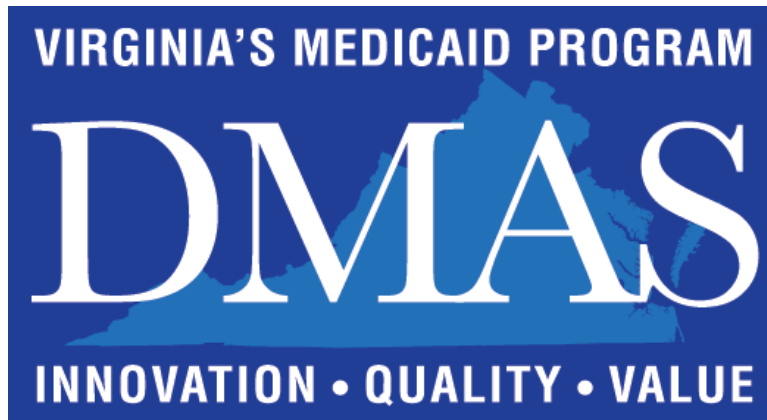


Monthly MCO Compliance Report

Medallion 4.0 June 2021 Deliverables



Health Care Services Division

August 24, 2021

Monthly MCO Compliance Report

Medallion 4.0 June 2021 Deliverables

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Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from June 2020	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	2.0	0	0	2.0	FINDINGS NONE CONCERNS CMHRS SA
<u>Anthem</u>	20.0	1	0	21.0	FINDINGS Appeals & Grievances CONCERNS CMHRS SA
<u>Molina</u>	1.0	6	0	7.0	FINDINGS CALL CENTER STATS CONCERNS CMHRS SA
<u>Optima Health</u>	19.0	6	5	20.0	FINDINGS MCO Claims Report Pharmacy PA Report CONCERNS NONE
<u>United</u>	4.0	1	0	5.0	FINDINGS Pharmacy PA Report CONCERNS CMHRS SA
<u>VA Premier</u>	29~	1	0	30	FINDINGS Pharmacy PA Report CONCERNS Data Submission Error

**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 June 2020 (Issue date: 7/15/2020) expire on 7/15/2021 and are subtracted from the final point balance.)

Summary

Earlier this year Magellan Complete Care was acquired by Molina Healthcare, Inc. (Molina), a company that also has Medicaid and Medicare health plans and programs. Moving forward, the new name will be Molina Complete Care (MCC).

The **Compliance Review Committee (CRC)** met on August 3, 2021 to review deliverables measuring performance for June 2021 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.

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 and data submission 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 June's compliance issues in letters and emails issued to the MCOs on August 4, 2021.

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 failed to timely process Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per June 2021 data, there were twelve (12) expedited CMHRS request exceeding 72 hours without requiring supplemental information, and one (1) standard request that did not require supplemental information was processed in 21 days exceeding the contract requirement to process these requests within 14 days.

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 #4313)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for June 2021, Aetna showed a high level of compliance. Aetna timely submitted all 24 required monthly reporting deliverables. One contract deliverable failed to meet contract adherence requirements to timely process CMHRS Service Authorizations (as addressed

above in **CES # 4313**). In summation, Aetna complied with nearly all applicable regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- **Contract Adherence:** Anthem failed to resolve two (2) internal member appeals within 30 days. The appeals were processed in 33 and 34 days without a request for an extension.

Section 12.3 of the Medallion 4.0 contract, 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.

Anthem has accumulated 20.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, 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, Anthem be issued a **Warning Letter, 1 compliance point, a \$5,000 penalty and no MIP/CAP**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter, 1 compliance point, a \$5,000 penalty and no MIP/CAP** in response to this issue. (CES # 4293)

Concerns:

- **Contract Adherence:** Anthem failed to timely process Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per June 2021 data, there was one (1) standard request that was processed in 16 days without requiring supplemental information which exceeds the contract requirement to process the request in 14 days.

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 #4258)

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:

- June 2021 Appeals & Grievances Issue - \$5,000 (CES # 4293)

Summary:

- For deliverables measuring performance for June 2021, Anthem showed a moderate level of compliance. Anthem timely submitted all 24 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Two contract deliverables failed to meet contract adherence requirements to timely process internal member appeals and process CMHRS Service Authorizations (as addressed above in **CES # 4293 & 4258**). In summation, Anthem complied with most applicable regulatory and contractual requirements.

Molina Complete Care

Findings:

- **Call Center Statistics:** DMAS timely received the June 2021 MCO Provider Call Center Statistics report from Molina. Upon review, the Compliance Unit discovered that the report indicated that Molina did not meet the required contract thresholds for call center statistics (did not answer 95% of incoming provider calls). Molina answered 93.4% of incoming provider calls in the month of June 2021. 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. Molina failed to answer at least 95% of the incoming provider calls as required 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. Molina has accumulated 1.0 point, placing it in Level 1 on the Compliance Deficiency Identification System. Thus, a financial sanction will not be issued in response to this issue.

The Compliance Team recommended that in response to the issue identified above, Molina be issued a **Warning Letter, 1 compliance point, no financial penalty and no MIP/CAP**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter, 1 compliance point, no financial penalty and no MIP/CAP** in response to this issue. **(CES # 4333)**

- **Call Center Statistics:** DMAS timely received the June 2021 MCO Member Call Center Statistics report from Molina. Upon review, the Compliance Unit discovered that the report indicated that Molina did not meet the required contract thresholds for call center statistics (did not answer 95% of incoming member calls). Molina answered 94.5% of incoming member calls in the month of June 2021. Per Section 7.15.C.b of the Medallion 4.0 contract, in order to be compliant, Molina was required to answer at least 95% of incoming member calls. Molina failed to answer enough incoming member calls to be in compliance.

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" or that "impair a member's or potential enrollee's ability to obtain correct information regarding services" are subject to a 5 point penalty. Molina has accumulated 1.0 point, placing it in Level 1 on the Compliance Deficiency Identification System. Thus, a financial sanction will not be issued in response to this issue.

The Compliance Team recommended that in response to the issue identified above, Molina be issued a **Warning Letter, 5 compliance points, no financial penalty and no MIP/CAP**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter, 5 compliance points, no financial penalty and no MIP/CAP** in response to this issue. **(CES # 4315)**

Concerns:

- **Contract Adherence:** Molina failed to timely process Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per June 2021 data, there was one (1) standard CMHRS request processed in 17 days without requiring supplemental information which exceeds the contract requirement to process within 14 days.

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)** without any associated compliance points, financial sanctions, or corrective actions. **(CES # 4314)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for June 2021, Molina showed a moderate level of compliance. Molina timely submitted all 24 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One contract deliverable failed to meet contract adherence requirements for both member and provider call center abandonment rates and an area of concern was the timely processing of CMHRS Service Authorizations (addressed above in **CES # 4315, 4333 and 4314**). In summation, Molina complied with most regulatory and contractual requirements.

Optima Family Care

Findings:

- **MCO Claims Report:** The Department timely received the May and June 2021 MCO Claims Report deliverable from Optima Family Care. Upon review, a DMAS subject matter expert discovered that the reports indicated that Optima failed to process two (2) clean claims within 365 days in May 2021 and two (2) clean claims with 365 days in June 2021.

On June 23, 2021, the Department requested additional documentation relating to Optima Family Care's MCO Claims Report submission for May 2021. In its May 2021 MCO Claims Report submission, Optima Family Care reported that two (2) claims were not processed within 365 days of receipt as required by 42 C.F.R. §447.45. Optima Family Care responded by reporting that both claims should not have been rejected as the claims contained the member's Medicaid ID number.

On July 21, 2021, the Department requested additional documentation relating to Optima Family Care's MCO Claims Report submission for June 2021. In its June 2021 MCO Claims Report submission, Optima Family Care reported that two (2) claims were not processed within 365 days of receipt as required by 42 C.F.R. §447.45. Optima Family Care responded by reporting that both claims should not have been rejected by their system and the original invoice date was honored.

Upon reviewing Optima Family Care's claims details, the Department found that two (2) claims in May 2021 and two (2) claims in June 2021 were adjudicated untimely and out of compliance with 42 C.F.R. §447.45.

According to Section 10.1.E.b of the Medallion 4 Contract, failures to comply with the Contract that represent "a threat to the integrity of the program" or that "infringe on the rights of a member or potential enrollee" should receive 5 points.

Optima 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, 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, Optima be issued a **Warning Letter, five (5) compliance points and a \$5,000 penalty, no MIP/CAP**. The CRC agreed with the Compliance Team's

recommendation, and voted to issue a **Warning Letter, 5 compliance points and a \$5,000 penalty, no MIP/CAP** in response to this issue. (CES # 4217 & 4275)

- **Contract Adherence:** Optima failed to timely process Pharmacy Prior Authorization requests. Per June 2021 data, there were 25 Pharmacy Prior Authorization Request processed past 24 hours with the average processing time of these untimely requests being 36 hours.

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.

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.

Optima 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, 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, Optima be issued a **Warning Letter with one (1) compliance point and a \$5,000 financial penalty, no MIP/CAP**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter with one (1) compliance point and a \$5,000 financial penalty, no MIP/CAP** in response to this issue. (CES # 4257)

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- **Case # 2978:** June 2020 – MCO Claims Report. 5 points were removed from Optima’s total by closing **CES # 2978**.

Financial Sanctions Update:

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

- June 2021 Pharmacy Prior Authorizations Request Issue - \$5,000 (**CES # 4257**)
- May & June 2021 MCO Claims adjudication issue - \$5,000 (**CES # 4217/4275**)

Summary:

- For deliverables measuring performance for June 2021, Optima showed a satisfactory level of compliance. Optima timely submitted all 24 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Three contract deliverables failed to meet contract adherence requirements to timely process clean claims, and Pharmacy Prior Authorization requests (as addressed above in **CES # 4217/4275 & 4257**). In summation, Optima complied with most applicable regulatory and contractual requirements.

UnitedHealthcare

Findings:

- **Contract Adherence:** UnitedHealthcare failed to timely process Pharmacy Prior Authorization requests. Per June 2021 data, there was one (1) Pharmacy Prior Authorization Request processed in 246 hours (10 days) which exceeds the 24 hour requirement.

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, UnitedHealthcare violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

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. UnitedHealthcare has accumulated 4.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. Thus, a financial sanction will not be issued in response to this issue.

The Compliance Team recommended that in response to the issue identified above, United be issued a **Warning Letter, 1 compliance point, no financial penalty and no MIP/CAP**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter, 1 compliance point, no financial penalty and no MIP/CAP** in response to this issue. **(CES # 4253)**

Concerns:

- **Contract Adherence:** UnitedHealthcare failed to timely process Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations. Per June 2021 data, there were five (5) standard CMHRS requests exceeding 14 days without requiring supplemental information with the longest processing time being 97 days.

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)** without any associated compliance points, financial sanctions, or corrective actions. **(CES # 4255)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for June 2021, United showed a moderate level of compliance. United timely submitted all 24 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Two contract deliverables failed to meet contract adherence requirements to timely process Pharmacy Prior Authorization requests and CMHRS Service Authorizations (as addressed above in **CES # 4253 and 4255**). In summation, United complied with most regulatory and contractual requirements.

Virginia Premier

Findings:

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per June 2021 data, there were two (2) Pharmacy Prior Authorization Requests processed past 24 hours with the average processing time for these 2 requests being 47 hours.

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.

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 has accumulated 29.0 points, placing it in Level 3 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 3 of the Compliance Deficiency Identification System is subject to a \$10,000 financial sanction.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier be issued a **Warning Letter with one (1) compliance point and a \$10,000 financial penalty, no MIP/CAP**. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **Warning Letter with one (1) compliance point and a \$10,000 financial penalty, no MIP/CAP** in response to this issue. **(CES # 4254)**

Concerns:

- **Data Submission Error:** Virginia Premier timely submitted the June 2021 Community Mental Health Rehabilitation Services (CMHRS) Service Authorizations (CMHRS_SA_MCAID.csv). However, the report contained an invalid value of "NULL" in the column to indicate whether the request was a standard or expedited review.

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)** without any associated compliance points, financial sanctions, or corrective actions. **(CES # 4256)**

MIP/CAP Update:

- No Updates.

Appeal Decision:

- ~Virginia Premier requested reconsideration of Warning Letter, 1 point and \$10,000 financial penalty (Level 3) following one (1) Early Intervention clean claim that exceeding 14 days to adjudicate (**CES # 4133**). The one (1) EI claim was paid in 24 days. DMAS Subject Matter Experts and HCS Leadership decided to reduce the Warning Letter for Case ID 4133, including its point and financial penalties, to a Notice of Non-Compliance (NONC).

Expiring Points:

- No points

Financial Sanctions Update:

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

- June 2021 Pharmacy Prior Authorizations Request Issue - \$10,000 (**CES# 4254**)

Summary:

- For deliverables measuring performance for June 2021, Virginia Premier showed a moderate level of compliance. Virginia Premier timely submitted all 24 required monthly reporting deliverables. One monthly deliverable failed to meet contract adherence requirements for Pharmacy Prior Authorizations (as addressed above in **CES # 4254**). One contract deliverable contained data submission errors (as addressed above in **CES # 4256**). 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 timely processing of MCO Clean Claims, Internal Member Appeals, Early Intervention Claims, CMHRS Requests, and Pharmacy Prior Authorization turnaround times as well as compliance with contract requirements for call center abandonment rates for member and provider helplines. The MCOs were notified of their non-compliance in these areas. The Compliance Unit requested adherence to the Medallion 4.0 contract and issued points as well as financial sanctions as appropriate.

The HCS Compliance Unit is also coordinating with the IC Compliance Unit to align enforcement actions as applicable between the two contracts.