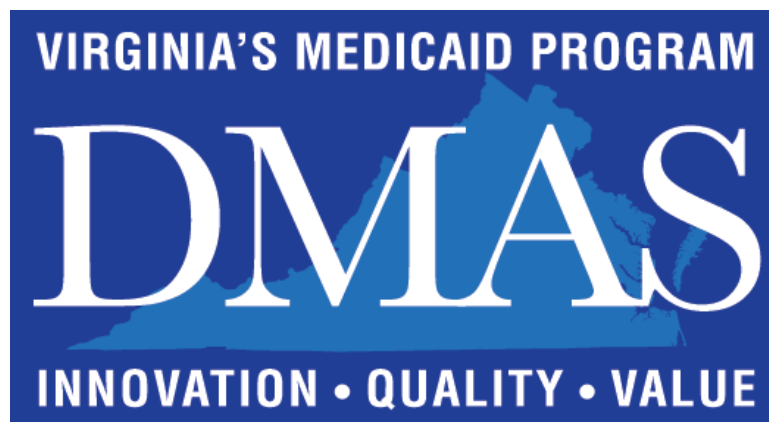


Monthly MCO Compliance Report

Medallion 4.0 March 2021 Deliverables



Health Care Services Division

May 14, 2021

Monthly MCO Compliance Report

Medallion 4.0 March 2021 Deliverables

Contents

Compliance Points Overview.....	2
Summary.....	3
Aetna Better Health of Virginia.....	4
Anthem Healthkeepers Plus.....	5
Magellan Complete Care.....	7
Optima Health.....	9
UnitedHealthcare.....	11
Virginia Premier.....	14
Next Steps.....	16

Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month*	Point(s) Expiring from March 2020	Final Point Balance*	Area of Violation: Finding or Concern
<u>Aetna</u>	2.0	0	0	2.0	FINDINGS NONE CONCERNS NONE
<u>Anthem</u>	17.0	1.0	0	18.0	FINDINGS Untimely Internal Appeals CONCERNS Pharmacy PA Report
<u>Magellan</u>	1.0	0.0	0	1.0	FINDINGS NONE CONCERNS Pharmacy PA Report Newborn Enrollment
<u>Optima Health</u>	16.0	0.0	0	16.0	FINDINGS NONE CONCERNS Pharmacy PA Report
<u>United</u>	2.0	1.0	0	3.0	FINDINGS EI Claims CONCERNS Pharmacy PA Report Late Data Submission
<u>VA Premier</u>	21	1.0	0	22.0	FINDINGS Untimely Internal Appeals CONCERNS Pharmacy PA Report

**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 March 2020 (Issue date: 4/15/2020) expire on 4/15/2021 and are subtracted from the final point balance.

Summary

The **Compliance Review Committee (CRC)** met on May 7, 2021 to review deliverables measuring performance for March 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.

Due to the current emergency crisis during COVID-19, Health Care Services (HCS) Compliance Unit will exercise its enforcement discretion on the issuance of points and/or financial penalties on identified issues of non-compliance during this period, unless the identified areas of non-compliance are egregious violations. HCS Compliance Unit will continue to monitor and document areas of noncompliance. The Department will expect health plans to come into compliance with all aspects of the Medallion 4.0 contract prior to the end of the emergency period.

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 late data submissions.

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 March's compliance issues in letters and emails issued to the MCOs on May 7, 2021.

Aetna Better Health of Virginia

Findings:

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

Concerns:

- No concerns

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for March 2021, Aetna showed an outstanding level of compliance. Aetna timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. Aetna complied with all applicable provider payment timeliness requirements. In summation, Aetna was an outstanding performer in March 2021, and complied with every regulatory and contractual requirements.

Anthem HealthKeepers Plus

Findings:

- **Appeals and Grievances Report:** The Department timely received the March 2021 Appeals and Grievances Report deliverable from Anthem. Upon review, a DMAS subject matter expert discovered that the report indicated that Anthem failed to adjudicate one (1) appeal within 14 days of their filing as required by the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020. Additionally, Anthem included five (5) appeals with February 2021 decision dates in the March 2021 appeals data.

Per the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020, the federal government has authorized DMAS to exercise its right to change the timeframe in which a MCO issues an internal member appeal decision from 30 days to 14 calendar days. Therefore, "Medicaid members who are enrolled in a Managed Care Organization ('MCO') must continue to exhaust the MCO's internal appeal process before appealing to DMAS." Further, DMAS requires the MCO "to issue an internal appeal decision within 14 calendar days of receipt of the appeal request. If the MCO's decision is not issued within the 14-day period, the appeal is deemed exhausted and the enrollee can appeal to DMAS."

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. As a result, the CRC voted to assess Anthem a **one (1) point violation** due to its failure to process one (1) member appeal within 14 days without a request for an extension.

Anthem has accumulated 18.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. Thus, a financial sanction of **\$5,000.00** will be issued in response to this issue. The CRC voted not to require Anthem to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3995)**

Concerns:

- **Contract Adherence:** Anthem failed to timely process Pharmacy Prior Authorization requests. Per March 2021 data, there was one (1) Pharmacy Prior Authorization Request processed past 24 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, Anthem violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

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 # 4014)**

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

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

- March 2021 Appeals Process Issue - \$5,000 **(CES # 3995)**

Summary:

- For deliverables measuring performance for March 2021, Anthem showed a moderate level of compliance. Anthem timely submitted 23 required monthly reporting deliverables and those deliverables did not expose any programmatic issues. Two monthly deliverables failed to meet contract adherence requirements to timely adjudicate internal member appeals and to timely process Pharmacy Prior Authorization requests (addressed above in **CES # 3995 and # 4014**). In summation, Anthem complied with most applicable regulatory and contractual requirements.

Magellan Complete Care

Findings:

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

Concerns:

- **Contract Adherence:** Magellan failed to report 100% of the Newborn Medicaid or FAMIS IDs within 60 days of birth. Magellan reported 48 out of 49 (98%). Section 6.4.A of the Medallion 4.0 contract requires the Contractor must ensure that the newborn has a Medicaid or FAMIS ID number before sixty (60) days. Thus, Magellan violated the terms of the Medallion 4.0 contract in the area addressed above.

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 # 3974)**

- **Data Submission Error:** Magellan timely submitted the March Pharmacy PA Report & Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard_MCO Name mmddyy-mmddyy.xlsx). However, per March data, total PA requests requiring supplemental information did not match.

The Compliance Team recommended that in response to the issue identified above, Magellan be issued a **Notice of Deficiency (NOD)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NOD without associated compliance points or financial sanctions** in response to this issue. **(CES # 3973)**

The following communication was sent via email to Magellan on May 7, 2021.

"Please see below the following areas of concern. At this point, there are no compliance enforcement actions, however, we want to take this opportunity to remind MCOs of the contractual requirements.

Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmddyy-mmddyy.xlsx): Magellan's RxDashboard should reflect the data on the Pharmacy PA report.

- MCTM section 1.8.47.2 states "MCOs are expected to submit complete and accurate dashboard data by the close of business on the 10th business day following the end of the reporting period. All data shall be current as of the last day of the reporting period."

The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables listed above. At this point, no compliance points or financial sanctions will be issued in response to the above listed areas of concern."

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for March 2021, Magellan showed a moderate level of compliance. Magellan timely submitted all 23 required monthly reporting deliverables. One deliverable failed to meet contractual requirements for Newborn IDs (as addressed above in **CES # 3974**). One monthly deliverable contained data submission errors (as addressed above in **CES # 3973**). In summation, Magellan complied with most applicable 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 failed to timely process Pharmacy Prior Authorization requests. Per March 2021 data, there were 15 Pharmacy Prior Authorization Requests processed past 24 hours. In addition, total PA requests in the Pharmacy PA report and total PA requests in the Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmdyy-mmdyy.xlsx) did not match.

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.

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 **NONC without associated compliance points or financial sanctions** in response to this issue. (CES # 4013)

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for March 2021, Optima showed a high level of compliance. Optima timely submitted all 23 required monthly reporting deliverables, and those deliverables did not expose any programmatic issues. One monthly deliverable failed to meet contract adherence requirements for the timely processing of Pharmacy Prior Authorization requests within 24 hours (as addressed above in **CES # 4013**). In summation, Optima complied with nearly all applicable regulatory and contractual requirements.

UnitedHealthcare

Findings:

- **Untimely Payment of EI Claims:** DMAS timely received the March 2021 Early Intervention Services Report deliverable from UnitedHealthcare. Upon review, the Compliance Unit discovered that the report indicated that United failed to adjudicate one (1) clean claim for EI services within 14 days of its receipt in March 2021.

Section 5.5 of the Medallion 4.0 contract requires the MCOs to adjudicate all clean claims for EI services within 14 days of their receipt. Thus, United violated the terms of the Medallion 4.0 contract in failing to adjudicate one clean claim for EI services within 14 days of its receipt.

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. As a result, the CRC voted to assess United a **one (1) point violation** due to its failure to adjudicate a clean claim within 14 days of its receipt.

United has accumulated 3.0 points, placing it in Level 1 on the Compliance Deficiency Identification System. As described in 10.1.D of the Medallion 4.0 contract, an MCO in Level 1 of the Compliance Deficiency Identification System is not subject to financial sanctions. As a result, United will not be issued financial sanctions for this issue. The CRC voted not to require United to submit a corrective action plan (CAP). **(CES # 3955)**

Concerns:

- **Untimely Deliverable Submission:** UnitedHealthcare failed to timely submit the Biannual MCO Data Inventory Report deliverable due March 31, 2021 as required by Section 1.13.5 of the Medallion 4.0 Deliverables Technical Manual.

Section 10.1.E.d.b of the Medallion 4.0 contract requires the MCOs to submit reporting deliverables timely, with accurate data, and in the format and layout specified by DMAS. Thus, United violated the terms of the Medallion 4.0 contract in the deliverable submission addressed above.

The Compliance Team recommended that in response to the issue identified above, United 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 # 3933)**

- **Data Submission Error:** United timely submitted the March Pharmacy PA Report & Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard MCO Name mmddy-mmddy.xlsx). However, per March data, total PA requests received, approved, denied and required supplemental information did not match.

The Compliance Team recommended that in response to the issue identified above, United be issued a **Notice of Deficiency (NOD)** without any associated compliance points, financial sanctions, or corrective actions. The CRC agreed with the Compliance Team's recommendation, and voted to issue a **NOD without associated compliance points or financial sanctions** in response to this issue. **(CES # 3953)**

The following communication was sent via email to United on May 7, 2021.

"Please see below the following areas of concern. At this point there are no compliance enforcement actions, however, we want to take this opportunity to remind MCOs of the contractual requirements.

Pharmacy Claims, Authorizations, and Appeals Report (RXDashboard MCO Name mmddy-mmddy.xlsx): United's RXDashboard should reflect the data on the Pharmacy PA report.

- MCTM section 1.8.47.2 states "MCOs are expected to submit complete and accurate dashboard data by the close of business on the 10th business day following the end of the reporting period. All data shall be current as of the last day of the reporting period."

The Department is requesting that each MCO adheres to the reporting requirements associated with the deliverables listed above. At this point, no compliance points or financial sanctions will be issued in response to the above listed areas of concern."

MIP/CAP Update:

- No updates

Appeal Decision:

- No appeals

Expiring Points:

- No expiring points

Financial Sanctions Update:

- No outstanding sanctions at this time

Summary:

- For deliverables measuring performance for March 2021, United showed a moderate level of compliance. United timely submitted all 23 required monthly reporting deliverables but failed to timely submit a required biannual deliverable (as addressed above in **CES # 3933**). One monthly deliverable failed to meet contract adherence requirements for the EI claims adjudication within 14 days (as addressed above in **CES # 3955**). One monthly deliverable contained data submission errors (as addressed above in **CES # 3953**). In summation, United complied with most applicable regulatory and contractual requirements.

Virginia Premier

Findings:

- **Appeals and Grievances Report:** The Department timely received the March 2021 Appeals and Grievances Report deliverable from Virginia Premier. Upon review, a DMAS subject matter expert discovered that the report indicated that Virginia Premier failed to adjudicate a total of one (1) appeal within 14 days of their filing as required by the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020.

Per the New 1135 Waiver and Administrative Provider Flexibilities Related to COVID-19 Medicaid Memo, dated May 26, 2020, the federal government has authorized DMAS to exercise its right to change the timeframe in which a MCO issues an internal member appeal decision from 30 days to 14 calendar days. Therefore, "Medicaid members who are enrolled in a Managed Care Organization ('MCO') must continue to exhaust the MCO's internal appeal process before appealing to DMAS." Further, DMAS requires the MCO "to issue an internal appeal decision within 14 calendar days of receipt of the appeal request. If the MCO's decision is not issued within the 14-day period, the appeal is deemed exhausted and the enrollee can appeal to DMAS."

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. As a result, the CRC voted to assess Virginia Premier a **one (1) point violation** due to its failure to process one (1) member appeals within 14 days without a request for an extension.

Virginia Premier has accumulated 22.0 points, placing it in Level 2 on the Compliance Deficiency Identification System. Thus, a financial sanction of **\$5,000.00** will be issued in response to this issue. The CRC voted not to require Virginia Premier to submit a MCO Improvement Plan (MIP) or Corrective Action Plan (CAP). **(CES # 3993)**

Concerns:

- **Contract Adherence:** Virginia Premier failed to timely process Pharmacy Prior Authorization requests. Per March data, there were seven (7) Pharmacy Prior Authorization Requests processed past 24 hours. In addition, the number PA requests processed untimely in the Pharmacy PA report and in the Pharmacy Claims, Authorizations, and Appeals Report (RxDashboard_MCO Name mmddyy-mmddyy.xlsx) did not match.

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.

The Compliance Team recommended that in response to the issue identified above, Virginia Premier 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 # 3954)**

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:

- March 2021 Appeals & Grievances Report Issue - \$5,000 **(CES # 3993)**

Summary:

- For deliverables measuring performance for March 2021, Virginia Premier showed a moderate level of compliance. Virginia Premier timely submitted 23 required monthly reporting deliverables. One monthly deliverables failed to meet contract adherence requirements for Pharmacy Prior Authorization request (as addressed above in **CES # 3954**). One contract requirement was not met requiring the MCO to process member appeals within 14 days (as addressed above in **CES # 3993**). 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 Appeals & Grievances, Early Intervention Claims, and Pharmacy Prior Authorization turnaround times. The MCOs were notified of their non-compliance with these issues. The Compliance Unit requested adherence to the Medallion 4.0 contract and issued of 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.