # 3913**). In summation, Anthem complied with most applicable regulatory and contractual requirements.

Magellan Complete Care

Findings:

- **Appeals and Grievances Report:** The Department timely received the February 2021 Appeals and Grievances Report deliverable from Magellan. Upon review, a DMAS subject matter expert discovered that the report indicated that Magellan failed to adjudicate a total of two (2) appeal 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 Magellan a **one (1) point violation** due to its failure to process two (2) member appeals within 14 days without a request for an extension.

Magellan has accumulated 1.0 point, placing it in Level 1 on the Compliance Deficiency Identification System. Thus, a financial sanction will not be issued in response to this issue. The CRC voted not to require Magellan to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3873)**

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 February 2021, Magellan showed a satisfactory level of compliance. Magellan timely submitted all 23 required monthly reporting deliverables. One deliverable failed to meet the contractual 14 day requirements for processing internal member appeals (as addressed above in **CES #3873**). In summation, Magellan complied with most applicable regulatory and contractual requirements.

Optima Family Care

Findings:

- **Call Center Statistics:** DMAS timely received the February 2021 MCO Provider Call Center Statistics report from Optima Family Care. 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 89.9% of incoming provider calls in the month of February 2021.

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.

Optima's **MCO Improvement Plan (MIP)** from November 2020 call center data expired on February 24, 2021.

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 Optima a **one (1) point violation** due to its failure to meet the contract thresholds for call center statistics.

Optima has accumulated 16.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. Thus, a financial sanction of **\$5,000.00** will be issued in response to this issue. The CRC voted not to require Optima to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3793)**

Concerns:

- **Contract Adherence:** Optima failed to timely process Pharmacy Prior Authorization requests. Per February 2021 data, there were 27 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 # 3814)**

MIP/CAP Update:

- No updates

Appeal Decision:

- Optima requested reconsideration of the NONC for their quarterly report for Providers Failing Accreditation (CES #3704). Management determined the NONC will be upheld and Optima has been notified.

Expiring Points:

- No expiring points

Financial Sanctions Update:

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

- February 2021 Provider Call Center Statistics - \$5,000 **(CES # 3793)**

Summary:

- For deliverables measuring performance for February 2021, Optima showed a satisfactory 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 the timely processing of Pharmacy Prior Authorization requests within 24 hours (as addressed above in **CES # 3814**). One monthly deliverable failed to meet contract adherence requirements for call center statistics (as addressed above in **CES # 3793**). In summation, Optima complied with most applicable regulatory and contractual requirements.

UnitedHealthcare

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:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for February 2021, United showed an outstanding level of compliance. United timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues, and United complied with all applicable provider payment timeliness requirements. In summation, United was an outstanding performer in February 2021, and complied with every regulatory and contractual requirements.

Virginia Premier

Findings:

- **Appeals and Grievances Report:** The Department timely received the February 2021 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 one (1) appeal 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 **one (1) point violation** due to its failure to process one (1) member appeal within 14 days without a request for an extension.

Virginia Premier has accumulated 21.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. Thus, a financial sanction of **\$5,000.00** will be issued in response to this issue. The CRC voted not to require Virginia Premier to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3874)**

Concerns:

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per February data, there were three (3) 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 # 3773)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No points

Financial Sanctions Update:

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

- February 2021 Appeals & Grievances Report Issue - \$5,000 **(CES # 3874)**

Summary:

- For deliverables measuring performance for February 2021, Virginia Premier showed a satisfactory level of compliance. Virginia Premier timely submitted 23 required monthly reporting deliverables. One monthly deliverable failed to meet contract adherence requirements for Pharmacy Prior Authorization request (as addressed above in **CES # 3773**). One contract requirement was not met requiring the MCO to process member claims within 14 days (as addressed above in **CES # 3874**). 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, MCO 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.