



COMMONWEALTH of VIRGINIA

KAREN KIMSEY
DIRECTOR

Department of Medical Assistance Services

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August 24, 2020

Darrin Johnson
Magellan Complete Care of Virginia
3829 Gaskins Road
Henrico, VA 23233

Re: Commonwealth Coordinated Care (CCC Plus) Plus Program –Corrective Action Plan (CAP)-Nursing Facility Payments for Hospice Members

Dear Mr. Johnson,

The Department of Medical Assistance Services (DMAS) monitors the accuracy and timely payment of all Commonwealth Coordinated Care Plus (CCC Plus) provider claims as identified in the CCC Plus Managed Care Organization (MCO) Contract for Managed Long Term Services and Supports. Section 12.4.1 of the Contract addresses General Processing and Payment Rules, “In accordance with Section 1932(f) of the Social Security Act (42 USC § 1396a-2), the Contractor shall pay all in and out-of-network providers (including Native American Health Care Providers) on a timely basis, consistent with the claims payment procedure described in 42 CFR § 447.45 and 42 CFR § 447.46 and Section 1902 (a)(37), upon receipt of all clean claims, as defined in the contract, for covered services rendered to covered Members who are enrolled with the Contractor at the time the service was delivered.” The CCC Plus MCO Contract also states in Section 12.4.2.4, Hospice claims, “Beginning July 1, 2019, for Members that reside in a nursing facility and are enrolled in a Medicaid approved hospice program, the Contractor shall pay the nursing facilities their share of payment directly rather than paying the hospice provider. Payments made to the nursing facility shall be the full amount that would be paid to the nursing facility if the Member was not receiving hospice services.” This change was in accordance with the 2019 Acts of Assembly, Item 303.WWW.

DMAS has continually provided outreach and education to Magellan regarding the appropriate payment of nursing facility claims for members enrolled in Hospice effective July 1, 2019. Magellan was notified by e-mail from Elizabeth Smith, RN, Manager at DMAS in June of 2019, and advised of the change at the DMAS Contract Monitoring (CMT) meetings. A Medicaid Memo with specific instructions regarding claims submission and processing for nursing facility hospice claims was issued July 2, 2019. The issue was also addressed on the Magellan issues

log (issue #1061) during the CMT meetings, at which time Magellan acknowledged an understanding of the appropriate payment process for nursing facilities with residents enrolled in Hospice. Magellan also advised DMAS that a sweep was performed to check for other claims inappropriately denied.

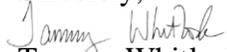
In June 2020, DMAS was notified by Riverside Nursing Facility that payment for the nursing facility had been retracted by Magellan because the member was enrolled in Hospice. DMAS staff contacted Magellan and advised staff of the appropriate payment requirement. DMAS also requested that Magellan perform another sweep to ensure there were no other Hospice member's payment issues. On July 24, 2020 it was reported by Magellan staff that Magellan had identified approximately 418 claims that denied in error and anticipated having these claims corrected within the next 30 days. This would result in a completion date of August 23, 2020.

As a result of the recurrent critical error identified in processing nursing facility claims for members enrolled in Hospice, Magellan must document and implement a CAP that addresses how you will adhere to the claim adjudication requirements outlined in the contract and shall include steps that will be taken to come into compliance with these requirements. Please ensure that the CAP includes a plan and a due date identifying when all outstanding claims have been appropriately adjudicated and going forward that the nursing facility claims are processing correctly. DMAS expects this issue to be resolved in 30 days. A weekly update to DMAS will be required for monitoring progress. Failure to comply with the approved CAP will result in additional sanctions.

Magellan will be issued a point violation pursuant to Section 18.0 of the CCC Plus Contract. Assessment of these points are pending. If you have additional information and/or documentation that will affect this determination, please provide this information to Jason A. Rachel, Ph.D., Division Director, within 15 calendar days from the date of this letter ("Comment Period"). Point violations will be finalized upon the expiration of the Comment Period. After this time, no additional communication will be provided by DMAS regarding the point issuance.

If you have any questions regarding these concerns, contract standards or CAP requirements, please contact Joshua Walker at 804-418-4464. Please sign, date and return acknowledging receipt to cccpluscompliance@dmass.virginia.gov.

Sincerely,


Tammy Whitlock, MSHA

Deputy Director of Complex Care and Services

Exhibit 1 – Magellan – 2020 Point Schedule

<u>MCO</u>	<u>Area(s) of Violation</u>	<u>Previous Balance</u>	<u>Point(s) Expired</u>	<u>Point(s) Incurred</u>	<u>Current Balance</u>	<u>Sanctions pursuant to 18.2.2</u>
Magellan	12.4.2.4	0	0	5	5	\$1,000

18.2.3.2 Five (5) Point Violations

Noncompliance with Claims Adjudication Requirements - If the Department finds that the Contractor is unable to (1) electronically accept and adjudicate claims to final status, or (2) notify providers of the status of their submitted claims, the Contractor may be assessed 5 points per incident of noncompliance. If the Department has identified specific instances where a Contractor has failed to take the necessary steps to comply with the requirements specified in this Contract by (1) failing to notify non-contracting providers of procedures for claims submissions when requested or (2) failing to notify contracting and non-contracting providers of the status of their submitted claims, the Contractor may be assessed 5 points per incident of noncompliance.

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Acknowledge agreement via signature below to address the outstanding Commonwealth Coordinated Care (CCC Plus) Plus Program –Corrective Action Plan (CAP)-Nursing Facility Payments for Hospice Members claim issues noted within the attached CAP letter.

Darrin Johnson /Date