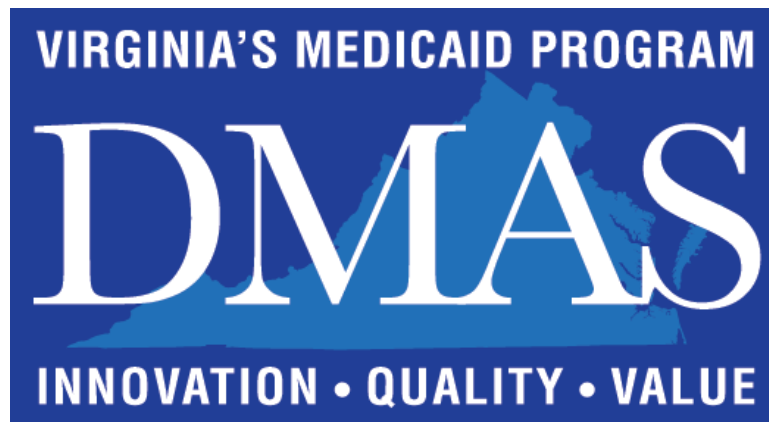


Monthly MCO Compliance Report

Medallion 4.0 June 2023 Deliverables



Health Care Services Division

July 21, 2023

Monthly MCO Compliance Report

Medallion 4.0 June 2023 Deliverables

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Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from May 2022	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	3	0	1	2	<u>FINDINGS</u> NONE <u>CONCERNS</u> CMHRS SA
<u>Anthem</u>	5	0	0	5	<u>FINDINGS</u> NONE <u>CONCERNS</u> CMHRS SA
<u>Molina</u>	8	0	1	7	<u>FINDINGS</u> NONE <u>CONCERNS</u> DATA SUBMISSION ERRORS CMHRS SA
<u>Optima</u>	2	5	0	7	<u>FINDINGS</u> PROVIDER CALL CENTER DATA BREACH <u>CONCERNS</u> LATE SUBMISSION PHARMACY PA CMHRS SA
<u>United</u>	2	0	0	2	<u>FINDINGS</u> NONE <u>CONCERNS</u> CMHRS SA

**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 2022 (Issue date: 6/15/2022) expire on 6/15/2023 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 July 10, 2023, to review deliverables measuring performance for May 2023. The meeting's agenda covered all identified and referred issues of non-compliance, including a data breach, late submission, reporting errors, MCO call center statistics, and failure to meet contract thresholds related to service authorizations.

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 fourteen (14) enforcement letters to the impacted Managed Care Organizations (MCOs), consisting of nine (9) Notices of Non-Compliance (NONC) and five (5) Warning Letters with associated compliance points.

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 12, 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 May 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 May was 99.92%.

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 # 5520)

MIP/CAP Update:

- No updates

Request for Reconsideration:

- No requests for reconsideration

Expiring Points:

- **Case #5033:** May 2022 – Appeals and Grievances Issue. 1 point was removed from Aetna's total by closing **CES # 5033**.

Financial Sanctions Update:

- No outstanding sanctions

Summary:

- For deliverables measuring performance for May 2023, Aetna showed a **high** level of compliance. Aetna submitted all 16 required monthly reporting deliverables accurately and on time. However, Aetna failed to meet Medallion 4.0 contractual requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5520**). Despite this issue, Aetna complied with most 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 HealthKeepers Plus failed to process all Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations within the required timeframe. Per the May 2023 data, there were two (2) 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 May was 99.76%.

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 # 5521)

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 May 2023, Anthem showed a **high** level of compliance. Anthem submitted all 16 required monthly reporting deliverables accurately and on time. However, Anthem failed to meet Medallion 4.0 contractual requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5521**). Despite this issue, Anthem complied with most applicable regulatory and contractual requirements.

Molina Complete Care

Findings:

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

Concerns:

- **Contract Adherence:** Molina Complete Care failed to process all Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations within the required timeframe. Per the May 2023 data, there were two (2) 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 May was 99.47%.

The Compliance Team recommended that in response to the issue identified above, Molina 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 # 5522)

- **Data Submission Error:** The Department timely received the MCO Claims Report from Molina Complete Care. Upon review, Molina's initial submission of the report on June 15 included a data submission error, specifically the total claims processed this month (<30 days) did not equal the total claims paid plus the total claims denied. The report contained 68.75% correct data. Molina resubmitted a corrected report on June 16, 2023.

The Compliance Team recommended that in response to the issue identified above, Molina 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 # 5523)

- **Data Submission Error:** The Department timely received the Foster Care Barrier Report from Molina Complete Care. Upon review, DMAS subject matter expert discovered that Molina failed to include the required first and last name of the contact for one member on the initial submission of the report on June 15. The report contained 80% correct data. Molina resubmitted a corrected report on June 16, 2023.

The Compliance Team recommended that in response to the issue identified above, Molina 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 # 5524)

MIP/CAP Update:

- No updates

Request for Reconsideration:

- No requests for reconsideration

Expiring Points:

- **Case #5019:** May 2022 – CMHRS SA Issue. 1 point was removed from Molina’s total by closing **CES # 5019**

Financial Sanctions Update:

- No outstanding sanctions

Summary:

- For deliverables measuring performance for May 2023, Molina showed a **high** level of compliance. Molina submitted 14 of the 16 required monthly reporting deliverables accurately and on time. However, two of the required monthly reporting deliverables were submitted inaccurately and had to be resubmitted after the designated due date (as addressed above in **CES # 5523 & 5524**). Additionally, Molina failed to meet Medallion 4.0 contractual requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5522**). Despite these issues, 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:

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

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. Optima Family Care failed to answer at least 95% of incoming provider calls as required by the Medallion 4.0 contract – answering only 92.88% of all incoming provider calls in the month of May 2023.

The Compliance Team recommended that in response to the issue identified above, Optima 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** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5514)**

- **Contract Adherence:** On February 7, 2023, Virginia Premier's contracted vendor NationsBenefits, LLC. ("Nations") experienced a data security incident. The data breach impacted over three million customers, including a number of Virginia Premier's Medicaid members. However, Nations failed to notify Virginia Premier of the data breach until February 23, 2023 – 16 calendar days after Nations learned of the incident.

The Master Services Agreement section 7.9 of the subcontract submitted to the Department between Virginia Premier and Nations states: Nations shall notify Health Plan immediately upon discovery of any physical, electronic, or virtual security breach and shall immediately coordinate with Health Plan to investigate and remedy such breach as it may relate to Health Plan, Nations Services, and any and all other items contemplated under this Agreement in a diligent and timely manner.

Section 5.2 of the Medallion 4.0 contract states: 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 Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that Optima 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** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5533)**

- **Contract Adherence:** Virginia Premier was notified of the NationsBenefits, LLC. ("Nations") data breach impacting Virginia Medicaid members on February 23, 2023. However, Virginia Premier failed to notify DMAS of the data breach until March 2, 2023 – seven (7) calendar days later.

Section 10.8.B.f of the Medallion 4.0 contract states: the Contractor shall report to the Department any use or disclosure of PHI not provided for by this Contract of which it becomes aware. Moreover, the Contractor shall notify the Department of a breach of unsecured PHI on the first day on which such breach is known by Contractor or an employee, officer or agent of Contractor other than the person committing the breach, or as soon as possible following the first day on which Contractor or an employee, officer or agent of Contractor other than the person committing the breach should have known by exercising reasonable diligence of such breach.

As Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that Optima 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** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5534)**

- **Contract Adherence:** On February 7, 2023, Virginia Premier's contracted vendor NationsBenefits, LLC. ("Nations") learned of a data security incident impacting numerous customers. On March 10, 2023, Nations confirmed the identity of the Virginia Premier Medicaid members included in the data breach. However, Nations failed to notify the impacted Virginia Premier Medicaid members of the data breach until May 11, 2023 – 93 calendar days after learning of the data breach.

45 CFR 164.404 (b) states: Except as provided in § 164.412, a covered entity shall provide the notification required by paragraph (a) of this section without unreasonable delay and in no case later than 60 calendar days after discovery of a breach.

As Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that Optima 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** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5535)**

- **Contract Adherence:** On May 16, 2023, Virginia Premier provided DMAS with an update regarding the February data breach impacting its subcontractor, NationsBenefits. Virginia Premier stated that all member notification letters were mailed by April 24, 2023 – informing all impacted Virginia Medicaid members that their personal information was included in the data breach as required by the HIPAA Breach Notification Rule (45 CFR §§ 164.400-414). However, DMAS subsequently received a copy of a member notification letter dated May 11, 2023.

As a result, Virginia Premier failed to report accurate information to the Department.

As Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that Optima 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** with no financial penalty, MIP, or CAP in response to this issue. **(CES # 5536)**

Concerns:

- **Untimely Deliverable Submission:** Virginia Premier failed to timely submit the annual Medical Loss Ratio (MLR) Report by the due date of June 1, 2023. Virginia Premier submitted the missing report to the Department on June 2, 2023, following an email from the Compliance Unit.

As Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that Optima 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 # 5513)

- **Contract Adherence:** Optima Family Care and Virginia Premier both failed to timely process all Pharmacy Prior Authorization requests within the required timeframe. Per the May 2023 data, Optima Family Care did not provide a response to one (1) prior authorization request within 24 hours. Additionally, the file contained one (1) prior authorization request that contained an error, specifically the notification date was prior to the date received. Optima's overall timeliness for processing Pharmacy Prior Authorization requests for the month of May was 99.98%.

Per the May 2023 data, Virginia Premier did not provide a response to two (2) prior authorization requests within 24 hours. Virginia Premier's overall timeliness for processing Pharmacy Prior Authorization requests for the month of May was 99.95%.

As Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that in response to the issues identified above, Optima 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 # 5516 & 5517)

- **Contract Adherence:** Virginia Premier failed to process all Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations within the required timeframe. Per the May 2023 data, there were two (2) standard service authorization requests that did not require supplemental information and were not processed within 14 days. Virginia Premier's overall timeliness for processing CMHRS Service Authorization requests for the month of May was 99.83%.

As Optima Family Care has assumed all of Virginia Premier's rights and obligations under the terms of the merger agreement, the Compliance Team recommended that Optima 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 # 5519)

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 May 2023, Optima Family Care and Virginia Premier showed a **low** level of compliance. Optima submitted all 16 required monthly reporting deliverables accurately and on time. However, Optima failed to meet contract adherence requirements for provider call center statistics and failed to meet Medallion 4.0 contractual requirements related to the timely processing of Pharmacy service authorizations (as addressed above in **CES # 5514 & 5516**). Virginia Premier failed to respond properly to a significant data breach impacting Virginia Medicaid members (as addressed above in **CES # 5533, 5534, 5535 & 5536**). Additionally, Virginia Premier submitted a required annual deliverable after the designated due date (as addressed above in **CES # 5513**). Virginia Premier also failed to meet Medallion 4.0 contractual requirements related to the timely processing of Pharmacy and CMHRS service authorizations (as addressed above in **CES # 5517 & 5519**). As a result of the Optima Health and Virginia Premier merger agreement, Optima has been issued compliance enforcement actions related to both Optima and Virginia Premier's failure to comply with many 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:** UnitedHealthcare failed to process all Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations within the required timeframe. Per the May 2023 data, there were two (2) standard service authorization requests that did not require supplemental information and were not processed within 14 days. UnitedHealthcare's overall timeliness for processing CMHRS Service Authorization requests for the month of May was 99.52%.

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 # 5518)

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 May 2023, UnitedHealthcare showed a **high** level of compliance. UnitedHealthcare submitted all 16 required monthly reporting deliverables accurately and on time. However, UnitedHealthcare failed to meet Medallion 4.0 contractual requirements related to the timely processing of CMHRS service authorizations (as addressed above in **CES # 5518**). Despite this issue, UnitedHealthcare complied with most applicable 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 internal member appeals, 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.