

MAC Binder Section 3 – Corrective Action Plans

Table of Contents with Document Summary

Located online at <http://chfs.ky.gov/dms/mac.htm>

1 – PP2015ESE-2 CAP Letter from DMS 7-27-2015

Corrective Action Plan Requested - Passports failure to submit accurate encounter Data .

2- PP2015ESE-2 Ltr DH to PB re Passport Response_dte081015:

Passport acknowledges DMS concern for Failure to submit accurate encounter Data lettered dated July 27, 2015. Based on the review Passport determined it was an isolated incident resulting from human error. Passport will oversee all new employees in putting data.

3 – PP2015ESE-2 Ltr MC to DM re Passport Response Accepted_dte091415:

Corrective Action Plan Response – DMS has accepted Passport’s response to continue to oversee and remain accountably for failure to submit accurate encounter data.

4 – WC2016PB-1- Ltr DM to KM re Letter of Concern LOC_dte091815:

Corrective Action Plan Requested – Wellcare’s failure to ensure POS function for claims submissions by pharmacies 24 hours per day 365 days per year.

5 – WC2016PB-1- Ltr RR to CA re Wellcare response_dte100715:

Wellcare acknowledges DMS concern on POS functions. Wellcare found 2 distinct issues 1) provider File was placed in location that did not allow file updates. 2) Misplaced comma within a field name created additional rejections. Wellcare have taken steps to ensure proper file update and will work with the Delegation Oversight and national Ancillary Departments to implement similar communication flows.

6- WC2016PB-1- Ltr DM to KM re Wellcare response accepted with contingencies_dte100715

Corrective Action Plan Response – DMS accepts Wellcare’s response contingent on the following. 1) DMS should be contacted as soon as a Pharmacy issue is confirmed. 2) Pharmacy Claim Processing Issue-Workflow chart should be updated to reflect change. 3) DMS will be notified after the pharmacy issue is confirmed and before the parties impacted are determined and / or notified.



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES**

Steven L. Beshear
Governor

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Audrey Tayse Haynes
Secretary

Patricia Biggs
Director

Lisa D. Lee
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July 27, 2015

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

Re: PP2015ESE-2

Dear Mr. Carter,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that Passport Health Plan is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Passport Health Plan. Pursuant to Section 39.4 of the Contract, Passport Health Plan 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 each deficiency cited below is to be corrected.

Identifying #	Contract Section	DEFICIENCY
PP2015ESE-2	4.3 Delegations of Authority	Failure of the Contractor to oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor.
	17.1 Encounter Data Submission	Failure to submit accurate Encounter Data

On Monday, 7/13/15, the full production File KYW837D_9900005016_R_20150617_170601.zip failed and no acknowledgement was requested. The file failed at the TA1 level. The ISA control number in the header and trailer do not match. No TA1 was sent due to it not being requested in the file.

Section 4.3 of the Contract states, "The Contractor shall oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor". As you are aware this was a subcontractor productions file.



Additionally, Section 17.1 Encounter Data Submission of the Contract states, "The Contractor shall submit electronic test data files as required by the Department in the format referenced in this Contract and as specified by the Department."

Please note Passport has had the following actions occur in FY15 relating to the above referenced contractual citations:

Type of Letter	Description	ID Number
LOC	Subcontractor encounters	PHP2014ES-2
CAP	Failure to submit accurate encounters	PP2015ESE-1
CAP	Encounters Password Protected	PP2015ESE-2
CAP	Subcontractor Oversight- Test File	PP2015SCT-1

Please note that should Passport be unable to be in substantial compliance with Section 4.3 and Section 17.1 (citation FY15 Contract), that the Department will take action under Section 40.4 Requirement of Corrective Action and 40.6 Notice of Contractor Breach (citation FY16 Contract).

Please note 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.

We look forward to receiving Passport's Corrective Action Plan and will be available for your questions throughout the process.

Sincerely,



Patricia Biggs, R.N., C.P.C.
 Director of Program Quality and Outcomes
 Department for Medicaid Services

cc: Lisa D. Lee, Commissioner, Department for Medicaid Services
 Christina Heavrin, General Counsel, Cabinet for Health and Family Services
 David McAnally, Branch Manager, Managed Care Oversight, Department for Medicaid Services

PASSPORT

HEALTH ★ PLAN



5100 COMMERCE CROSSINGS DRIVE
LOUISVILLE, KY 40229
502-565-7900 / 800-578-0603
WWW.PASSPORTHEALTHPLAN.COM

August 10, 2015

Patricia G. Biggs, RN CPC, CPMA
Division Director
Program Quality and Outcomes
Cabinet for Health and Family Services
Department for Medicaid Services
275 East Main Street, 6C-C
Frankfort, KY 40621

RE: PP2015ESE-2

Ms. Biggs:

Passport Health Plan has reviewed the Department for Medicaid Services' concern expressed in its letter dated July 27, 2015 regarding the above subject CAP. Based on our review, we determined that this was an isolated incident resulting from human error. We have outlined the full details of this situation and our action plan in the attached document.

Please feel free to contact me if you have any questions or need additional information.

Sincerely,

David Henley, JD, CCEP, CHIE, FLMI
Vice President and Chief Compliance Officer

cc: Lisa Lee, Commissioner, Department for Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
David McAnally, Internal Policy Analyst III, Managed Care Oversight – Contract Compliance
Debbie Salleng, Department for Medicaid Services

Enclosure

Action Plan for Accuracy of Encounter Submissions

DMS PP2015ESE-2

Update: August 5, 2015

Summary of Issues and Action Plan:

On June 21, 2015 dental production file KYW837D_9900005016_R_20150617_170601.dat was submitted to the Department for Medicaid Services (DMS). Passport was notified by DMS the following day that the file failed as the ISA control number in the header and trailer did not match.

Passport has put in place an automated process for file validation that includes a review of SNIP and formatting edits. During the file validation process, the error in the ISA control number was identified and the file was removed from the processing cycle. However, prior to correction of the ISA control number, the dental production file was manually inserted back into the processing cycle for transmission to DMS. This was an isolated incident resulting from human error.

The failed file was corrected and resubmitted on June 29, 2015 in file KYW837D_9900005016_R_20150625_080912.zip and was accepted by DMS.

For the last two years there has been increased focus on the improvement of system edits and the encounter build process with our business partners. Significant improvements include: (1) edits that validate the claim/encounter MAID against the DMS provider master file; (2) edits which prevent the payment of duplicate claims; and (3) improvements in the void encounter build process. As a result, our weekly encounter acceptance rate has consistently exceeded 97% since July 1. Acceptance rates have improved over May – 96.6% and June - 95.6%. We also have implemented the actions below to continue to improve the accuracy of encounter submissions and insure response files are requested from DMS. In light of our improvement in our encounter acceptance rate and the process changes we have implemented, we would respectfully request that when the encounter error results from a one-time or human error that DMS would consider either not issuing a CAP to Passport or that DMS would issue a letter of concern rather than a CAP.

Item #	Corrective Action	Completion Date	Status
1.	Communications with Dental Subcontractor <ul style="list-style-type: none"> Advised subcontractor of error – DMS reported issue within header and trailer not matching causing the file to fail. ISA Data Element 14 must be completed in order to receive TA1. Subcontractor making enhancement to system logic to support ISA Data Element 14. 	7/31/15	Completed
2.	Failed Dental File Corrected <ul style="list-style-type: none"> Failed file resubmitted to DMS on 6/29/15 Attestation was sent to DMS on 7/30/15 documenting resubmission 	7/30/15	Completed
3.	Communication to All Subcontractors The Interchange Control Header (ISA) Data Element 14 in the ISA Segment of the 837	8/3/15	Completed

transaction identifies the request for the receipt of an acknowledgment file for the 837 transaction submitted. Each file must have an indicator of "1" in the ISA14 to request receipt of an acknowledgment file.



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Audrey Tayse Haynes
Secretary

Lisa D. Lee
Commissioner

September 14, 2015

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

Re: PP2015ESE-2

Dear Mr. Carter,

The Division of Program Quality & Outcomes is in receipt of the response developed for PP2015ESE-2 (Section 4.3 Delegations of Authority) for failure of the Contractor to oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor and (Section 16.1 Encounter Data Submission) for failure to submit accurate Encounter Data dated August 5, 2015.

Please be advised that the response is accepted.

If I may be of additional assistance, please contact me at the above referenced telephone number. Thank you for your attention and cooperation during our review.

Sincerely,


David McAnally
Branch Manager, Managed Care Oversight - Contract Oversight Branch
Department for Medicaid Services

cc: Lisa D. Lee, Commissioner, Department for Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Cindy Arlack, Assistant Director, Division of Program Quality and Outcomes



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Audrey Tayse Haynes
Secretary

Lisa Lee
Commissioner

September 18, 2015

Ms. Kelly Munson
WellCare of Kentucky
13551 Triton Park Boulevard, Suite 1800
Louisville, KY 40223

RE: WC2016PB-1

Dear Ms. Munson:

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that WellCare of Kentucky ("WellCare") is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and WellCare. Pursuant to Section 40.4 of the Contract, WellCare shall submit to the Department a Corrective Action Plan within ten (10) business days following the date of this notification (via certified mail) delineating the time and manner in which each deficiency cited below is to be corrected.

Identifying #	Contract Section	DEFICIENCY
WC2016PB-1	4.3 Delegations of Authority	Failure to oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor.
	32.4 Pharmacy Point of Sale and Claims Payment	Failure to ensure the POS system satisfies the functional and informational requirements of Kentucky's Medicaid Pharmacy Program by: Supporting the POS function for claims submissions by pharmacies twenty-four (24) hours per day, three hundred and sixty-five (365) days per year (except for scheduled and approved downtime).

On September 1, 2015, the Department became aware of a situation with WellCare's subcontractor Catamaran which caused pharmacies to be erroneously termed throughout the state causing denial of pharmacy claims. During this time it appeared that WellCare representatives were informing providers that they (the provider) are termed because of inaction on their part which resulted in numerous calls throughout the Department.

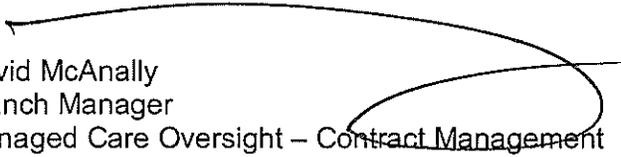


Your response should include the full scope of the issue, a timeline of the issue to resolution and how WellCare when facing a similar subcontractor issue plans to inform provider representatives both within WellCare and the Department. This plan should minimize future miscommunication to our providers and members.

Please note 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.

We look forward to receiving WellCare's Corrective Action Plan and will be available for your questions throughout the process.

Sincerely,



David McAnally
Branch Manager
Managed Care Oversight – Contract Management

cc: Lisa D. Lee, Commissioner, Department for Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Cindy Arlack, Assistant Director, Division of Program Quality & Outcomes



Rebecca Randall
 Director of Regulatory Affairs

Cindy Arflack
 Director, Program Quality and Outcomes
 Department of Medicaid Services
 275 E. Main St.
 Frankfort, Kentucky 40621

October 7, 2015

RE: WC2016PB-1

Dear Ms. Arflack:

On behalf of WellCare of Kentucky, Inc., ("WellCare"), I am responding to your letter received via email on September 21st 2015 which states that WellCare is not in substantial compliance with Sections 4.3 and 32.4 of its Managed Care Contract. The information below, in addition to the attached corrective action steps, provides detailed information regarding WellCare's identification and resolution of the issue.

Identifying #	Contract Section	DEFICIENCY
WC2016PB-1	4.3 Delegations of Authority	Failure to oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor.
	32.4 Pharmacy Point of Sale and Claims Payment	Failure to ensure the POS system satisfies the functional and informational requirements of Kentucky's Medicaid Pharmacy Program by: Supporting the POS function for claims submissions by pharmacies twenty-four (24) hours per day, three hundred and sixty-five (365) days per year (except for scheduled and approved downtime).

The attached Corrective Action Plan (CAP) details the specific step actions WellCare took to remediate this issue as soon as we became aware. The CAP also details additional proactive measures that have been implemented. These step actions are discussed in greater detail below:

There were two primary issues identified that led to the disruption of claim adjudication for some of our pharmacies for the period of August 31st through September 2nd 2015:



Rebecca Randall
Director of Regulatory Affairs

First, in an effort to create efficiencies, our PBM initiated an automated process to upload the Kentucky Medicaid provider roster, as well as other files submitted for processing from WellCare. An oversight in our PBM's import process resulted in two distinct issues affecting claims processing:

- The provider file was placed in a location that did not allow file updates into the vendor's system
- A misplaced comma within a field name created additional rejections

Remediation

Upon discovery that the provider files were not being updated correctly, we immediately began working with our PBM to manually load a Kentucky provider roster file. Remediation of both technical issues was resolved within 48 hours of discovery. Going forward, WellCare has implemented the following monitoring strategies:

(1) Previously, our PBM was providing a file acknowledgement report directly to WellCare each time the provider network file had been uploaded; however, this acknowledgement report did not include error information. Since this issue surfaced, WellCare now requires our PBM to produce a file load error report in addition to the original acknowledgement report on a daily basis. This will ensure that any future provider load issues are identified quickly and are escalated timely.

(2) WellCare has enhanced our communication flow on escalated issues within our Pharmacy Department as well as across our entire shared services enterprise. This process will ensure that our state partner, customer service agents and provider relations staff are made aware of any vendor issues that may occur in the future. This process is also being replicated for use across all our shared service departments—ensuring that any potential issue is appropriately communicated to all respective parties. We have included a copy of this communication flow for pharmacy escalation issues for the Department's review.

Impact Analysis

Based on our analysis, these issues impacted 857 unique pharmacies across the state over the three day period. Comparatively, there were 1,062 pharmacies with paid claims during timeframe of August 31st thru September 2nd 2015. Our remediation was fully implemented on September 4th 2015.

Our PBM also distributed communication via fax blast to our network of pharmacies and conducted telephonic outreach to all 857 impacted pharmacies that may have experienced rejected claims to ensure their claims were reprocessed. Additionally, any escalated provider or member issues received through our customer service team received a call from the WellCare Pharmacy Benefit Relations team to ensure there were no disruptions to care.

We trust that we have addressed your concerns with regards to the disruption of pharmacy claim adjudication during the time period of August 31st to September 2nd 2015. WellCare is committed to the highest of level of service to our provider community. We take these matters very seriously and want to



Rebecca Randall
Director of Regulatory Affairs

assure the Department that we are taking the necessary steps to ensure any future issue is communicated and remediated timely.

If I may answer any further questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Rebecca Randall".

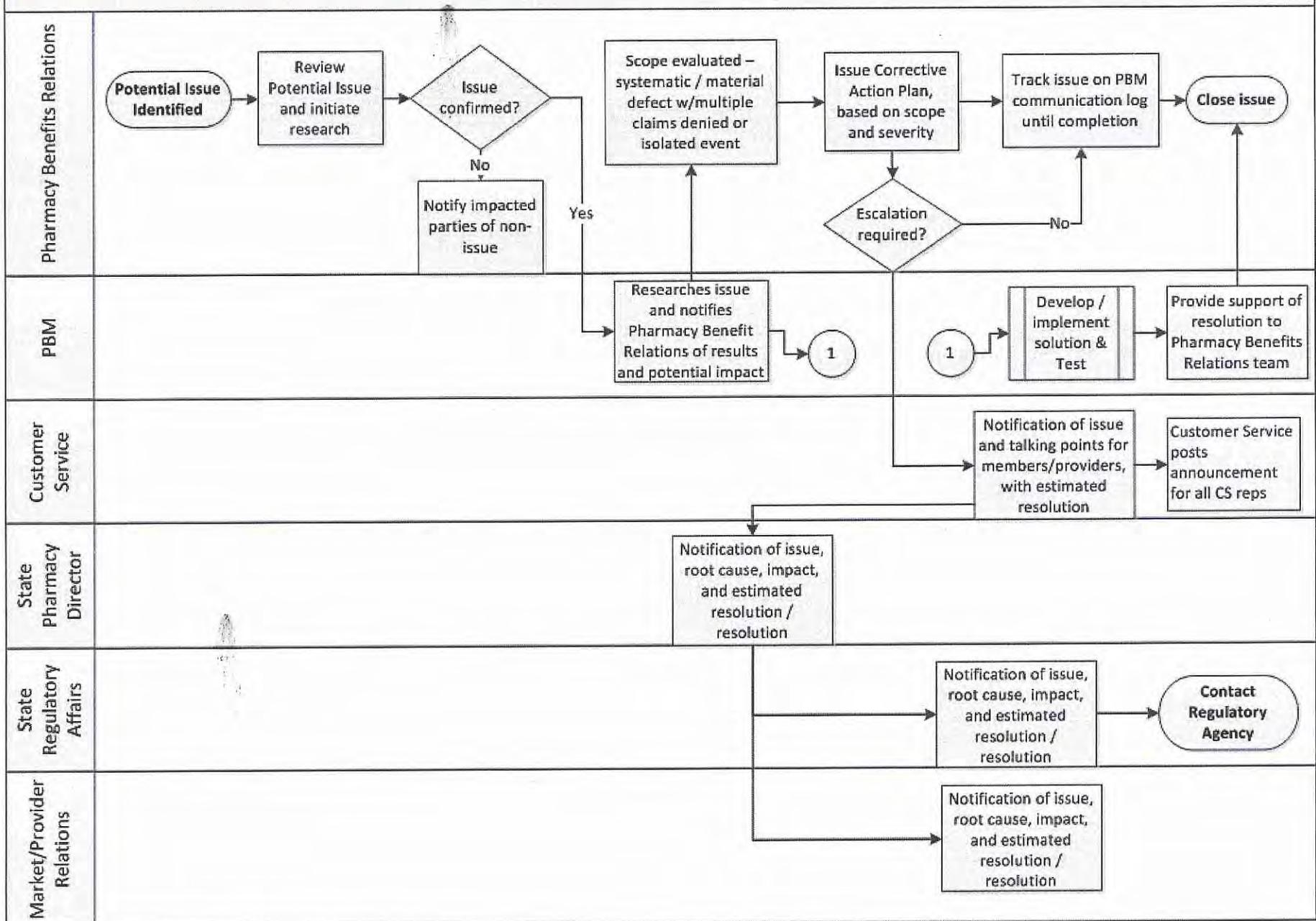
Rebecca Randall
Director, Regulatory Affairs

Cc: Kelly Munson, State President Kentucky
Lisa Lee, Commissioner, Department of Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Don Speer, Executive Director, Cabinet for Finance and Administration



WC2016PB-1				
				Gap Category
Gap Description	<p>4.3 Delegations of Authority - Failure to oversee and remain accountable for any functions and responsibilities that it delegates to any subcontractor.</p> <p>32.4 Pharmacy Point of Sale and Claims Payment - Failure to ensure the POS system satisfies the functional and informational requirements of Kentucky's Medicaid Pharmacy program by: Supporting the POS function for claims submission by pharmacies twenty-four (24) hours per day, three hundred and sixty-five (365) days per year (except for scheduled and approved downtime).</p> <p>Our PBM initiated an automated process to bring in the DMS provider roster, as well as other files submitted directly to them by WellCare. This automated process unfortunately placed our files in a location where they were not recognized for loading or processing. This led to the delay of file importation and updated provider termination dates not being updated timely. Additionally, when the automated file processing issue was resolved on 9/1/15, a new defect in the file was identified in which a ("") present within a pharmacy name was not applied correctly. Once identified, these records were updated manually until an IT solution was deployed.</p>			
Step Actions	Step Actions	Complete?	Target Completion Date or Actual Completion Date	Responsible Department
1	PBM investigated the issue and determined that file loads from Wellcare were not being updated correctly and available for claim adjudication. To resolve the issue, PBM manually loaded a full Kentucky roster file.	Yes	1-Sep-15	Pharmacy
2	Conduct impacted pharmacy outreach and claim reprocessing to address denied claims.	Yes	4-Sep-15	Pharmacy
3	Implement new process to receive file error load reports from the PBM to ensure appropriate review of the file load error reports is conducted and any identified issues are escalated appropriately.	Yes	4-Sep-15	Pharmacy
4	Enhanced communication flow developed to ensure issues are communicated to all necessary parties timely. WellCare will work with our Delegation Oversight and National Ancillary Departments to implement a similar communication flow applicable to all vendors to ensure timely notification to our state partner, customer service, and PR teams should any future issues arise.	Pharmacy flow completed; Remaining flows in process	30-Oct-15	Delegation Oversight/National Ancillary/ Regulatory Affairs

Pharmacy Claim Processing Issue - Workflow





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Lisa D. Lee
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October 28, 2015

Ms. Kelly Munson
WellCare of Kentucky
13551 Triton Park Boulevard, Suite 1800
Louisville, KY 40223

Re: WC2016PB-1

Dear Ms. Munson,

The Division of Program Quality & Outcomes is in receipt of the response developed for WC2016PB-1 (4.3 Delegations of Authority and 32.4 Pharmacy Point of Sale and Claims Payment) dated October 7, 2015.

Please be advised that the response is accepted contingent upon:

- DMS should be contacted as soon as a Pharmacy issue is confirmed.
- Pharmacy Claim Processing Issue-Workflow chart should be updated to reflect the change.
- DMS will be notified after the pharmacy issue is confirmed and before the parties impacted are determined and/or notified.

Please note 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.

If we may be of any additional assistance, please feel free to contact me.

Sincerely,


David McAnally
Branch Manager, Managed Care Oversight - Contract Oversight Branch
Department for Medicaid Services

cc: Lisa D. Lee, Commissioner, Department for Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Cindy Arflack, Assistant Director, Division of Program Quality & Outcomes
Samantha McKinley, Pharmacy Manager, Department for Medicaid Services

