Monthly MCO Compliance Report

Cardinal Care April 2024 Deliverables

Health Care Services Division

June 20, 2024

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Compliance Points Overview

MCO	Prior Month Point Balance	Point(s) Incurred for Current Month/s*	Point(s) Expiring or Rescinded	Final Point Balance*	Area of Violation: Finding or Concern
Aetna	13	0	1	12	**FINDINGS** NONE **CONCERNS** MHS SA
Anthem	5	0	0	5	**FINDINGS** NONE **CONCERNS** PHARM PA MHS SA MLTSS
Molina	13	2	2	13	**FINDINGS** LATE SUBMISSION EI CLAIMS **CONCERNS** MHS SA MLTSS
Sentara	11	1	0	12	**FINDINGS** MLTSS **CONCERNS** MHS SA MLTSS
United	14	0	0	14	**FINDINGS** NONE **CONCERNS** MHS SA MLTSS

**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.

Summary

The Health Care Services (HCS) and Integrated Care (IC) Divisions held their joint **Compliance Review Committee (CRC)** on June 5, 2024. The Committee reviewed compliance referrals and deliverables measuring performance for April 2024. The meeting's agenda covered all identified and referred issues of non-compliance, including failures to meet contract thresholds and requirements related to deliverables, early intervention claims, pharmacy prior authorizations, and mental health service authorizations.

The joint CRC consists of five representatives from the Health Care Services Division and five representatives from the Integrated Care Division. These committee members vote on what, if any, compliance enforcement actions should be issued in response to identified compliance issues.

The CRC voted to issue eight (8) Notices of Non-Compliance (NONC) related to HCS compliance issues. These NONCs included two (2) compliance points, two (2) financial sanctions, and six (6) requests for MCO Improvement Plans (MIPs).

Each MCO's compliance findings and concerns are detailed below. Information related to HCS compliance activities is also included. The Department communicated the findings of its review of April's compliance issues in letters and emails issued to the MCOs on June 7, 2024.

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 Mental Health Services (MHS) Service Authorizations within the required timeframe. Per the April 2024 data, there was one (1) expedited service authorization request that did not require supplemental information and was not processed within 72 hours (processed in 125 hours). Aetna's overall timeliness for processing MHS Service Authorization requests for the month of April was 99.95%.

  The HCS Compliance Team recommended that in response to the issue identified above, Aetna be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The Department also recommended that Aetna submit a **MCO Improvement Plan** ("MIP") to address the MCO's recurrent failures to meet contractual requirements related to the required contract thresholds for Mental Health Services (MHS) Service Authorization requests.

  The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** and a **MIP** in response to this issue**. (CES # 6019)**

MIP/CAP Update:

- On March 15, 2024, Aetna was issued a Corrective Action Plan (CAP) regarding portal updates. The compliance action was closed on June 11, 2024. **(CES # 5854)**

Request for Reconsideration:

- Aetna submitted a request for reconsideration regarding **CES # 5962** on May 17, 2024. CES # 5962 involved two hundred twelve (212) clean Early Intervention (EI) claims exceeding fourteen (14) calendar days to adjudicate, with 75.91% processed timely. The MCO requested that DMAS reconsider the assessment of the NONC, 1 point, and $15,000 financial sanction because Aetna's inability to process the claims was a direct result of industry-wide impacts resulting from the Change Healthcare cybersecurity incident in February 2024.

  DMAS leadership reviewed Aetna Better Health's request for reconsideration and, given the extraordinary nature of the Change Healthcare cybersecurity incident, decided to grant a one-time exception to the Cardinal Care contract's EI claims requirements for the month of March 2024. Accordingly, the NONC, point, and $15,000 financial sanction associated with **CES # 5962** have all been rescinded. No further exceptions will be granted for EI claim non-compliance associated with the CHC incident.

Expiring Points:

- No points

Financial Sanctions Update:

The following financial sanction has been submitted for enforcement:

- March 2024 Deliverables Issue - $15,000 **(CES# 5953)**

Summary:

- For deliverables measuring performance for April 2024, Aetna Better Health showed a **moderate** level of compliance. Aetna submitted all 16 required monthly reporting deliverables accurately and on time. However, Aetna failed to meet contractual requirements related to the timely processing of MHS service authorization requests (as addressed above in **CES # 6019**) and received a Notice of Non-Compliance and MCO Improvement Plan (MIP). Despite these issues, 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 Mental Health Services (MHS) Service Authorizations within the required timeframe. Per the April 2024 data, there was one (1) standard service authorization request that did not require supplemental information and was not processed within 14 days (processed in 42 days). Anthem's overall timeliness for processing MHS Service Authorization requests for the month of April was 99.91%.

  The HCS Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The Department also recommended that Anthem submit a **MCO Improvement Plan** ("MIP") to address the MCO's recurrent failures to meet contractual requirements related to the required contract thresholds for Mental Health Services (MHS) Service Authorization requests.

  The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** and a **MIP** in response to this issue**. (CES # 6020)**

- **Contract Adherence:** Anthem HealthKeepers Plus failed to process all Pharmacy Prior Authorization requests within the required timeframe. Per the April 2024 data, there were two (2) Pharmacy Prior Authorization requests that were not processed within 24 hours (with maximum processing time of 53 hours). Anthem's overall timeliness for processing Pharmacy Prior Authorization requests for the month of April was 99.99%.

  The HCS Compliance Team recommended that in response to the issue identified above, Anthem be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)**. **(CES # 6017)**

- **Contract Adherence:** Anthem HealthKeepers entered a waiver begin date prior to LTSS screening being approved. The IC Compliance Team recommended accessing a total of $25,000 in Liquidated Damages per Section 17.1.3 of the Cardinal Care contract in response to this issue. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** with **$25,000 in Liquidated Damages**. **(CES # 6014)**

MIP/CAP Update:

- Anthem HealthKeepers Plus' MIP related to the protection of member PHI was received on May 10, 2024 (**CES # 5974**) and approved by the Department on June 11, 2024.
- Anthem HealthKeepers Plus' MIP related to the contractual requirements related to member communications and EPSDT reviews was received on May 24, 2024 **(CES # 5975)** and approved by the Department on June 11, 2024.

Request for Reconsideration:

- No requests for reconsideration

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions

Summary:

- For deliverables measuring performance for April 2024, Anthem HealthKeepers showed a **moderate** level of compliance. Anthem submitted all 16 required monthly reporting deliverables accurately and on time. However, Anthem failed to meet contractual requirements related to the timely processing of MHS service authorization requests (as addressed above in **CES # 6020**) and received a Notice of Non-Compliance and MCO Improvement Plan (MIP). Additionally, Anthem failed to meet the required contract requirements related to the timely processing of Pharmacy Prior Authorization requests (as addressed above in **CES # 6017**) and received a second Notice of Non-Compliance. Despite these issues, Anthem complied with most applicable regulatory and contractual requirements.

Molina Healthcare

Findings:

- **Untimely Deliverable Submission:** Molina Healthcare failed to timely submit the Mental Health Services (MHS) Service Authorizations and Registrations Monthly report for the month of April 2024. The report was submitted on May 16, 2024.

  As described in Section 1.4.1.2 of the Cardinal Managed Care Technical Manual, Molina is required to submit all reporting within the timeframes specified in the Cardinal Care Contract and the Cardinal Care Deliverables Technical Manual.

  The HCS Compliance Team recommended that in response to the issue identified above, Molina be issued a **Notice of Non-Compliance (NONC)** with **one (1) compliance point** and a financial penalty of $**15,000**. No MIP or CAP will be required at this time. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** with **one (1) compliance point** and a financial penalty of $**15,000** in response to this issue. **(CES # 6018)**

- **Contract Adherence:** Molina Healthcare failed to process twenty-seven (27) EI clean claims within the required 14 calendar days, and forty-two (42) clean claims within the required 30 calendar days per the April 2024 Early Intervention Services report. Molina's overall timeliness for processing EI clean claims within 14 days for the month of April was 98.06%, and within 30 days 96.98%.

  Section 12.2.4 of the Cardinal Care contract requires 100% of the clean claims from community mental health rehabilitation services, ARTS, and early intervention providers shall be processed within thirty (30) calendar days. The Contractor must also ensure ninety-nine percent (99%) of clean claims from these providers are adjudicated within fourteen (14) calendar days.

  According to the Cardinal Care contract, the Department may assess one (1) point for failure to timely or accurately adjudicate claims in compliance with Section 12.1, General Provider Payment Processes.

  The HCS Compliance Team recommended that in response to the issue identified above, Molina be issued a **Notice of Non-Compliance (NONC)** with **one (1) compliance point** and a financial penalty of $**15,000**. The Department also recommended that Molina submit a **MCO Improvement Plan** ("MIP") to address the MCO's recurrent failures to meet contract thresholds for EI claims adjudication. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** with **one (1) compliance point,** a financial penalty of $**15,000** and a MIP in response to this issue. **(CES # 6022)**

Concerns:

- **Contract Adherence:** Molina Healthcare failed to process all Mental Health Services (MHS) Service Authorizations within the required timeframe. Per the April 2024 data, there was one (1) standard service authorization request that was not processed within 14 days (processed in 15 days), and two (2) expedited service authorization requests that were not processed within required 72 hours (with maximum processing time of 197 hours). No supplemental information was requested for any of the service authorizations. Molina's overall timeliness for processing MHS Service Authorization requests for the month of April was 99.60%.

  The HCS Compliance Team recommended that in response to the issue identified above, Molina be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The Department also recommended that Molina submit a **MCO Improvement Plan** ("MIP") to address the MCO's recurrent failures to meet contractual requirements related to the required contract thresholds for Mental Health Services (MHS) Service Authorization requests.

  The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** and a **MIP** in response to this issue**. (CES # 6021)**

- **Contract Adherence:** Molina Healthcare entered a portal entry that exceeded the two (2) day deadline. For this issue, the IC Compliance Team recommended Molina be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC). (CES # 6013)**

MIP/CAP Update:

- No updates

Request for Reconsideration:

- Molina submitted a request for reconsideration regarding **CES # 5961** on May 8, 2024. CES #5961 involved six hundred thirty-nine (639) clean Early Intervention (EI) claims exceeding fourteen (14) calendar days to adjudicate, with 66.91% processed timely. The MCO requested that DMAS reconsider the assessment of the NONC, 1 point, and $15,000 financial sanction because this delay in processing the March claims within the timeframe required by the Cardinal Care contract was due to the disruption that Molina experienced related to the unprecedented impact of the Change Healthcare (CHC) security incident on February 21, 2024.

  DMAS leadership reviewed Molina Healthcare's request for reconsideration and, given the extraordinary nature of the Change Healthcare cybersecurity incident, decided to grant a one-time exception to the Cardinal Care contract's EI claims requirements for the month of March 2024. Accordingly, the NONC, point, and $15,000 financial

sanction associated with **CES # 5961** have all been rescinded. No further exceptions will be granted for EI claim non-compliance associated the CHC incident.

- Molina provided additional information on May 8, 2024, and submitted a request for reconsideration regarding **CES # 5976**. The NONC related to the failure to meet face to face requirements with a LOCERI. After review of the information, the request for reconsideration was approved. The NONC, 1 point, and $15,000 financial sanction have all been rescinded.

Expiring Points:

- No points

Financial Sanctions Update:

- No outstanding sanctions

Summary:

- For deliverables measuring performance for April 2024, Molina Healthcare showed a **low** level of compliance. Molina submitted 15 of the 16 required monthly reporting deliverables accurately and on time. However, one of the required monthly reporting deliverables was submitted after the designated due date (as addressed above in **CES # 6018**), for which Molina received a Notice of Non-Compliance with one (1) compliance point and a financial penalty. Molina also failed to meet contract requirements related to the timely processing of Early Intervention claims (as addressed above in **CES # 6022**) and received a second Notice of Non-Compliance with one (1) compliance point, a financial penalty, and MCO Improvement Plan (MIP). Additionally, Molina failed to meet contractual requirements related to the timely processing of MHS service authorization requests (as addressed above in **CES # 6021**) and received a third Notice of Non-Compliance and MIP. As a results, Molina failed to comply with many regulatory and contractual requirements.

Sentara Community Plan

Findings:

- **Contract Adherence:** Sentara Community Plan failed to enter a member's NF discharge into the VA Medicaid Web Portal. Recoupments will be required for 33 months of excess payments. All recoupments beyond 24 months will be included in a manual financial repayment.

  The CRC agreed with the IC Compliance Team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** with **one (1) compliance point,** a financial penalty of **$15,000,** and a **Corrective Action Plan (CAP)** in response to this issue. **(CES # 5993)**

Concerns:

- **Contract Adherence:** Sentara Community Plan failed to process all Mental Health Services (MHS) Service Authorizations within the required timeframe. Per the April 2024 data, there were eleven (11) standard service authorization request that did not require supplemental information and were not processed within 14 days (with maximum processing of 71 days). Sentara's overall timeliness for processing MHS Service Authorization requests for the month of April was 99.64%.

  The HCS Compliance Team recommended that in response to the issue identified above, Sentara be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The Department also recommended that Sentara submit a **MCO Improvement Plan** ("MIP") to address the MCO's recurrent failures to meet contractual requirements related to the required contract thresholds for Mental Health Services (MHS) Service Authorization requests.

  The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** and a **MIP** in response to this issue**. (CES # 6023)**

- **Contract Adherence:** Sentara Community Plan entered a waiver begin date prior to LTSS screening being approved. The IC Compliance Team recommended a total of $25,000 in Liquidated Damages per Section 17.1.3 of the Cardinal Care contract in response to this issue. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** with **$25,000 in Liquidated Damages**. **(CES # 6016)**

MIP/CAP Update:

- Sentara Health Plan's MIP (**CES # 21427**) was closed by the Department on June 11, 2024.

Request for Reconsideration:

- No requests for reconsideration

Expiring Points:

- No points

Financial Sanctions Update:

The following financial sanction has been submitted for enforcement:

- March 2024 Appeals & Grievances Issue - $15,000 **(CES# 5973)**

Summary:

- For deliverables measuring performance for April, Sentara Community Plan showed a **low** level of compliance. Sentara submitted all 16 required monthly reporting deliverables accurately and on time. However, Sentara failed to meet contractual requirements related to the timely processing of MHS service authorization requests (as addressed above in **CES # 5963**) and received a Notice of Non-Compliance and MCO Improvement Plan (MIP). As a result, Sentara failed 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 Mental Health Services (MHS) Service Authorizations within the required timeframe. Per the April 2024 data, there were two (2) standard service authorization request that was not processed within 14 days (with maximum processing of 24 days), and two (2) expedited service authorization requests that were not processed within required 72 hours (with maximum processing of 434 hours). No supplemental information was requested for any of the service authorizations. UnitedHealthcare's overall timeliness for processing MHS Service Authorization requests for the month of April was 99.69%.

  The HCS Compliance Team recommended that in response to the issue identified above, UnitedHealthcare be issued a **Notice of Non-Compliance (NONC)** with no financial penalty. The Department also recommended that UnitedHealthcare submit a **MCO Improvement Plan** ("MIP") to address the MCO's recurrent failures to meet contractual requirements related to the required contract thresholds for Mental Health Services (MHS) Service Authorization requests.

  The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** and a **MIP** in response to this issue**. (CES # 6024)**

- **Contract Adherence:** UnitedHealthcare entered a waiver begin date prior to LTSS screening being approved. The IC Compliance Team recommended a total of $25,000 in Liquidated Damages per Section 17.1.3 of the Cardinal Care contract in response to this specific issue. The CRC agreed with the team's recommendation and voted to issue a **Notice of Non-Compliance (NONC)** with **$25,000 in Liquidated Damages**. **(CES # 6015)**

MIP/CAP Update:

- UnitedHealthcare's CAP (**CES # 5857**) regarding untimely portal entries was closed by the Department on June 11, 2024.
- UnitedHealthcare's CAP (**CES # 5859**) for failure to send Adverse Benefit Determination (ABD) letters was closed by the Department on June 11, 2024.

Request for Reconsideration:

- No requests for reconsideration

Expiring Points:

- No points

Financial Sanctions Update:

The following financial sanction has been submitted for enforcement:

- March 2024 Data Submission Issue - $15,000 **(CES# 5960)**

Summary:

- For deliverables measuring performance for April 2024, UnitedHealthcare showed a **moderate** level of compliance. UnitedHealthcare submitted all 16 of the required monthly reporting deliverables accurately and on time. However, UnitedHealthcare failed to meet contractual requirements related to the timely processing of MHS service authorization requests (as addressed above in **CES # 6024**) and received a Notice of Non-Compliance and MCO Improvement Plan (MIP). Despite these issues, UnitedHealthcare complied with most applicable regulatory and contractual requirements.

Next Steps

The Health Care Services and Integrated Care Compliance Teams will continue to host joint Compliance Review Committee meetings at regular intervals. The HCS and IC Compliance Teams will collaborate closely to track, monitor, and communicate with the MCOs regarding identified compliance issues. Both Compliance Units will continue to work with other DMAS units and divisions to investigate and address potential compliance issues.

The HCS Compliance Unit will continue its enforcement efforts to ensure the timely processing of all claims and service authorizations. The HCS Compliance Unit will also remain focused on the MCOs' overall compliance with the Cardinal Care contract - especially those requirements with a direct impact on members and providers.