Monthly MCO Compliance Report

Medallion 4.0 July 2020 Deliverables

Health Care Services Division

October 8, 2020

Monthly MCO Compliance Report

Medallion 4.0 July 2020 Deliverables

Contents

Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from July 2020	Final Point Balance*	Area of Violation: Finding or Concern
Aetna	**5.0**	**0**	0	**5.0**	**CONCERNS** **EI Claims Issue**
Anthem	**8.0**	**0**	2	**6.0**	**CONCERNS** **Data Submission Errors** **EI Claims Issue**
Magellan	**8.0**	**0**	2	**6.0**	**CONCERNS** **Late Data Submission** **EI Claims Issue** **Data Submission Errors**
Optima Health	**2.0**	**5**	1	**6.0**	**CONCERNS** **Claims Adjudication** **Data Submission Error**
United	**3.0**	**0**	2	**1.0**	**CONCERNS** **Late Data Submission**
VA Premier	**19.0**	**1**	1	**19.0**	**CONCERNS** **EI Claims Issue** **Data Submission Errors** **Late/Missing Submission** **Untimely Internal Appeals** **Call Center Statistics**

**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 2019 (Issue date: 8/15/2019) expire on 8/15/2020 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on September 11, 2020 to review deliverables measuring performance for July 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, untimely deliverable submissions, 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 July's compliance issues in letters and emails issued to the MCOs on September 14, 2020.

Aetna Better Health of Virginia

Findings:

- No findings

Concerns:

- **Late Deliverable Submission:** Aetna failed to timely submit the Provider File – MCO Network Quarterly Report deliverable as required by Section 1.4.4 of the Medallion 4.0 Deliverables Technical Manual. This report was due by close of business on July 31, 2020. This report was received on August 5, 2020 after the compliance unit reached out to Aetna. Aetna reported the file was dropped in the test folder as opposed to the folder where their IT sweeps to deliver to DMAS.

  Section 10.1.E.d.b 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, Aetna 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, Aetna 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 # 3103)**

- **Late Deliverable Submission:** Aetna failed to timely submit the Providers Failing Accreditation/Credentialing & Terminations Quarterly Report deliverable as required by Section 1.4.9 of the Medallion 4.0 Deliverables Technical Manual. This report was due by close of business on July 31, 2020. This report was received on August 5, 2020 after the compliance unit reached out to Aetna. Aetna reported the file was dropped in the test folder as opposed to the folder where their IT sweeps to deliver to DMAS.

  Section 10.1.E.d.b 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, Aetna 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, Aetna 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 # 3113)**

- **Appeals and Grievances' Report:** The Department timely received the May and June 2020 Appeals and Grievances' Report deliverable from Aetna. Upon review, a DMAS subject matter expert discovered that the report indicated that Aetna failed to adjudicate 18 appeals in May and 16 appeals in June 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."

  The Compliance Team recommended that in response to the issue identified above, Aetna be issued a ***Retroactive*** **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 ***Retroactive*** **NONC without associated compliance points or financial sanctions** in response to this issue **(CES # 3116)**

- **Appeals and Grievances' Report:** The Department timely received the July 2020 Appeals and Grievances' Report deliverable from Aetna. Upon review, a DMAS subject matter expert discovered that the report indicated that Aetna failed to adjudicate a total of 33 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. One (1) of these appeals was a FAMIS member and 32 were Medicaid members.

  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."

The Compliance Team recommended that in response to the issue identified above, Aetna Better Health 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 # 3101)**

- **Data Submission Error:** Aetna timely submitted the July 2020 Maternal Care Monthly Report. However per July data, there were 624 members omitted from the report based on July 834 EOM file. Aetna reported 2,015 maternal members when the July 834 EOM file indicated 2,639 maternal members

  Section 2.2.C of the Medallion 4.0 contract states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM." Thus, Aetna 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, Aetna 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 # 3173)**

  The HCS Compliance Unit reached out to the MCOs to remind the plans of the contractual requirements for the Maternal Care Monthly Report.

  The following communication was sent via email to Aetna on September 14.

  Aetna reported 2,015 maternal members, when July EOM 834 data indicated 2,639 maternal members enrolled. Difference of over 600 members.

  "Medallion 4.0 contract section 2.2.C states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM."

"The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables 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 October 15, 2020."

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 July 2020, Aetna showed a moderate level of compliance. Aetna timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Aetna failed to timely submit two quarterly reporting deliverables (as addressed above in **CES # 3101 and 3113**). Aetna failed to adjudicate internal member appeals within 14 days as required by the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020 (as addressed above in **CES # 3116 and 3101**). One monthly deliverable contained data submission errors (as addressed above in **CES # 3173**). In summation, Aetna complied with most applicable regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- No findings

Concerns:

- **Contract Adherence:** Anthem failed to timely process Pharmacy Prior Authorization requests. Per July data, there were 28 Pharmacy Prior Authorization Requests past 24 hours (out of 8,639).

  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 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 # 3097)**

  The HCS Compliance Unit is reached out to the MCOs to remind the plans of the response time requirements for Pharmacy service authorizations.

  The following communication was sent via email to Anthem on September 14, 2020

  "The HCS Compliance Unit is reaching out to remind the plans of the response time requirements for Pharmacy service authorizations.

  The Medallion 4.0 contract section 8.7.N states "The Contractor must provide a response by telephone or other telecommunication within 24 hours of a service authorization."

  Anthem reported a total of 8,639 Service Authorizations for the month of July 2020. A total of 28 Service Authorization requests exceeded the required response time of less than 24 hours.

The Department is requesting that each MCO adheres to the Pharmacy service authorization requirements. At this point, no compliance points or financial sanctions will be issued in response to identified non-compliance with the MCO response time on the Pharmacy Prior Authorization Report. However, the Department may proceed with issuance of points or financial sanctions for failing to meet Pharmacy service authorizations not processed within twenty-four (24) hours, effective on deliverables due by October 15, 2020".

- **Data Submission Error:** Anthem timely submitted the July 2020 Maternal Care Monthly Report. However per July data, there were 3953 members omitted from the report based on July 834 EOM file. Anthem reported 2,194 maternal members when the July 834 EOM file indicated 6,147 maternal members

  Section 2.2.C of the Medallion 4.0 contract states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM." 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 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 # 3174)**

  The HCS Compliance Unit reached out to the MCOs to remind the plans of the contractual requirements for the Maternal Care Monthly Report.

  The following communication was sent via email to Anthem on September 14.

  Anthem reported 2,194 maternal members, when July EOM 834 data indicated 6,147 maternal members enrolled. Difference of 3,953 members.

  "Medallion 4.0 contract section 2.2.C states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM."

  "The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables 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 October 15, 2020."

- **Contract Adherence:** The Department timely received the July 2020 MCO Claims Report deliverable from Anthem. Upon review, a DMAS subject matter expert determined that one (1) claim was not processed within 365 days as required.

  Based on Anthem's MCO Claims Report submissions, the measure "Paid claims greater than 365 days of receipt" does not comply with the requirements of the Code of Federal Regulations as present at 42 C.F.R. §447.45.

  The Compliance Team recommended that in response to the issue identified above, Anthem be scheduled for a Compliance Monitoring Review to be conducted by the HCS Compliance Unit via Desk Review. The CRC agreed with the Compliance Team's recommendation, and voted to request that Anthem Healthkeepers provide a detailed list and supporting documentation relating to the claims identified as not paid within 365 days per the July 2020 MCO Claims Report no later that September 28, 2020. **(CES # 3094)**

- **Appeals and Grievances' Report:** The Department timely received the July 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 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."

  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 # 3095)**

- **Appeals and Grievances' Report:** The Department timely received the May and June 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 19 appeals in May and eight (8) appeals in June 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."

  The Compliance Team recommended that in response to the issue identified above, Anthem be issued a ***Retroactive*** **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 ***Retroactive*** **NONC without associated compliance points or financial sanctions** in response to this issue **(CES # 3134)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2241:** July 2019 – Data Submission Error – Community Mental Health Rehabilitation Services (CMHRS) Service Authorization and Registrations Report. 1 point was removed from Anthem's total by closing **CES # 2241.**

- **Case # 2242:** July 2019 – Call Center Statistics – MCO Call Center Statistics. 1 point was removed from Anthem's total by closing **CES # 2242.**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for July 2020, Anthem showed a moderate level of compliance. Anthem timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Three monthly deliverables failed to meet contract adherence requirements to process Pharmacy Prior Authorization requests within 24 hours, to adjudicate and pay 100% clean claims within 365 days, and to adjudicate internal member appeals within 14 days (addressed above in **CES # 3097, 3094, 3095, & 3134**). One monthly deliverable contained data submission errors (as addressed above in **CES # 3173**). In summation, Anthem complied with most applicable regulatory and contractual requirements

Magellan Complete Care

Findings:

- No findings

Concerns:

- **Contract Adherence:** Magellan failed to timely process Pharmacy Prior Authorization requests. Per July data, there were 302 Pharmacy Prior Authorization Requests past 24 hours (out of 1,098).

  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, Magellan 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, Magellan 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 # 3102)**

  The HCS Compliance Unit reached out to the MCOs to remind the plans of the response time requirements for Pharmacy service authorizations.

  The following communication was sent via email to Magellan on September 7.

  "The HCS Compliance Unit is reaching out to remind the plans of the response time requirements for Pharmacy service authorizations.

  The Medallion 4.0 contract section 8.7.N states "The Contractor must provide a response by telephone or other telecommunication within 24 hours of a service authorization."

  Magellan reported a total of 1,098 Service Authorizations for the month of July 2020. A total of 302 Service Authorization requests exceeded the required response time of less than 24 hours.

The Department is requesting that each MCO adheres to the Pharmacy service authorization requirements. At this point, no compliance points or financial sanctions will be issued in response to identified non-compliance with the MCO response time on the Pharmacy Prior Authorization Report. However, the Department may proceed with issuance of points or financial sanctions for failing to meet Pharmacy service authorizations not processed within twenty-four (24) hours, effective on deliverables due by October 15, 2020".

- **Appeals and Grievances' Report:** The Department timely received the May and June 2020 Appeals and Grievances' Report deliverable from Magellan. Upon review, a DMAS subject matter expert discovered that the report indicated that Magellan failed to adjudicate three (3) appeals in May and one (1) appeal in June 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."

  The Compliance Team recommended that in response to the issue identified above, Magellan be issued a ***Retroactive*** **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 ***Retroactive*** **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 3133)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2244:** July 2019 – Data Submission Error – Providers Failing Accreditation Report. 1 point was removed from Magellan's total by closing **CES # 2244.**

- **Case # 2248:** July 2019 – Late Data Submission – Provider Network File. 1 point was removed from Magellan's total by closing **CES # 2248.**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for July 2020, Magellan showed a very high level of compliance. Magellan timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Two monthly deliverables failed to meet contract adherence requirements to process Pharmacy Prior Authorization requests within 24 hours and adjudicate internal member appeals within 14 days (as addressed above in **CES # 3102 & 3133**). In summation, Magellan complied with nearly all of the applicable regulatory and contractual requirements.

Optima Health

Findings:

- No findings

Concerns:

- **Untimely Payment of EI Claims:** DMAS timely received the July 2020 Early Intervention Services Report deliverable from Optima. Upon review, the Compliance Unit discovered that the report indicated that Optima failed to adjudicate seven (7) clean claims for EI services within 14 days of its receipt in July 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, Optima violated the terms of the Medallion 4.0 contract in failing to adjudicate seven (7) clean claims for EI services within 14 days of its receipt.

  The Department requests that Optima adheres to the reporting specifications, as outlined in the Medallion 4.0 Deliverables Technical Manual under section 1.2.6. At this point, no compliance points or financial sanctions will be issued in response to this issue. However, future failure to meet claim adjudication requirements may result in contract compliance enforcement actions, including the issuance of compliance points and financial sanctions.

  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 # 3093)**

- **Contract Adherence:** The Department timely received the June 2020 MCO Claims Report deliverable from Optima. Upon review, a DMAS subject matter expert determined that three (3) claims were not processed within 365 days as required.

  Based on Optima's MCO Claims Report submissions, the measure "Paid claims greater than 365 days of receipt" does not comply with the requirements of the Code of Federal Regulations as present at 42 C.F.R. §447.45.

  Optima Family Care was issued a desk review and request for documentation. Optima provide a detailed list and supporting documentation relating to the claims identified as not paid within 365 days per the June 2020 MCO Claims

Report. The documentation submitted was reviewed and it was determined Optima failed to process 3 clean claims within 365 days.

According to Section 10.1.E.b of the Medallion 4.0 contract, failures to comply with the contract that "represent a threat to the integrity of the program, and has an impact on but does not necessarily imperil member care" of the Medallion 4.0 program are subject to a 5 point penalty. As a result, the Compliance Unit recommended to the CRC to assess Optima **a five (5) point violation** for failure to process three (3) clean claims within 365 days. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter with five (5) associated compliance points and no financial sanctions** in response to this issue. **(CES # 2978)**

- **Contract Adherence:** Optima failed to timely process Pharmacy Prior Authorization requests. Per July data, there were 124 Pharmacy Prior Authorization Requests past 24 hours (out of 3,677).

  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 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 # 3096)**

  The HCS Compliance Unit reached out to the MCOs to remind the plans of the response time requirements for Pharmacy service authorizations.

  The following communication was sent via email to Optima on September 14.

  "The HCS Compliance Unit is reaching out to remind the plans of the response time requirements for Pharmacy service authorizations.

  The Medallion 4.0 contract section 8.7.N states "The Contractor must provide a response by telephone or other telecommunication within 24 hours of a service authorization."

Optima reported a total of 3,677 Service Authorizations for the month of July 2020. A total of 124 Service Authorization requests exceeded the required response time of less than 24 hours.

The Department is requesting that each MCO adheres to the Pharmacy service authorization requirements. At this point, no compliance points or financial sanctions will be issued in response to identified non-compliance with the MCO response time on the Pharmacy Prior Authorization Report. However, the Department may proceed with issuance of points or financial sanctions for failing to meet Pharmacy service authorizations not processed within twenty-four (24) hours, effective on deliverables due by October 15, 2020".

- **Appeals and Grievances' Report:** The Department timely received the June 2020 Appeals and Grievances' Report deliverable from Optima. Upon review, a DMAS subject matter expert discovered that the report indicated that Optima failed to adjudicate one (1) appeal in June 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."

  The Compliance Team recommended that in response to the issue identified above, Optima be issued a ***Retroactive*** **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 ***Retroactive*** **NONC without associated compliance points or financial sanctions** in response to this issue **(CES # 3135)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **<u>Case # 2243</u>:** July 2019 – Data Submission Error – Providers Failing Accreditation Report. 1 point was removed from Optima's total by closing **CES # 2243**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for July 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. Four monthly deliverables failed to meet contract adherence requirements for processing Pharmacy Prior Authorization requests, EI and MCO claims and adjudicating internal member appeals within 14 days (as addressed above in **CES # 3096, 3093, 2978, & 3135**). In summation, Optima complied with most applicable regulatory and contractual requirement.

UnitedHealthcare

Findings:

- No findings

Concerns:

- **Appeals and Grievances' Report:** The Department timely received the May and June 2020 Appeals and Grievances' Report deliverable from UnitedHealthcare. Upon review, a DMAS subject matter expert discovered that the report indicated that United failed to adjudicate four (4) appeals in May and four (4) appeals in June 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."

  The Compliance Team recommended that in response to the issue identified above, United be issued a ***Retroactive*** **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 ***Retroactive*** **NONC without associated compliance points or financial sanctions** in response to this issue **(CES # 3115)**

- **Data Submission Error:** UnitedHealthcare timely submitted the July 2020 Maternal Care Monthly Report. However per July data, there were 640 members omitted from the report based on July 834 EOM file. United reported 1,386 maternal members when the July 834 EOM file indicated 2,026 maternal members

  Section 2.2.C of the Medallion 4.0 contract states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly

basis as specified in the MCTM." Thus, United 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, United 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 # 3153)**

The HCS Compliance Unit reached out to the MCOs to remind the plans of the contractual requirements for the Maternal Care Monthly Report.

The following communication was sent via email to United on September 14.

United reported 1,386 maternal members, when July EOM 834 data indicated 2,026 maternal members enrolled. Difference of 640 members.

"Medallion 4.0 contract section 2.2.C states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM."

"The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables 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 October 15, 2020."

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- **Case # 2249:** July 2019 – Late Data Submission – Provider Advisory Committee Report. 1 point was removed from United's total by closing **CES # 2249.**
- **Case # 2269:** July 2019 – Late Data Submission – Foster Care Transition Planning Report. 1 point was removed from United's total by closing **CES # 2269.**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for July 2020, United showed a high level of compliance. United timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One reporting deliverable contained data submission errors (as addressed above in **CES # 3153**). United failed to meet contract adherence requirements to adjudicate internal member appeals within 14 days as required by the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020 (as addressed above in **CES # 3115**). In summation, United complied with most applicable regulatory and contractual requirements.

Virginia Premier

Findings:

- No findings

Concerns:

- **Untimely Payment of EI Claims:** DMAS timely received the July 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 101 clean claims for EI services within 14 days of its receipt in July 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.

  The Department requests that Virginia Premier adheres to the reporting specifications, as outlined in the Medallion 4.0 Deliverables Technical Manual under section 1.2.6. At this point, no compliance points or financial sanctions will be issued in response to this issue. However, future failure to meet claim adjudication requirements may result in contract compliance enforcement actions, including the issuance of compliance points and financial sanctions.

  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 # 3098)**

- **Appeals and Grievances' Report:** The Department timely received the May and June 2020 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 20 appeals in May and 15 appeals in June 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."

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a ***Retroactive*** **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 ***Retroactive*** **NONC without associated compliance points or financial sanctions** in response to this issue. **(CES # 3114)**

- **Appeals and Grievances' Report:** The Department timely received the July 2020 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 three (3) 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."

  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 # 3100)**

- **Call Center Statistics:** Based on Virginia Premier's July 2020 MCO Call Center Statistics deliverable, Virginia Premier answered 94.47% of incoming provider calls in the month of July 2020. Per Section 5.4.A of the Medallion 4.0 contract, in order to be compliant, Virginia Premier was required to answer at

least 95% of incoming provider calls. Virginia Premier failed to answer enough incoming provider calls to be in compliance in July 2020.

According to Section 10.1.E.b of the Medallion 4.0 contract, failures to comply with the contract that "represent[] a threat to [the] smooth and efficient operation" of the Medallion 4.0 program are subject to a 1 point penalty. As a result, the Compliance Unit recommended the issuance of **a one (1) point violation** for Virginia Premier's failure to answer at least 95% of incoming calls to its provider call center. Virginia Premier has accumulated 19.0 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. However, due to the current emergency crisis during COVID-19, the Health Care Services Compliance Unit exercised its enforcement discretion on the issuance of financial penalties. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter with a one (1) associated compliance point and no financial sanctions** in response to this issue. **(CES # 3099)**

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per June data, there were 55 Pharmacy Prior Authorization Requests past 24 hours (out of 1,206).

  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 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 # 3035)**

  The HCS Compliance Unit reached out to the MCOs to remind the plans of the response time requirements for Pharmacy service authorizations.

  The following communication was sent via email to Virginia Premier on September 14.

"The HCS Compliance Unit is reaching out to remind the plans of the response time requirements for Pharmacy service authorizations.

The Medallion 4.0 contract section 8.7.N states "The Contractor must provide a response by telephone or other telecommunication within 24 hours of a service authorization."

Virginia Premier reported 1,206 Service Authorizations for the month of July 2020. A total of 55 Service Authorization requests exceeded the required response time of less than 24 hours.

The Department is requesting that each MCO adheres to the Pharmacy service authorization requirements. At this point, no compliance points or financial sanctions will be issued in response to identified non-compliance with the MCO response time on the Pharmacy Prior Authorization Report. However, the Department may proceed with issuance of points or financial sanctions for failing to meet Pharmacy service authorizations not processed within twenty-four (24) hours, effective on deliverables due by October 15, 2020".

- **Data Submission Error:** Virginia Premier timely submitted the July 2020 Maternal Care Monthly Report. However per July data, there were 460 members omitted from the report based on July 834 EOM file. Virginia Premier reported 3,131 maternal members when the July 834 EOM file indicated 3,591 maternal members

  Section 2.2.C of the Medallion 4.0 contract states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM." 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 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 # 3154)**

  The HCS Compliance Unit is reached out to the MCOs to remind the plans of the contractual requirements for the Maternal Care Monthly Report.

  The following communication was sent via email to Virginia Premier on September 14.

Virginia Premier reported 3,131 maternal members, when July EOM 834 data indicated 3,591 maternal members enrolled. Difference of 460 members.

"Medallion 4.0 contract section 2.2.C states "The Contractor shall update its maternal care systems to identify and track members enrolled in an expansion aid category who become pregnant. This data will be included in existing maternal care reporting submitted to the Department on a monthly basis as specified in the MCTM."

"The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables 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 October 15, 2020."

MIP/CAP Update:

- No updates

Appeal Decision:

- No Appeals

Expiring Points:

- **Case # 2289:** July 2019 – Data Submission Error – Other Coverage Report. 1 point was removed from Virginia Premier's total by closing **CES # 2289.**

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for July 2020, Virginia Premier showed a mild level of compliance. Virginia Premier timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. One reporting deliverable contained data submission errors (as addressed above in **CES # 3154**). Four monthly deliverables failed to meet contract adherence requirements: the timely resolution of internal appeals within 14 days, EI claims adjudication within 14 days, to answer 95% of incoming provider calls, and to process Pharmacy Prior Authorization requests within 24 hours (as addressed above in **CES # 3114, 3100, 3098, 3099, & 3095**). 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 Maternal and Child Health deliverables, 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 or the Department may proceed with issuance of points or financial sanctions for failing to meet contractual requirements not met, effective on deliverables due by October 15, 2020.