



COMMONWEALTH of VIRGINIA

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DIRECTOR

Department of Medical Assistance Services

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November 17, 2021

Jerry Mammano
AETNA Better Health of Virginia
9881 Mayland Drive
Richmond, VA 23233

Re: Commonwealth Coordinated Care Plus (CCC Plus) – Corrective Action Plan (CAP) – FICA
Tax Issues – Case ID # 20078

Dear Mr. Mammano,

The Department of Medical Assistance Services (DMAS) continually monitors compliance with the Commonwealth Coordinated Care Plus (CCC Plus) Contract. As part of this process, DMAS is particularly sensitive to the vulnerability of the CCC Plus population and the assurance that Members' health, safety and welfare needs are met. CCC Plus Waiver requirements include the Consumer-Directed model of service delivery for personal care and respite services. Members receive financial management support from the MCO's Fiscal/Employer Agent (F/EA) vendor. It is critical that F/EA vendors provide accurate and timely services or risk interrupting essential care to members.

The CCC Plus Contract states in Section 4.7.6 Consumer Direction and Contract with the Department's Fiscal/Employer Agent (F/EA), "The Contractor shall submit for approval to the Department, at implementation, revision, or upon request, the policies and procedures for handling Consumer-Directed services and the F/EA. Additionally, Section 4.7.6.10 states that the "Contractor's F/EA shall have a system, policies and procedures, timeframes and internal controls for...[p]aying FICA and federal income tax withholding in the aggregate for all individuals it represents using the F/EA's separate FEIN and for maintaining relevant documentation."

An error in the payroll software of the F/EA contracted with AETNA Better Health of Virginia (Aetna) resulted in a significant tax issue which impacted a total of 384 attendants and a total dollar amount of \$48,680.90. Although DMAS has been provided with daily updates, there was a delay in DMAS receiving the communication. On September 3, 2021, DMAS requested a communication plan be submitted no later than September 10, 2021. The communication plan was not received until September 15, 2021. There are several concerns regarding this issue:

Case ID# 20078

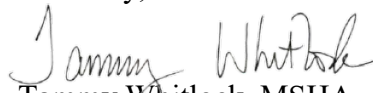
- Compensation has only been offered to attendants that call in to inquire about their paychecks
- The recoupment plan was not shared with DMAS. The decision was made to recoup the taxes over 4 payroll cycles without discussion with, or approval by, DMAS.
- There has been no confirmation provided to DMAS indicating all payroll dates impacting attendants were covered by the remedial actions

As a result of the critical error in tax processes identified above, Aetna must document and implement a Corrective Action Plan (CAP) that addresses how and when they will adhere to the requirements for F/EA system, policies, and procedures outlined in the contract. The project plan shall include steps that will be taken to come into compliance with these requirements. Please ensure the CAP includes 1) improvement or development of internal controls addressing accuracy of tax processes; 2) a detailed remedial process to resolve the payroll software issue and impact on CCC Plus members and their attendants; 3) assurances that the plan will respond promptly to policy and procedures requests from the Department. Please submit this information no later than 30 days from the date of this letter. A weekly update to DMAS will be required for monitoring progress. Failure to comply with the approved CAP will result in additional sanctions.

Aetna will be issued a 10 point violation pursuant to Section 18.0 of the CCC Plus Contract. Assessment of these points are pending. If you have additional information and/or documentation that will affect this determination, please provide this information to Jason A. Rachel, Ph.D., Division Director, within 15 calendar days from the date of this letter (“Comment Period”). Point violations will be finalized upon the expiration of the Comment Period. After this time, no additional communication will be provided by DMAS regarding the point issuance.

If you have any questions regarding these concerns, contract standards or CAP requirements, please contact the CCC Plus Compliance Team at cccpluscompliance@dmas.virginia.gov. Please sign, date and return acknowledging receipt to cccpluscompliance@dmas.virginia.gov no later than 15 calendar days from the date of this letter.

Sincerely,



Tammy Whitlock, MSHA

Deputy Director of Complex Care and Services

Exhibit 1 – AETNA – 2021 Point Schedule

<u>MCO</u>	<u>Area(s) of Violation</u>	<u>Previous Balance</u>	<u>Point(s) Expired</u>	<u>Point(s) Incurred</u>	<u>Current Balance</u>	<u>Sanctions pursuant to 18.2.2</u>
AETNA Better Health of Virginia	4.7.6.7 4.7.6.10	11	0	10	21	\$5,000.00

Acknowledge agreement via signature below to address the FICA Tax Issues addressed in Case ID # 20078.

Jerry Mammano / Date