CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

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Audrey Tayse Haynes
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March 11, 2014

Mr. Mark Carter
Passport Health Plan
5100 Commerce Crossing Drive
Louisville, KY 40229

Re: PP2014ES-1

Dear Mr. Carter,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that University Health Care, Inc. d/b/a Passport Health Plan (Passport). is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and University Health Care, Inc. d/b/a Passport Health Plan (Passport). Pursuant to Section 39.4 of the Contract, Passport shall submit to the Department a Corrective Action Plan within ten (10) business days following the date of this notification delineating the time and manner in which the deficiency cited below is to be corrected.

Identifying #	Contract Section	Deficiency
PP2014ES-1	17.1 Encounter Data Submission	Failure to submit accurate encounter data

On two separate occasions Passport or one of its subcontractors submitted encounter data that caused problems with the Department's claims engine:

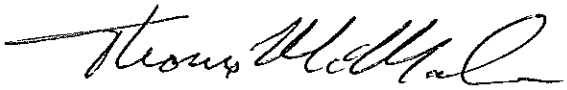
> On February 9, 2014 Passport's Family Planning subcontractor, AmeriHealth, sent void files containing a 17 digit ICN number instead of the correct 13 digit ICN number. This resulted in over 13,000 encounters being rejected.

On February 16, 2014, Passport's Behavioral Health subcontractor, Beacon, sent void files that caused the claims engine to crash, impacting encounter submissions from other MCOs.

While both of these issues involve encounter submissions by subcontractors, Item J, Section 6.2 of the contract states: **... that Subcontractor where applicable, agrees to submit Encounter Records in the format specified by the Department so that the Contractor can meet the Department's specifications required by this Contract**. Encounter submission is critical to the Department's efforts to monitor health outcomes of Medicaid Members. Failure to submit this data accurately hinders this effort.

Please note that this deficiency has been assigned a unique identifier. Include this number with any correspondence concerning this issue. Failure to do so will result in your submission being rejected. I look forward to receiving Passport's Corrective Action Plan and will be available for your questions throughout the process.

Sincerely,



Thomas McMahan
Senior Policy Advisor
Managed Care Oversight
Department for Medicaid Services

cc: Lawrence Kissner, Commissioner, Department of Medicaid Services
Lee A. Guice, Director of Policy and Operations, Department of Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Jan Thornton, Staff Liaison, Department of Medicaid Services