COMPLIANCE UNIT SITE VISIT REPORT

Created by Health Care Services Compliance Unit

For Internal Use Only

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Introduction

Between late March and early June, 2019, the Department of Medical Assistance Services' (DMAS) Health Care Services (HCS) Compliance Unit participated in site visits at the offices of each of the six managed care organizations (MCOs) that administer the Medallion 4.0 managed care Medicaid program. The HCS Compliance Unit organized the site visits, and intended the visits to be informal sessions in which HCS compliance staff met face to face with their counterparts at the MCOs and discussed topics relevant to managed care compliance.

The HCS Compliance Unit generated agendas for most of the site visits (included below in Appendix 1) and also distributed one-page Medallion 4.0 compliance reference guides (included below in Appendix 2) at each of the visits. While the HCS compliance personnel present at the site visits addressed all listed agenda topics, HCS personnel also encouraged the MCO attendees to discuss any additional topics they believed would be useful or important to address. The resulting meetings contained organic, candid exchanges of ideas and helped form the basis of the recommendations made later in this report.

This report will give a brief overview of each of the HCS Compliance Unit's six MCO site visits. It will then make a series of recommendations based on the topics discussed during the site visits. Finally, it will include the DMAS-generated materials distributed at the site visits.

Site Visits

Magellan Complete Care

Date: March 26, 2019

DMAS Personnel Present: Daniel Plain, HCS Division Director; Peter Landsman, HCS Compliance Manager; Estelle Kendall, HCS Nurse Case Manager; Jason Rachel, IC Division Director; Elizabeth Smith, IC Operations Manager; Jeanette Trestrail, IC Encounters and Compliance Manager

MCO Personnel Present: Benjy Green, Interim CEO; Chrissie Cooper, President; Cindy Troxler, COO; Pamela Daniels, Compliance Officer; Lisa Price Stevens, Medical Director; Randy Rummler, Medical Director; Rob Berringer, Pharmacy Director; Cindy Huerta, Utilization Management Director; Priscilla Smith, Behavioral Health Programs Director; Lisa Johnston, Senior Director of Care Coordination; Julie Bateman, Senior Director of Care Coordination; Georgia Dodds-Foley, National Vice President of Compliance

Topics Discussed: Unlike the visits to the other five MCOs, the Magellan site visit was a joint venture between the HCS Division and the Integrated Care (IC) Division, and focused on a number of topics beyond Medallion 4.0 compliance. Magellan personnel gave a detailed presentation intended to highlight Magellan's continuing viability as a Medicaid health plan as well as Magellan's unique approach to care coordination and health care in general. Magellan then gave DMAS an opportunity to direct a discussion.

DMAS personnel from the IC Division discussed trends related to Magellan's health risk assessment completion, as well as insights gleaned from review of Magellan's encounter data. IC personnel discussed Magellan's strengths, such as its well-run care coordination program, as well as areas needing improvement, such as Magellan's slow pace in meeting certain required accreditation standards.

HCS personnel then discussed Medallion 4.0 compliance trends. HCS personnel distributed an informational reference guide (see Appendix 2) to the Magellan personnel and provided some background on the Medallion 4.0 compliance point system. HCS personnel discussed general compliance trends which related to all Medallion 4.0 MCOs, including a generally high overall level of compliance with reporting requirements, increased General Assembly scrutiny of the Medicaid program, the MCOs' difficulty with timely paying Early Intervention (EI) claims, and the upcoming due date for the submission of MCO Member Health Screening (MMHS) results. Magellan personnel expressed difficulty in locating Medicaid members when attempting to complete the MMHS, and also indicated that the politically charged nature surrounding carving EI services into managed care potentially had an effect on timely payment.

Next, HCS personnel addressed Medallion 4.0 compliance trends specific to Magellan. HCS personnel expressed gratitude for Magellan's professional handling of a desk review initiated due to a whistleblower's complaint regarding Magellan's care coordination ratios. HCS personnel addressed a few minor technical issues Magellan had when submitting reporting deliverables, and then indicated that HCS staff had reported difficulty contacting Magellan personnel or getting a response when they did contact Magellan. Pamela Daniels indicated that Magellan was in the process of setting up group email inboxes to address the communication issues.

HCS personnel then introduced the idea of a compliance collaborative. Magellan personnel were excited by the idea, and requested more face-to-face meetings with DMAS personnel. Magellan personnel requested a more consistent approach to compliance between the Medallion 4.0 and CCC Plus programs.

Virginia Premier Health Plan

<u>Date</u>: April 18, 2019

<u>DMAS Personnel Present</u>: Daniel Plain, HCS Division Director; Peter Landsman, HCS Compliance Manager; Eliot Soares de Souza, HCS Compliance Supervisor

<u>MCO Personnel Present</u>: Kaine Toomey, Director of Compliance; Tracey Headley, Manager of Compliance

<u>Topics Discussed</u>: The Virginia Premier site visit was the first to fit into the pattern that typified each of the following site visits. The only DMAS personnel present were representatives of the HCS Division, and HCS compliance personnel created the meeting's agenda (see Appendix 1) and led the meeting.

Virginia Premier personnel took HCS personnel on a brief tour of Virginia Premier's offices at the beginning of the site visit. HCS personnel then opened the meeting portion of the site visit by expressing gratitude to Virginia Premier for hosting the visit and emphasizing that the site visit was intended to be an informal meeting of compliance minds. HCS personnel briefly spoke regarding DMAS' priority shift from Medallion 3.0 compliance to Medallion 4.0 compliance.

HCS personnel then distributed an informational reference guide (see Appendix 2) to the Virginia Premier personnel and provided some background on the Medallion 4.0 compliance point system. HCS personnel discussed general compliance trends which related to all Medallion 4.0 MCOs, including a generally high overall level of compliance with reporting requirements, increased General Assembly scrutiny of the Medicaid program, the MCOs' difficulty with timely paying EI claims, and the extension applied to the upcoming due date for the submission of MMHS results.

Next, HCS personnel addressed Medallion 4.0 compliance trends specific to Virginia Premier. HCS personnel complimented Virginia Premier on improvements to its Medicaid member call center. While Virginia Premier's member call center had an answer rate that was out of compliance for December 2018 and January 2019, it had since been in compliance every month. HCS personnel further addressed a few minor technical issues Virginia Premier had when submitting reporting deliverables. HCS personnel expressed appreciation for Virginia Premier's prompt responses to DMAS' queries.

HCS personnel then addressed communications between DMAS and Virginia Premier and brought up the idea of a compliance collaborative. Virginia Premier personnel were excited by the idea, and requested more face-to-face meetings with DMAS personnel. Virginia Premier

personnel indicated that they would appreciate a more consistent communication approach between the Medallion 4.0 and CCC Plus programs, and asked if some reporting deliverables could be removed from the technical manual. Virginia Premier personnel expressed their appreciation for HCS' contract-centered approach to compliance.

Virginia Premier did not make a formal presentation to the HCS personnel.

UnitedHealthcare

Date: April 25, 2019

DMAS Personnel Present: Daniel Plain, HCS Division Director; Peter Landsman, HCS Compliance Manager; Eliot Soares de Souza, HCS Compliance Supervisor; Laura Anderson, HCS JLARC MCO Performance Manager

MCO Personnel Present: John Muraca, Executive Director; Janine Woldt, COO; Melissa Wright, Compliance Officer; Julie Garcia, Health Services Director; Jennifer Lynch, Performance Excellence Manager

Topics Discussed: HCS personnel opened the site visit by expressing gratitude to United for hosting the visit and emphasizing that the site visit was intended to be an informal meeting of compliance minds. HCS personnel briefly spoke regarding DMAS' priority shift from Medallion 3.0 compliance to Medallion 4.0 compliance.

HCS personnel then distributed an informational reference guide (see Appendix 2) to the United personnel and provided some background on the Medallion 4.0 compliance point system. HCS personnel discussed general compliance trends which related to all Medallion 4.0 MCOs, including a generally high overall level of compliance with reporting requirements, increased General Assembly scrutiny of the Medicaid program, the MCOs' difficulty with timely paying EI claims, and the extension applied to the upcoming due date for the submission of MMHS results.

Next, HCS personnel addressed Medallion 4.0 compliance trends specific to United. HCS personnel complimented United on improvements to its Medicaid member call center. While United's member call center had an answer rate that was out of compliance for January 2019, it had since been in compliance every month. HCS personnel addressed an issue in which United erroneously reported that it had paid a Medallion 4.0 claim over 365 days from the date of receipt. HCS personnel further addressed a few minor technical issues United had when submitting reporting deliverables. HCS personnel expressed appreciation for United's prompt responses to DMAS' queries.

HCS personnel then addressed communications between DMAS and United and brought up the idea of a compliance collaborative. United personnel were excited by the idea, and requested more face-to-face meetings with DMAS personnel. United personnel indicated that they would appreciate if deliverables common to the Medallion 4.0 and CCC Plus programs could be combined, and asked if all reporting deliverables required in the technical manual were truly necessary.

United personnel then made a formal presentation that focused on United's unique corporate culture and highlighted United's internal compliance system. United's presentation contained information about its corporate compliance structure and the technical systems used to maintain a high level of compliance with the Medallion 4.0 contract.

Anthem HealthKeepers Plus

Date: May 2, 2019

DMAS Personnel Present: Daniel Plain, HCS Division Director; Peter Landsman, HCS Compliance Manager; Eliot Soares de Souza, HCS Compliance Supervisor; Laura Anderson, HCS JLARC MCO Performance Manager

MCO Personnel Present: Jennie Reynolds, CEO; Nancy Kaplan, Compliance Officer; Corey Pleasants, Compliance Manager

Topics Discussed: Anthem personnel took HCS personnel on a brief tour of Anthem's offices at the beginning of the site visit. HCS personnel then opened the meeting portion of the site visit by expressing gratitude to Anthem for hosting the visit and emphasizing that the site visit was intended to be an informal meeting of compliance minds. HCS personnel briefly spoke regarding DMAS' priority shift from Medallion 3.0 compliance to Medallion 4.0 compliance.

HCS personnel then distributed an informational reference guide (see Appendix 2) to the Anthem personnel and provided some background on the Medallion 4.0 compliance point system. HCS personnel discussed general compliance trends which related to all Medallion 4.0 MCOs, including a generally high overall level of compliance with reporting requirements, increased General Assembly scrutiny of the Medicaid program, the MCOs' difficulty with timely paying EI claims, and the extension applied to the upcoming due date for the submission of MMHS results.

Next, HCS personnel addressed Medallion 4.0 compliance trends specific to Anthem. HCS personnel complimented Anthem on its strict adherence to the subcontract submission requirement in the Medallion 4.0 contract. HCS personnel commended Anthem for expanding

its coverage to include dental benefits for all of its adult Medallion 4.0 members. HCS personnel further commended Anthem for its strong record submitting reporting deliverables. HCS personnel expressed appreciation for Anthem's prompt responses to DMAS' queries.

HCS personnel then addressed communications between DMAS and Anthem and brought up the idea of a compliance collaborative. Anthem personnel were excited by the idea, and requested more face-to-face meetings with DMAS personnel. Anthem personnel indicated that they would appreciate more consistency in the turnaround times for subcontract reviews performed by the Medallion 4.0 and CCC Plus teams, respectively. Anthem personnel also expressed their desire for more specificity in HCS' compliance enforcement letters and more telephonic or face-to-face communication regarding compliance points issued to Anthem.

Anthem personnel presented HCS personnel with compliance policy and procedure documents that Anthem had developed, and gave some background on the inner workings of Anthem's compliance system.

Aetna Better Health

Date: May 9, 2019

DMAS Personnel Present: Daniel Plain, HCS Division Director; Peter Landsman, HCS Compliance Manager; Eliot Soares de Souza, HCS Compliance Supervisor; Laura Anderson, HCS JLARC MCO Performance Manager

MCO Personnel Present: Ira Bloomfield, Chief Medical Officer; Karl Loewe, CFO; Doug Johnson, Compliance Officer; Crystal Harvey, Compliance Consultant; Jannette Anderson, Provider Network Manager

Topics Discussed: Aetna personnel took HCS personnel on a brief tour of Aetna's offices at the beginning of the site visit. HCS personnel then opened the meeting portion of the site visit by expressing gratitude to Aetna for hosting the visit and emphasizing that the site visit was intended to be an informal meeting of compliance minds. HCS personnel briefly spoke regarding DMAS' priority shift from Medallion 3.0 compliance to Medallion 4.0 compliance.

HCS personnel then distributed an informational reference guide (see Appendix 2) to the Aetna personnel and provided some background on the Medallion 4.0 compliance point system. HCS personnel discussed general compliance trends which related to all Medallion 4.0 MCOs, including a generally high overall level of compliance with reporting requirements, increased

General Assembly scrutiny of the Medicaid program, the MCOs' difficulty with timely paying EI claims, and the extension applied to the upcoming due date for the submission of MMHS results.

Next, HCS personnel addressed Medallion 4.0 compliance trends specific to Aetna. HCS personnel complimented Aetna on improvements to its Medicaid member call center. While Aetna's member call center had an answer rate that was out of compliance for December 2018 and January 2019, it had since been in compliance every month. HCS personnel further addressed a few minor technical issues Aetna had when submitting reporting deliverables. HCS personnel expressed appreciation for Aetna's prompt responses to DMAS' queries, and expressed gratitude to Aetna personnel for their role in informing the HCS Compliance Unit about changes DMAS' Program Integrity Division made to reporting deliverables.

HCS personnel then addressed communications between DMAS and Aetna and brought up the idea of a compliance collaborative. Aetna personnel were excited by the idea, and requested more face-to-face meetings with DMAS personnel. Aetna personnel indicated that they would appreciate some input when new reporting deliverables were being created, and suggested using a formal collaborative process between MCOs and DMAS in such circumstances. Aetna personnel expressed their misgivings about the overall number of required reporting deliverables for the Medallion 4.0 and CCC Plus program, and suggested streamlining the overall number of reports.

Aetna did not make a formal presentation to the HCS personnel.

Optima Health

Date: June 4, 2019

DMAS Personnel Present: Daniel Plain, HCS Division Director; Peter Landsman, HCS Compliance Manager; Eliot Soares de Souza, HCS Compliance Supervisor; Laura Anderson, HCS JLARC MCO Performance Manager

MCO Personnel Present: Jennifer Varbero, Director of Government Programs; Carrie Abenante, Special Investigations Unit Manager; Jan Elion, Quality Improvement Manager; Sharon Dajon, Compliance Officer; Amy Peak, Senior Contract Compliance Manager

Topics Discussed: HCS personnel opened the site visit by expressing gratitude to Optima for hosting the visit and emphasizing that the site visit was intended to be an informal meeting of compliance minds. HCS personnel briefly spoke regarding DMAS' priority shift from Medallion 3.0 compliance to Medallion 4.0 compliance.

HCS personnel then distributed an informational reference guide (see Appendix 2) to the Optima personnel and provided some background on the Medallion 4.0 compliance point system. HCS personnel discussed general compliance trends which related to all Medallion 4.0 MCOs, including a generally high overall level of compliance with reporting requirements, increased General Assembly scrutiny of the Medicaid program, the MCOs' difficulty with timely paying EI claims, and the extension applied to the upcoming due date for the submission of MMHS results.

Next, HCS personnel addressed Medallion 4.0 compliance trends specific to Optima. HCS personnel complimented Optima on its impressive level of responsiveness to DMAS inquiries, and commended Optima for its helpful attitude regarding maternal and child health. HCS personnel addressed a recent instance in which Optima's member call center was out of compliance with the Medallion 4.0 contract's answer rate requirements. HCS personnel addressed Optima's impressive self-reported payment timeliness statistics.

HCS personnel then addressed communications between DMAS and Optima and brought up the idea of a compliance collaborative. Optima personnel were excited by the idea, and requested more face-to-face meetings with DMAS personnel. Optima personnel indicated that they appreciated their interactions with DMAS' Program Integrity Division, which provided Optima with a liaison to contact with their questions and concerns, and requested that the HCS Compliance Unit consider designating an Optima-specific liaison to address compliance issues with Optima on a monthly basis. Optima indicated that many deliverables from Medallion 4.0 and CCC Plus had identical contents, and expressed a desire to only submit those deliverables to DMAS one time, rather than submitting them twice or more in the current system. Optima expressed a desire for one universal method of submitting reporting deliverables (e.g., FTP, SharePoint, email, etc.) rather than the current mix of several required methods.

Optima personnel concluded the site visit by taking HCS personnel on a brief tour of Optima's offices.

Recommendations

Compliance Collaborative

Representatives from every MCO expressed enthusiasm for a recurring compliance collaborative. All MCOs seemed to desire more in-person compliance-related meetings, and many expressed interest in reconciling some of the substantive differences between the Medallion 4.0 compliance program and the CCC Plus compliance program. There was great overlap in the MCOs'

enthusiasm for a compliance collaborative. In addition, the Medallion 4.0 contract states, "[t]he Contractor shall participate in [DMAS'] Compliance Collaborative meetings," but does not give any specifics about the timing or frequency of such meetings.

For those reasons, the HCS Compliance Unit recommends establishing a recurring compliance collaborative to include representatives of the HCS Compliance Unit, the CCC Plus compliance team, and each of the MCOs' compliance teams. The HCS Compliance Unit recommends holding the compliance collaborative biannually at DMAS' offices, with the potential for a change in frequency if more or fewer meetings are warranted.

Liaison System

During HCS' Optima site visit, Optima personnel expressed their enthusiasm for the liaison system run by DMAS' Program Integrity Division. Under the Program Integrity Division's current process, each MCO is designated a DMAS staff liaison who fields the MCO's inquiries and conducts conference calls with MCO personnel on a regular basis to discuss ongoing issues. Optima personnel argued that such a system could also be applied effectively to compliance issues.

The HCS Compliance Unit agrees with Optima's assessment, and thus recommends that the HCS Division establish a compliance liaison system. The HCS Compliance Unit recommends that each MCO be assigned an analyst from the HCS Compliance Unit as a liaison to address their compliance related questions and concerns. The HCS Compliance Unit recommends that the compliance liaison lead monthly conference calls to discuss MCO-specific compliance concerns and upcoming compliance enforcement actions applicable to the MCO.

Review Deliverables for Necessity

Almost every MCO commented on the high volume of reporting deliverables required to be submitted under the Medallion 4.0 and CCC Plus contracts. The MCOs indicated that the reporting deliverables created a significant administrative burden, were confusing to track, and often generated little or no feedback from DMAS staff. Several MCOs advocated a reduction in the number of reporting deliverables and others advocated MCO involvement in the deliverable creation process. There was great overlap in the concerns the MCOs expressed regarding the high volume of reporting deliverables.

Reporting deliverables are very important to DMAS' oversight of the Medallion 4.0 program, and many are mandated by federal or state law. However, the sheer number of reporting deliverables required to be submitted under Medallion 4.0 has become somewhat unwieldy. The HCS Compliance Unit recommends that the HCS Division perform a full review of the reporting deliverables required under Medallion 4.0, to determine whether they are all necessary or if any may be removed from the Medallion 4.0 contract and/or technical manual.

Combination of Deliverables Common to Medallion 4.0 and CCC Plus

During HCS' site visits, several MCOs indicated that their personnel were discouraged by having to submit identical reporting deliverables to the Medallion 4.0 and CCC Plus programs. The MCOs indicated that a number of deliverables submitted were responsive to both Medallion 4.0 and CCC Plus requirements, and they argued that some of the administrative burden associated with providing those deliverables to DMAS could be mitigated if they were allowed to submit one copy of each deliverable to DMAS rather than multiple copies. There was significant overlap in the MCOs expression of frustration regarding having to submit identical deliverables to the Medallion 4.0 and CCC Plus programs.

The HCS Compliance Unit agrees with the point the MCOs raise, in theory. If DMAS is in possession of a required reporting deliverable, it might be easier to distribute it internally rather than require the MCO to submit the deliverable multiple times. However, the HCS Compliance Unit would like to further discuss the details before officially adopting this approach. As a result, the HCS Compliance Unit recommends that representatives of HCS, IC, and other internal DMAS subject matter experts meet to discuss the viability of a single point of submission for reporting deliverables common to Medallion 4.0 and CCC Plus.

Appendix 1

Virginia Premier Site Visit and Compliance Meeting

April 18, 2019
9:30 AM – 11:00 AM

AGENDA

- ♦ Brief Site Tour

- ♦ Opening Remarks

- ♦ Priority Shift from Medallion 3.0 Compliance to Medallion 4.0 Compliance

- ♦ General Medallion 4.0 Compliance Trends

- ♦ Virginia Premier-Specific Compliance Trends

- ♦ Communication Process – What's Working, What Can Be Improved

- ♦ Virginia Premier – Opportunity to Present

- ♦ Closing Remarks

UnitedHealthcare Site Visit and Compliance Meeting

April 25, 2019
10:00 AM – 11:30 AM

AGENDA

- ♦ Brief Site Tour

- ♦ Opening Remarks

- ♦ Priority Shift from Medallion 3.0 Compliance to Medallion 4.0 Compliance

- ♦ General Medallion 4.0 Compliance Trends

- ♦ UnitedHealthcare-Specific Compliance Trends

- ♦ Communication Process – What's Working, What Can Be Improved

- ♦ UnitedHealthcare – Opportunity to Present / Ask Questions

- ♦ Closing Remarks

Anthem Site Visit and Compliance Meeting

May 2, 2019
9:30 AM – 11:00 AM

AGENDA

- Brief Site Tour

- Opening Remarks

- Priority Shift from Medallion 3.0 Compliance to Medallion 4.0 Compliance

- General Medallion 4.0 Compliance Trends

- Anthem-Specific Compliance Trends

- Communication Process – What's Working, What Can Be Improved

- Anthem – Opportunity to Present / Ask Questions

- Closing Remarks

Aetna Site Visit and Compliance Meeting

May 9, 2019
10:30 AM – 12:00 PM

AGENDA

- Brief Site Tour

- Opening Remarks

- Priority Shift from Medallion 3.0 Compliance to Medallion 4.0 Compliance

- General Medallion 4.0 Compliance Trends

- Aetna-Specific Compliance Trends

- Communication Process – What's Working, What Can Be Improved

- Aetna – Opportunity to Present / Ask Questions

- Closing Remarks

Optima Site Visit and Compliance Meeting

June 4, 2019
11:00 AM – 12:30 PM

AGENDA

- Brief Site Tour

- Opening Remarks

- Priority Shift from Medallion 3.0 Compliance to Medallion 4.0 Compliance

- General Medallion 4.0 Compliance Trends

- Optima-Specific Compliance Trends

- Communication Process – What's Working, What Can Be Improved

- Optima – Opportunity to Present / Ask Questions

- Closing Remarks

Appendix 2

Medallion 4.0 Compliance Information

Health Care Services Division

Compliance Points Explained

The Medallion 4.0 contract contains a compliance monitoring system that incentivizes health plans to maintain a consistently high level of contract compliance. Health plans are issued compliance points for violating terms of the Medallion 4.0 contract. Health plans are subject to financial sanctions for each non-compliant action they take when their total number of compliance points meets or exceeds 11, and are subject to increasing sanctions as their compliance points exceed pre-set thresholds. However, health plans with fewer than 11 compliance points are not subject to financial sanctions, and all compliance points expire after one calendar year.

Compliance Point Values

1-Point Infractions

- Reporting errors, including late reporting
- Administrative errors that do not affect member care or program integrity

5-Point Infractions

- Noncompliance with claims adjudication requirements
- Violation of a care management process
- Errors that affect a member's ability to obtain accurate service information
- Errors that affect program integrity but do not affect member care

10-Point Infractions

- Errors that affect a member's access to covered services
- Errors that place a member at risk of a negative health outcome
- Intentional misrepresentations to members
- Intentional misrepresentations to DMAS

Other Compliance Enforcement Actions

DMAS can take a number of compliance actions beyond assessing points, including:

- Issuing a notice of non-compliance (NONC), a letter that identifies an issue but does not assess compliance points or financial sanctions
- Issuing a warning letter with included points and/or financial sanctions
- Issuing a MCO improvement plan (MIP)
- Issuing a corrective action plan (CAP)
- Intermediate sanctions, as defined by federal regulation

VIRGINIA'S MEDICAID PROGRAM

DMAS

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