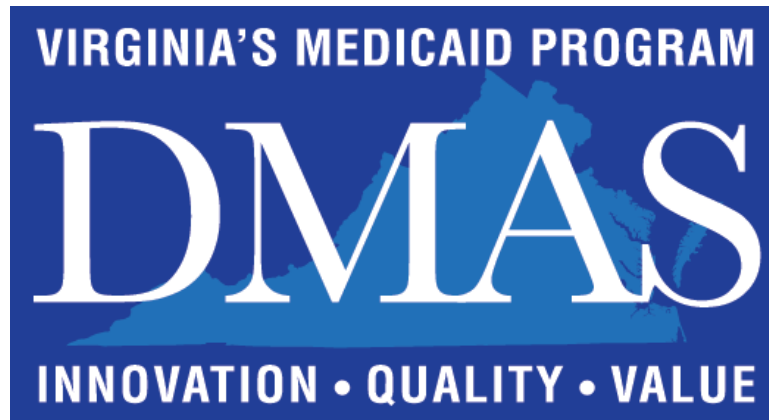


# Monthly MCO Compliance Report

## Medallion 4.0 August 2023 Deliverables



**Health Care Services Division**

September 20, 2023

# Monthly MCO Compliance Report

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## Medallion 4.0 August 2023 Deliverables

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# Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from July 2022	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	1	0	1	0	<b>FINDINGS</b> NONE <b>CONCERNS</b> CMHRS SA
<u>Anthem</u>	4	1	0	5	<b>FINDINGS</b> HOSPITAL READMISSION PAYMENT REDUCTION POLICY <b>CONCERNS</b> CMHRS SA
<u>Molina</u>	7	10	0	17	<b>FINDINGS</b> CMHRS SA <b>CONCERNS</b> NONE
<u>Optima</u>	8	3	0	11	<b>FINDINGS</b> LATE SUBMISSION EI CLAIMS MEMBER CALL CENTER <b>CONCERNS</b> NONE
<u>United</u>	2	3	1	4	<b>FINDINGS</b> OFFSHORE SERVICING LATE SUBMISSION <b>CONCERNS</b> NONE

*\*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 July 2022 (Issue date: 8/15/2022) expire on 8/15/2023 and are subtracted from the final point balance.

**Optima Health + Virginia Premier Merger:** Under the terms of the merger agreement, Virginia Premier’s compliance point total ceased to exist on July 1, 2023. Going forward, Optima will be assessed any points associated with Virginia Premier’s failure to meet regulatory or contractual requirements.

# Summary

The **Compliance Review Committee (CRC)** met on September 6, 2023, to review deliverables measuring performance for July 2023. The meeting's agenda covered all identified and referred issues of non-compliance, including late submissions, failure to adhere to contractual policies and prohibitions, and failure to meet contract thresholds related to MCO call center statistics, service authorizations, and Early Intervention claims adjudication.

The CRC consists of five managers and supervisors from the Health Care Services Division who vote on what, if any, compliance enforcement actions should be taken in response to identified compliance issues.

The CRC voted to issue ten (10) Notices of Non-Compliance (NONC) to the impacted MCOs, consisting of eight (8) NONCs with associated compliance points, as well as a request for an MCO Improvement Plan (MIP) and a request for a Corrective Action Plan (CAP).

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 July's compliance issues in letters and emails issued to the MCOs on September 8, 2023.

# Aetna Better Health of Virginia

## Findings:

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

## Concerns:

- **Contract Adherence:** Aetna Better Health failed to process all Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations within the required timeframe. Per the July 2023 data, there was one (1) expedited service authorization request that did not require supplemental information and was not processed within 72 hours. Aetna's overall timeliness for processing CMHRS Service Authorization requests for the month of July was 99.91%.

The Compliance Team recommended that in response to the issue identified above, Aetna be issued a **Notice of Non-Compliance (NONC)**. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)**. (CES # 5593)

## MIP/CAP Update:

- No updates

## Request for Reconsideration:

- No requests for reconsideration

## Expiring Points:

- **Case #5133:** July 2022 – MCO Claims. 1 point was removed from Aetna's total by closing CES # 5133.

## Financial Sanctions Update:

- No outstanding sanctions

## Summary:

For deliverables measuring performance for July 2023, Aetna showed a **high** level of compliance. Aetna submitted all 16 required monthly reporting deliverables accurately and on time. However, one of the required monthly reporting deliverables failed to meet Medallion 4.0 contractual requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5593**) and received a Notice of Non-Compliance. Despite this issue, Aetna complied with most applicable regulatory and contractual requirements.

# Anthem HealthKeepers Plus

## Findings:

- **Contract Adherence:** On July 6, 2023, Anthem HealthKeepers Plus notified the Department of their failure to comply with the Medicaid Hospital Readmission Policy.

Section 8.2.N.d of the Medallion 4.0 contract states: Hospital readmissions shall include cases when members are readmitted to a hospital for the same or a similar diagnosis within thirty (30) days of discharge, excluding planned readmissions, obstetrical readmissions, admissions to critical access hospitals, or in any case where the member was originally discharged against medical advice. If the member is readmitted to the same hospital for a potentially preventable readmission then the payment for such cases shall be paid at fifty (50) percent of the normal rate, except that a readmission within five (5) days of discharge shall be considered a continuation of the same stay and shall not be treated as a new case. Similar diagnoses shall be defined as ICD diagnosis codes possessing the same first three (3) digits.

The current Medicaid Hospital Readmission Policy came into effect July 1, 2020. As a result, Anthem will need to process all impacted readmission claims dating back to July 2020.

The Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC) and one (1) compliance point** with no financial penalty.

The team also recommended that Anthem HealthKeepers Plus submit an **MCO Improvement Plan** (“MIP”) to address the MCO’s failure to properly apply DMAS’ Hospital Readmission Policy.

The CRC agreed with the Compliance Team’s recommendations and voted to issue a **Notice of Non-Compliance (NONC), including one (1) compliance point** with no financial penalty, and a request for a **MIP** in response to this issue. **(CES # 5653)**

## Concerns:

- **Contract Adherence:** Anthem HealthKeepers Plus failed to process all Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations within the required timeframe. Per the July 2023 data, there were five (5) standard service authorization requests that did not require supplemental information and were not processed within 14 days. Anthem’s

overall timeliness for processing CMHRS Service Authorization requests for the month of July was 99.22%.

The Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC)**. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)**. (CES # 5594)

### **MIP/CAP Update:**

- No updates

### **Request for Reconsideration:**

- No requests for reconsideration

### **Expiring Points:**

- No points

### **Financial Sanctions Update:**

- No outstanding sanctions

### **Summary:**

- For deliverables measuring performance for July 2023, Anthem showed a **moderate** level of compliance. Anthem submitted all 16 required monthly reporting deliverables accurately and on time. However, Anthem failed to meet contract adherence requirements with the Medicaid Hospital Readmission Policy (as addressed above in **CES # 5653**) and received a Notice of Non-Compliance and a compliance point with a request for a MIP. Anthem also failed to meet contractual requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5594**) and received a Notice of Non-Compliance. Despite these issues, Anthem complied with most applicable regulatory and contractual requirements.

# Molina Complete Care

## Findings:

- **Contract Adherence:** DMAS timely received the July 2023 Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations report from Molina Complete Care. Upon review, the Compliance Unit discovered Molina did not meet the required contract thresholds within the required timeframe. Per the July 2023 data, there were ten (10) expedited service authorization requests that did not require supplemental information and were not processed within 72 hours. Molina's overall timeliness for processing CMHRS Service Authorization requests for the month of July was 96.82%.

Section 8.1.D of the Medallion 4.0 Contract states for cases in which a provider indicates, or the Contractor determines, that following the standard timeframe could seriously jeopardize the member's life, physical or mental health, or ability to attain, maintain, or regain maximum function, the Contractor must make an expedited authorization decision and provide notice as expeditiously as the member's health condition requires and no later than seventy-two (72) hours after receipt of the request for service. The Contractor may extend the seventy-two (72) hour time period by up to fourteen (14) calendar days if the member requests an extension or the Contractor justifies to the Department a need for additional information and how the extension is in the member's interest.

The Compliance Team recommended that in response to the issue identified above, Molina be issued a **Notice of Non-Compliance (NONC) and ten (10) compliance points** with **\$15,000** financial penalty, no MIP, or CAP. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC) and ten (10) compliance points** with **\$15,000** financial penalty, no MIP, or CAP in response to this issue. (CES # 5595)

## Concerns:

- No concerns

## MIP/CAP Update:

- No updates

## Request for Reconsideration:

- No requests for reconsideration



### Expiring Points:

- No points

### Financial Sanctions Update:

- No outstanding sanctions

### Summary:

- For deliverables measuring performance for July 2023, Molina Complete Care showed a **moderate** level of compliance. Molina submitted all 16 required monthly reporting deliverables accurately and on time. However, Molina failed to meet contract adherence requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5595**) and received a Notice of Non-Compliance and ten (10) compliance points with \$15,000 financial penalty. Despite this issue, Molina complied with most applicable regulatory and contractual requirements.

# Optima Family Care

Optima Health and Virginia Premier merged into a single health plan effective July 1, 2023. As Optima Health has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, Optima will be issued any enforcement actions related to Virginia Premier's failure to meet contractual requirements.

## Findings:

- **Contract Adherence:** DMAS timely received the July 2023 Early Intervention Services report from Optima Family Care. Upon review, the Compliance Unit discovered Optima failed to process 189 clean claims within 14 calendar days.

On August 22, 2023, the Compliance Unit requested detailed claim information relating to the 189 clean claims not paid within 14 calendar days. Optima reported the claims adjudication delay reason was due to the merger that required Medicaid ID updates in the claims processing system (QNXT). The detailed report revealed 128 clean claims were paid between day 15-26, and 61 claims paid on day 14. Thus, Optima failed to process a total of 128 clean Early Intervention claims within 14 calendar days. Optima's overall timeliness for processing Early Intervention claims within 14 calendar days for the month of July was 98.29%.

Section 5.5 of the Medallion 4.0 contract requires 99% of the clean claims from community mental health rehabilitation services, ARTS, and early intervention providers shall be processed within fourteen (14) calendar days of receipt of the clean claim.

The Compliance Team recommended that in response to the issue identified above, Optima be issued a **Notice of Non-Compliance (NONC) and one (1) compliance point** with no financial penalty, MIP, or CAP. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC) and one (1) compliance point** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5574)**

- **Untimely Deliverable Submission:** Optima Family Care failed to timely submit the monthly Foster Care and Adoption Assistance Member Care Coordination Report by the due date of August 15, 2023. Optima submitted the missing report to the Department on August 16, 2023.

Section 10.5 of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout

specified by DMAS. 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) and a one (1) compliance point** with no financial penalty, MIP, or CAP. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC) and one (1) compliance point** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5633)**

- **Call Center Statistics:** DMAS timely received the July 2023 MCO Member Call Center Statistics report from Optima Family Care. Upon review, the Compliance Unit discovered that Optima did not meet the required contract thresholds for call center statistics.

Section 7.16.C.b of the Medallion 4.0 contract requires that the MCOs Member call abandonment rates shall average less than five percent (5%) each month. Optima Family Care failed to answer at least 95% of the incoming member calls to be in compliance with the Medallion 4.0 contract – answering only 94.17% of all incoming member calls in the month of July 2023.

The Compliance Team recommended that in response to the issue identified above, Optima be issued a **Notice of Non-Compliance (NONC) a one (1) compliance point** with \$15,000 financial penalty. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC) and one (1) compliance point** with \$15,000 financial penalty, no MIP, or CAP in response to this issue. **(CES # 5573)**

### **Concerns:**

- No concerns

### **MIP/CAP Update:**

- No updates

### **Request for Reconsideration:**

- No requests for reconsideration

### **Expiring Points:**

- No points

### **Financial Sanctions Update:**

- No outstanding sanctions

## Summary:

- For deliverables measuring performance for July 2023, Optima Family Care showed a **low** level of compliance. Optima failed to submit one of the 16 required monthly reporting deliverables on time (as addressed above in **CES # 5633**) and received a Notice of Non-Compliance and a compliance point. Additionally, Optima failed to meet contract adherence requirements for Early Intervention claims processing (as addressed above in **CES # 5574**) and received a Notice of Non-Compliance and a compliance point. Optima also failed to meet the required contract thresholds for member call center statistics. This failure (as addressed above in **CES # 5573**) resulted in the assessment of a Notice of Non-Compliance and a compliance point with \$15,000 financial penalty. As a result, Optima failed to comply with many regulatory and contractual requirements.

# UnitedHealthcare

## Findings:

- **Untimely Deliverable Submission:** UnitedHealthcare failed to timely submit the quarterly Drug Rebate Report by the due date of August 15, 2023. UnitedHealthcare submitted the missing report to the Department on August 16, 2023, following an email from the Compliance Unit.

Section 10.5 of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. 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) and one (1) compliance point** with no financial penalty, MIP, or CAP. The CRC agreed with the Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC) and one (1) compliance point** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5575)**

- **Contract Adherence:** UnitedHealthcare violated the Medallion 4.0 contract which prohibits the offshore servicing of member PHI by an MCO or subcontractor.

On April 27, 2023, UnitedHealthcare requested that DMAS provide offshore access to the EPS Portal for employees of an approved subcontractor, Optum.

On July 24, 2023, Optum submitted an Electronic Claims Submission Enrollment Packet requesting offshore access to DMAS' EPS Portal.

Section 3.6.B of the Medallion 4.0 contract states: The Contractor shall have a Virginia-based operation that is dedicated to this Contract. The Department does not require claims, utilization management, customer service, pharmacy management, or Member services to be physically located in Virginia; however, these service areas must be located within the United States, as prescribed in 42 CFR §438.602(i).

Section 5.2 of the Medallion 4.0 contract states: The Contractor may enter into subcontracts for the provision or administration of any or all covered or enhanced services or other delegated Contractor functions required by this contract, consistent with 2 CFR §200.331. Subcontracting does not relieve the Contractor of its responsibilities to the Department or members under this Contract. The Department will hold the Contractor accountable for all actions

of the subcontractor and its providers. Additionally, for the purposes of this Contract, the subcontractor's actions will also be considered actions of the Contractor, as prescribed by 42 CFR §§438.230(b)(1) and 438.3(k). as prescribed by 42 CFR §§438.230(b)(1) and 438.3(k). For purposes of this Section, subcontractor does not include a network provider. The Contractor must ensure that there is no offshore servicing of Member PHI.

Section 10.8.B of the Medallion 4.0 contract further provides: The Contractor shall ensure that there is no offshore servicing of Member PHI. Impose the same requirements and restrictions contained in this Contract on its subcontractors and agents to whom Contractor provides PHI received from or created or received by a Contractor on behalf of the Department.

Thus, UnitedHealthcare violated the terms of the Medallion 4.0 contract regarding the offshore servicing of member PHI.

The Compliance Team recommended that in response to the issues identified above, UnitedHealthcare be issued a **Notice of Non-Compliance (NONC) and two (2) compliance points**, one for each violation of the Medallion 4.0 contract outlined above with no financial penalty.

The team also recommended that UnitedHealthcare submit a **Corrective Action Plan** ("CAP") to address UnitedHealthcare and Optum's violations of the Medallion 4.0 contract's prohibition of offshore servicing of member PHI.

The CRC agreed with the Compliance Team's recommendations and voted to issue a **Notice of Non-Compliance (NONC) and two (2) compliance points** with no financial penalty, and a request for a **CAP** in response to this issue. **(CES # 5613 & 5614)**

### **Concerns:**

- No concerns

### **MIP/CAP Update:**

- No updates

### **Request for Reconsideration:**

- No requests for reconsideration

### **Expiring Points:**

- **Case #5073:** July 2022 – EI Claims issue. 1 point was removed from UnitedHealthcare's total by closing **CES # 5073**.

## **Financial Sanctions Update:**

- No outstanding sanctions

## **Summary:**

- For deliverables measuring performance for July 2023, UnitedHealthcare showed a **low** level of compliance. UnitedHealthcare submitted all 16 required monthly reporting deliverables accurately and on time. However, UnitedHealthcare submitted a required quarterly deliverable after the designated due date (as addressed above in **CES # 5575**) and received a Notice of Non-Compliance and a compliance point. Additionally, UnitedHealthcare failed to meet contractual requirements related to the offshore servicing of member PHI (as addressed above in **CES # 5613 & 5614**) and received a Notice of Non-Compliance, with two (2) compliance points and a request for a CAP. As a result, UnitedHealthcare failed to comply with many regulatory and contractual requirements.

# Next Steps

The Health Care Services Compliance Unit will continue to host monthly Compliance Review Committee meetings, track and monitor compliance issues and points, and communicate with the MCOs regarding identified issues. The HCS Compliance Unit will also continue to collaborate with other DMAS units and divisions to investigate and resolve potential compliance issues.

The Compliance Unit will continue its enforcement efforts to ensure the timely processing of service authorizations and claims. The Compliance Unit will also remain focused on overall compliance with Medallion 4.0 contractual requirements - especially those with an impact on members and providers.

Where appropriate, the HCS Compliance Unit will work closely with the Integrated Care Compliance Unit to align enforcement actions between the two contracts.