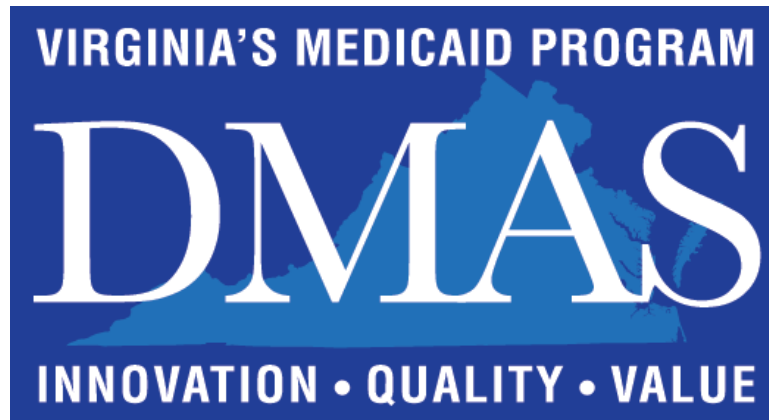


Monthly MCO Compliance Report

Medallion 4.0 May 2022 Deliverables



Health Care Services Division

July 11, 2022

Monthly MCO Compliance Report

Medallion 4.0 May 2022 Deliverables

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Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from May 2021	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	7	1	0	8	FINDINGS APPEALS & GRIEVANCES CONCERNS NONE
<u>Anthem</u>	10	0	1	9	FINDINGS NONE CONCERNS CMHRS SA
<u>Molina</u>	18	1	0	19	FINDINGS CMHRS SA PHARMACY CODING ERROR CONCERNS NONE
<u>Optima</u>	3	0	1	2	FINDINGS NONE CONCERNS CMHRS SA
<u>United</u>	7	0	0	7	FINDINGS NONE CONCERNS EI CLAIMS CMHRS SA
<u>VA Premier</u>	12	1	1	12	FINDINGS PROVIDER CALL STATS CONCERNS EI CLAIMS

**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 May 2021 (Issue date: 6/15/2021) expire on 6/15/2022 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on July 6, 2022 to review deliverables measuring performance for May 2022 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 should be taken in response to identified compliance issues.

The CRC voted to issue three Warning Letters with associated compliance points and financial penalties, as well as Notices of Non-Compliance and a request for an MCO Improvement Plan to Managed Care Organizations (MCOs) for failure to meet contractual requirements or thresholds.

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 May's compliance issues in letters and emails issued to the MCOs on July 8, 2022.

Aetna Better Health of Virginia

Findings:

- **Contract Adherence:** Aetna Better Health failed to resolve five (5) internal member appeals within 30 days. Aetna processed these appeals in 53 to 58 days.

Section 12.3 of the Medallion 4.0 contract, states the Contractor shall process, resolve, and provide notice to each appeal as expeditiously as the Member's health condition requires and shall not exceed 30 calendar days from the initial date of receipt of the appeal.

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 (1) point penalty.

The Compliance Team recommended that in response to the issue identified above, Aetna be issued a **Warning Letter 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 **Warning Letter and one (1) compliance point** in response to this issue. **(CES # 5033)**

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- Aetna requested reconsideration of a Warning letter with one (1) point associated. (CES #4994) In its request, Aetna stated that the appeal delays were the result of Aetna waiting to receive written member consent prior to processing the appeal. Per the Medallion contract and DMAS guidance provided, MCOs are "required to respond in writing to standard internal appeals as expeditiously as the member's health condition requires and shall not exceed thirty (30) calendar days from the initial date of receipt of the internal appeal." In a situation where an extension is required, MCOs may request a 14-day extension by submitting a Member Appeal Extension Request via email to M4.0Inquiry@dmas.virginia.gov. As Aetna failed to

properly process the member appeals within 30 calendar days, or request a 14-day extension, the CRC decided to uphold the original enforcement actions.

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions at this time.

Summary:

- For deliverables measuring performance for May 2022, Aetna showed a high level of compliance. Aetna timely submitted all 23 required monthly reporting deliverables. One contract deliverable failed to meet contract adherence requirements for the timely processing of internal member appeals (as addressed above in **CES # 5033**). In summation, Aetna complied with nearly all applicable regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

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

Concerns:

- **Contract Adherence:** Anthem timely provided the Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per the May 2022 data, there were six (6) CMHRS standard service authorization requests that did not require supplemental information and were not processed within 14 days. The max processing time for these requests was 28 days. Anthem's overall timeliness for processing CMHRS Service Authorization requests for the month of May was 99.09%.

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 **Notice of Non-Compliance (NONC)** in response to this issue. **(CES #5018)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 4216:** May 2021 – Pharmacy Prior Authorization Issue. 1 point was removed from Anthem's total by closing **CES # 4216**.

Financial Sanctions Update:

- No outstanding sanctions at this time.

Summary:

- For deliverables measuring performance for May 2022, Anthem showed a high level of compliance. Anthem timely submitted all 23 required monthly reporting deliverables. One contract deliverable failed to meet contract adherence requirements for timely processing of CMHRS service authorizations (as addressed above in **CES # 5018**). In summation, Anthem complied with nearly all applicable regulatory and contractual requirements.

Molina Complete Care

Findings:

- **Contract Adherence:** Molina timely provided the Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per the May 2022 data, there were two (2) CMHRS standard service authorization requests that did not require supplemental information and were not processed within 14 days. The max processing time for these standard requests was 19 days. Additionally, there were also three (3) expedited service authorization requests that did not require supplemental information and were not processed within 72 hours. The max processing time for these expedited requests was 96 hours. Molina's overall timeliness for processing CMHRS Service Authorization requests for the month of May was 98.21%.

Molina has failed to meet the required contract thresholds for the timely processing of CMHRS Service Authorizations in January 2022, February 2022, March 2022, and April 2022.

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.

Section 10.1.F.d of the Medallion 4.0 contract states that the Department may, at its discretion, require an MCO to submit an MCO Improvement Plan to address minor compliance violations, failures, and deficiencies.

Molina is placed in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 2 of the Compliance Deficiency Identification System is subject to a \$5,000 financial sanction.

The Compliance Team recommended that in response to the issue identified above, Molina be issued a **Warning Letter, an MCO Improvement Plan (MIP), one (1) compliance point, and a \$5,000 financial penalty**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter, an MCO Improvement Plan, one (1) compliance point, and a \$5,000 financial penalty** in response to this issue. (CES # 5019)

- **Contract Adherence:** On February 11, 2022, DMAS identified an issue related to the incorrect coding of brand preferred medications by Molina Complete Care and Molina's subcontractor CVS. Upon further research and review, DMAS determined that the coding errors resulted in the incorrect distribution of medication and the loss of significant rebate funds.

Under section 8.7.A of the Medallion 4.0 contract, and section 4.8.1 of the CCC Plus contract, “The Contractor’s formulary must include all preferred drugs on the DMAS Preferred Drug List (PDL), also known as the Common Core Formulary (CCF).” Contractors are also “responsible for 100% accuracy for all PDL coding changes based on drug files provided by DMAS.” Due to the coding errors referenced above, Molina has failed to meet these contractual requirements.

Section 10.1.H of the Medallion 4.0 contract, and section 18.4.3 of the CCC Plus contract, state that, “In the event that the Department determines that the Contractor failed to provide a service or administrative function required under this Contract, the Department may impose financial sanctions/penalties upon the Contractor of at least the amount of payment required in the Contractor’s contract with the disputing party [...] Whenever the Department determines that the Contractor has failed to perform an administrative function required under the Contract, the Department may withhold a portion of future capitation payments to compensate for the damages which this failure entails.”

To compensate for the losses caused by Molina Complete Care’s pharmacy coding errors, DMAS will withhold **\$29,408.32**, the full amount of the lost rebates, from future Medallion 4.0 capitation payments. **(CES # 4933)**

Concerns:

- No concerns

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:

- May 2022 CMHRS Service Authorization Issue - \$5,000 **(CES# 5019)**

Summary:

- For deliverables measuring performance for May 2022, Molina showed a high level of compliance. Molina timely submitted all 23 required monthly

reporting deliverables. One deliverable failed to meet contract adherence requirements for the timely processing of CMHRS Service Authorizations (as addressed above in **CES # 5019**). Molina also failed to meet contract requirements for the correct coding of brand preferred medications (as addressed above in **CES # 4933**). In summation, Molina complied with most regulatory and contractual requirements.

Optima Family Care

Findings:

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

Concerns:

- **Contract Adherence:** Optima timely provided the Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per the May 2022 data, there was one (1) CMHRS standard service authorization request that did not require supplemental information and was not processed within 14 days. This request was processed in 24 days. Optima's overall timeliness for processing CMHRS Service Authorization requests for the month of May was 99.91%.

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 **Notice of Non-Compliance (NONC)** in response to this issue. **(CES #5016)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 4215:** May 2021 – Pharmacy Prior Authorization Issue. 1 point was removed from Optima's total by closing **CES # 4215**.

Financial Sanctions Update:

- No outstanding sanctions at this time.

Summary:

- For deliverables measuring performance for May 2022, Optima showed a high level of compliance. Optima timely submitted all 23 required monthly reporting deliverables. One deliverable failed to meet contract adherence requirements for the timely processing of CMHRS Service Authorizations (as addressed above in **CES # 5016**). In summation, Optima complied with nearly all applicable regulatory and contractual requirements.

UnitedHealthcare

Findings:

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

Concerns:

- **Contract Adherence:** The Department timely received the May 2022 Early Intervention Services Report from UnitedHealthcare. Upon review, a DMAS subject matter expert discovered the report indicated UnitedHealthcare failed to process four (4) clean claims within 14 calendar days.

On June 17, 2022, the Compliance Unit requested detailed claim information relating to the four (4) clean claims not paid within 14 days. UnitedHealthcare reported one (1) claim processed on day 26 was due to the recurring issue of paper claim submission and delays in their clearinghouse. Two (2) claims processed on day 13, and one (1) claim which reflected as processed on day 19 due to UnitedHealthcare's XC processing parameters for prioritizing work which did not account for the time required for check write. The parameters have since been addressed to ensure compliance with the Medallion 4.0 contract requirements.

The overall timeliness of adjudicated clean claims was 99.39% for the month of May 2022.

UnitedHealthcare is currently under an MCO Improvement Plan due to failing to meet the required contract thresholds for Early Intervention claims adjudication in January 2022, February 2022, March 2022, and April 2022.

The Compliance Team recommended that in response to the issue identified above, UnitedHealthcare 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 # 5014)

- **Contract Adherence:** UnitedHealthcare timely provided the Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per the May 2022 data, there was one (1) CMHRS standard service authorization request that did not require supplemental information and was not processed within 14 days. This request was processed on day 26. UnitedHealthcare's overall timeliness for processing CMHRS Service Authorization requests for the month of May was 99.66%.

The Compliance Team recommended that in response to the issue identified above, UnitedHealthcare 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 **Notice of Non-Compliance (NONC)** in response to this issue. **(CES #5017)**

MIP/CAP Update:

- UnitedHealthcare submitted the MIP response to CES # 4955 timely regarding the issue with Early Intervention claims. UnitedHealthcare identified the source of the issue with the delay in these paper claims from the Regional Mail Office. UnitedHealthcare is actively enhancing the real-time monitoring process for paper claim submissions to manage the inventory and ensure timely processing of paper claims. A root cause analysis of the contractual miss was conducted. The Regional Mail Office is working to develop reporting to show the aging and volumes of paper claims work. Once developed, the report will be sent to UnitedHealthcare on a regular cadence to allow for ongoing monitoring. Enhanced reporting will help UnitedHealthcare and the Regional Mail Office to identify the providers impacted by any delays and escalate the entry of claims, as needed. Claims with a 14-day adjudication requirement will be prioritized.

Appeal Decision:

- No appeals

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions at this time.

Summary:

- For deliverables measuring performance for May 2022, UnitedHealthcare showed a moderate level of compliance. UnitedHealthcare timely submitted all 23 required monthly reporting deliverables. Two contract deliverables failed to meet contract adherence requirements for timely processing of EI claims, and CMHRS SA requests (as addressed above in **CES # 5014, & 5017**). In summation, UnitedHealthcare complied with most regulatory and contractual requirements.

Virginia Premier

Findings:

- **Call Center Statistics:** DMAS timely received the May 2022 MCO Provider Call Center Statistics report from Virginia Premier. Upon review, the Compliance Unit discovered that Virginia Premier did not meet the required contract thresholds for call center statistics (did not answer 95% of incoming provider calls). Virginia Premier answered 93.05% of incoming provider calls in the month of May 2022.

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. Virginia Premier failed to answer at least 95% of the incoming provider calls to be in compliance with the Medallion 4.0 contract.

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.

Virginia Premier is placed in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 2 of the Compliance Deficiency Identification System is subject to a \$5,000 financial sanction.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a **Warning Letter, 1 compliance point, and \$5,000 financial penalty** with no MIP/CAP. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter, 1 compliance point, and \$5,000 financial penalty** in response to this issue. (CES # 5013)

Concerns:

- **Contract Adherence:** The Department timely received the May 2022 Early Intervention Services Report from Virginia Premier. Upon review, a DMAS subject matter expert discovered the report indicated Virginia Premier failed to process 34 clean claims within 14 calendar days.

On June 17, 2022, the Compliance Unit requested detailed claim information relating to the 34 clean claims not paid within 14 days. Virginia Premier reported 6 claims were delayed in the claims UM review processing and 28 were due to an internal clearinghouse delay. These claims were processed between day 15 and day 23. The overall timeliness of adjudicated clean claims was 98.98% for the month of May 2022.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier 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 # 5015)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 4220:** May 2021 – Pharmacy Prior Authorizations Issue. 1 point was removed from Virginia Premier's total by closing **CES # 4220**.

Financial Sanctions Update:

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

- May 2022 Provider Call Center Statistics Issue - \$5,000 (**CES# 5013**)

Summary:

- For deliverables measuring performance for May 2022, Virginia Premier showed a high level of compliance. Virginia Premier timely submitted all 23 required monthly reporting deliverables. Two contract deliverables failed to meet contract adherence requirements for provider call center statistics and the timely processing of Early Intervention claims (as addressed above in **CES # 5013 & 5015**). In summation, Virginia Premier complied with most regulatory and contractual requirements.

Next Steps

At this time, the Compliance Unit continues to host monthly Compliance Review Committee meetings, follow up on recurring issues, and communicate with the MCOs regarding identified issues. The Compliance Unit is also 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 to ensure the timely processing of service authorizations and member appeals. The Compliance Unit also remains focused on overall compliance with contractual requirements – especially those with an impact on members and providers. The MCOs have been notified of their non-compliance in these areas. The Compliance Unit has also requested adherence to the Medallion 4.0 contract and issued points as appropriate.

The HCS Compliance Unit continues to coordinate with the IC Compliance Unit to align enforcement actions as applicable between the two contracts.