



COMMONWEALTH of VIRGINIA

Department of Medical Assistance Services

Cheryl Roberts
ACTING DIRECTOR

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June 10, 2022

Darrin Johnson
Health Plan President
Molina Complete Care of Virginia
3829 Gaskins Road
Henrico, VA 23233

Re: Commonwealth Coordinated Care Plus (CCC Plus) – Corrective Action Plan (CAP) –
Pharmacy coding error – Case ID # 20367

Dear Mr. Johnson:

The Department of Medical Assistance Services (DMAS) continually monitors compliance with the Commonwealth Coordinated Care Plus (CCC Plus) Contract. As part of this process, DMAS is particularly attentive to Members' access to required prescription medication. Section 4.8.1.1 of the CCC Plus contract states "...The Contractor shall include the DMAS Preferred Drug List (PDL) as a "common core" formulary for all Members enrolled in the CCC Plus Program who have a pharmacy benefit covered by the Contractor's Medicaid plan. The plans are responsible for 100% accuracy for all PDL coding changes based on drug files provided by DMAS. The \$5,000 penalty will be deducted from the capitation rate in the next quarter for each coding error."

From January 1, 2022 to March 1, 2022, coding errors made by Molina resulted in the dispensation of generic medications for approximately 1,360 claims where brand preferred medication is listed on the Preferred Drug List (PDL). These errors resulted in hundreds of CCC Plus and Medallion 4.0 members not receiving brand preferred medications and the loss of \$46,079.54 in associated rebates. Molina will receive a separate letter summarizing the total financial impact of these coding errors on both CCC Plus and Medallion 4.0 members and outlining the DMAS financial recoupment process.

DMAS expects a response to this issue no later than July 8, 2022. Molina shall conduct a thorough review into the coding errors detailed in this letter and provide a summary of the actions you will be taking to prevent future occurrences. This report must include: 1) an assessment of the root cause of what led to the errors and 2) a practicable project plan to ensure incidents such as this do not occur again. This plan must specifically address

Case ID # 20367

additional strategies that Molina will take to ensure all individuals representing Molina, including employees and contractors/agents, adhere to the requirements within the CCC Plus contract.

Molina will be issued a 10 point violation pursuant to Section 18.2.3.2 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 cccpluscompliance@dmass.virginia.gov. Please sign, date and return acknowledging receipt to cccpluscompliance@dmass.virginia.gov.

Sincerely,



Jason A. Rachel, Ph.D
Integrated Care Division Director

CC: James Johnson, AVP, Health Plan Operations (Molina Complete Care)
Pamela Daniels, Compliance Officer (Molina Complete Care)
Daniel Plain, HCS Division Director (DMAS)
Karla Callaham, HCS Assistant Division Director (DMAS)
Stephanie Buxton, HCS Compliance Manager (DMAS)
Jason Rachel, IC Division Director (DMAS)
Elizabeth Smith, IC Operations Manager (DMAS)

Exhibit 1 – Molina– 2022 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>
Molina	4.8.1.1	20	0	10	tbd	tbd

4.8.1.1 Legend and Non-Legend Drug Coverage: Common Core Formulary

The Contractor is required to maintain a formulary to meet the unique needs of the Members they serve; at a minimum, the Contractor’s formulary must include all preferred drugs on the DMAS Preferred Drug List (PDL), also known as the Common Core Formulary (CCF) available at <https://www.virginiamedicaidpharmacyservices.com>.

The DMAS PDL/CCF is not an all-inclusive list of drugs for Medicaid Members. The Contractor must develop a comprehensive formulary that includes drug classes not included on the CCF. The Contractor shall include the DMAS Preferred Drug List (PDL) as a “common core” formulary for all Members enrolled in the CCC Plus Program who have a pharmacy benefit covered by the Contractor’s Medicaid plan. The plans are responsible for 100% accuracy for all PDL coding changes based on drug files provided by DMAS. The \$5,000 penalty will be deducted from the capitation rate in the next quarter for each coding error.

Acknowledge agreement via signature below to address the issues detailed in Corrective Action Plan (CAP) – Pharmacy coding error – Case ID # 20367

Darrin Johnson / Date