# MAC Binder Section 3 – Corrective Action Plans

## Table of Contents with Document Summary

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

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**1 – ANT2015DB-1A Ltr PB to CC re Anthem PHI breach CAP_dte061615**:

Corrective Action Plan – Anthem was victim to a cyber-attack on Feb. 12, 2015. Anthem failed to follow procedures outlined in the business associate agreement regarding breach of unsecured PHI.

**2 – ANT2015DB-2 Ltr PB to CC re Premera PHI Breach CAP_dte061615**:

Corrective Action Plan– Premera Blue Cross was victim to a cyber-attack through the Blue Card system on Jan. 29, 2015. Anthem failed to follow procedures outlined in the business associate agreement regarding breach of unsecured PHI.

**3 – CC2015DM-1 Ltr PB to CC re LOC correspondence discloses DV_dte061015:**

Letter of Concern – Coventry correspondence to a member had "domestic violence" after their address on the envelope; Coventry had also added it on the front of the handbook, "welcome letters" and other correspondence.

**4 – CC2015DM-1 Ltr PB to CC re LOC DV Discl Acceptance_dte062215:**

Accepted LOC – DMS accepts letter of concern response from Coventry; Coventry's response was not included in the MAC binder to protect the PHI contained therein.

**5 – HU2015PA-1 Ltr HU to PB re response to appeal reso CAP_dte052915:**

Humana Response Corrective Action Plan – An increase in membership was the root cause of Humana failing to maintain 100% appeal resolution for second & third quarters of SFY15.

**6 – HU2015PA-1 Ltr HU to PB re CAP appeal reso Accept _dte061015:**

Accepted CAP – DMS conditionally accepts the corrective action plan submitted by Humana; which responds to their failure to maintain 100% resolved appeals within 30-days according to report #28.

**7 – HU2015TSE-1 Ltr PB to HU re CAP invld test file format_dte060115:**

Corrective Action Plan – Humana failed to submit electronic test data files in the format specified in their contract.

**8 – HU2015TSE-1 Ltr HU to PB re CAP response invld file format_dte061615:**

Humana Response Corrective Action Plan – A carriage return & line feed character set at the end of some of the records within the file was the root cause of test file failure.

# MAC Binder Section 3 – Corrective Action Plans

## Table of Contents with Document Summary

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

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**9 – HU2015TSE-1 Ltr PB to HU re CAP file format Accept_dte061615:**

Accepted CAP – DMS accepts the corrective action plan submitted by Humana in response to test files format errors during May 2015.

**10 – HU2015PC-1 Ltr PB to HU re CAP Prov Crend Ver_dte062215:**

Corrective Action Plan – Humana failed to meet requirements under KRS 205.560(12) related to provider credentialing.

**11 – HU2015TICD-1 Ltr PB to HU re CAP ICD10 test file format_dte063015:**

Corrective Action Plan – Humana submitted a test file for ICD-10 with incorrect file name.

**12 – PP2015SCT-1 Ltr PP to PB re CAP Authority Delegations Response_dte061015:**

Passport Health Plan Response Corrective Action – Passport determined a human error in the creation of the test file was the root cause of the test file failure.

**13 – PP2015SCT-1 Ltr PB to PP re CAP Auth Delag Accept_dte061615:**

Accepted CAP – DMS accepts the corrective action plan submitted by Passport in response to functions and responsibilities they delegate to any subcontractor.

**14 – WC2015NA-1 Ltr PB to WC re CAP prov network_dte061615:**

Corrective Action Plan – WellCare failed to maintain an adequate provider network.

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

**Steven L. Beshear**
Governor

**Patricia Biggs**
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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 16, 2015

Cecilia Manlove
Anthem Health Plans of Kentucky
13550 Triton Park Blvd,
Louisville, KY 40223

Re: ANT2015DB-1A

Dear Ms. Manlove,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that Anthem Health Plans of Kentucky d/b/a Anthem Blue Cross and Blue Shield ("Anthem") is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Anthem. Pursuant to Section 39.4 of the Contract, Anthem 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 |
|---|---|---|
| ANT2015DB-1A | Appendix O Business Associates Agreement | Failure to follows procedures regarding breach of unsecured PHI. |

On February 12, 2015 the Department sent an acknowledgement letter regarding the Data Breach (notification date 2/5/15 from Amy Hayden, Manager, Regulatory Services).

In this acknowledgement letter the Department requested that Anthem to: ***Please keep us informed (through your Liaison, Cynthia Lee) of the Next Steps implementation progress referenced in your letter and the scope of the breach regarding our members (as it becomes available).*** The last notification the Department received was on February 13, 2015.

Appendix O Business Associates Agreement of the business agreement states:
The Business Associate agrees to immediately notify the covered entity of any breach of unsecured PHI. **Notice of such breach shall include the identification of each individual whose unsecured PHI has been, or reasonably believed by the business associate to have been, accessed, acquired or disclosed during the breach.** Notice shall also include the description of the PHI

involved in the breach, description of the factual grounds leading to the breach, **and any remedial action taken to address the breach.** Business Associate further agrees to make available in a reasonable time and manner any other information needed by covered entity to respond to the individual's inquiries regarding said breach and to report the breach to the Secretary of the Department of Health and Human Services. Business Associate shall be responsible to notify in writing the individuals affected by the breach as required under HIPAA regulations, but shall have the notice approved before mailing by the covered entity.

The Department has not received the information regarding the scope of the breach (including the identification of each individual whose unsecured PHI has been, or reasonably believed by the business associate to have been, accessed, acquired or disclosed during the breach) and Next Steps implementation progress (remedial action taken to address the breach).

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 Anthem's Corrective Action Plan and will be available for your questions throughout the process.

Sincerely,

Patricia Biggs, RN

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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

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**Audrey Tayse Haynes**
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**Lisa D. Lee**
Commissioner

June 16, 2015

Cecilia Manlove
Anthem Health Plans of Kentucky
13550 Triton Park Blvd,
Louisville, KY 40223

Re: ANT2015DB-2

Dear Ms. Manlove,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that Anthem Health Plans of Kentucky d/b/a Anthem Blue Cross and Blue Shield ("Anthem") is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Anthem. Pursuant to Section 39.4 of the Contract, Anthem 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 |
|---|---|---|
| ANT2015DB-2 | Appendix O Business Associates Agreement | Failure to follows procedures regarding breach of unsecured PHI. |

On May 24th Anthem notified the Department that sixteen (16) Anthem Medicaid members in Kentucky were affected by the cyber-attack through the Blue Card system.

According to the information Anthem disclosed: "Anthem, Inc. (Anthem) was informed March 17, 2015, that Premera Blue Cross (Premera) was the target of a cyber-attack. Premera and Anthem are separate companies, but both are members of the Blue Cross and Blue Shield Association, which includes 37 independent, locally operated companies across the U.S. This affiliation enables Blue Cross and Blue Shield customers to get the high-quality, access to care anywhere in the country. Premera and its affiliates offer plans in Alaska and Washington. This incident affected Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, and its affiliate brands Vivacity and Connexion Insurance Solutions, Inc."

Appendix O Business Associates Agreement of the business agreement states:
The Business Associate agrees to **immediately** notify the covered entity of any breach of unsecured PHI. **Notice of such breach shall include the identification of each individual whose unsecured PHI has been, or reasonably believed by the business associate to have been, accessed,**

**acquired or disclosed during the breach.** Notice shall also include the description of the PHI involved in the breach, description of the factual grounds leading to the breach, **and any remedial action taken to address the breach.** Business Associate further agrees to make available in a reasonable time and manner any other information needed by covered entity to respond to the individual's inquiries regarding said breach and to report the breach to the Secretary of the Department of Health and Human Services. Business Associate shall be responsible to notify in writing the individuals affected by the breach as required under HIPAA regulations, but shall have the notice approved before mailing by the covered entity.

Our notification on **May 24, 2015** appears to be delayed. Please include in your response when the names became available to Anthem. Also, we have not received the identification of the individuals affected and updates or any remedial action Anthem has taken. Additionally, please include in your response the steps Anthem is taking on preventing future attacks (this is the second confirmed breach this fiscal year of our members) along with an implementation schedule with your response.

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 Anthem's Corrective Action Plan and will be available for your questions throughout the process.

Sincerely,

Patricia Biggs, RN

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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

CABINET FOR HEALTH AND FAMILY SERVICES
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Audrey Tayse Haynes
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Lisa D. Lee
Commissioner

June 10, 2015

Sabrina Moore
Michael Murphy
9900 Corporate Campus, Ste. 1000
Louisville, KY 40223

RE: CC2015DM-1

Dear Ms. Moore and Mr. Murphy:

We are writing this Letter of Concern regarding recent correspondence to a Medicaid member from your MCO.

The specific information will be sent via email through your liaison, Debbie Salleng, secure and is as follows:

Through the Department of Insurance (DOI), we received a fax dated 5/27/15 that with correspondence from Coventry to a member that had "Domestic Violence" after their address on the envelope (copy included with the fax). The member requested Coventry remove the words "Domestic Violence" from the address record. The member stated that she then realized that Coventry had also added it on the front of the handbook, "Welcome Letters" and other correspondence. To compound the situation the member mentioned she had been a recent victim of domestic violence (Page 2 of fax) in the correspondence to DOI.

In accordance with Contract Section 39.4(A), we are asking that Coventry notify us within two business days of receipt of this letter with a plan; that includes an explanation of how this occurrence happened (and if it is isolated), how Coventry will ensure that it will not happen to the specific member again (if it is isolated) and preventive measures to ensure that this does not happen to any member in the future.

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 Coventry's response 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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

**CABINET FOR HEALTH AND FAMILY SERVICES**
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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 22, 2015

Sabrina Moore
Michael Murphy
9900 Corporate Campus, Ste. 1000
Louisville, KY 40223

RE: CC2015DM-1

Dear Ms. Moore and Mr. Murphy:

The Division of Program Quality & Outcomes is in receipt of the response developed for CC2015DM-1 (regarding correspondence to a Medicaid member with Domestic Violence in the address field) dated June 16, 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,

Patricia Biggs, RN

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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

# Corrective Action Plan

**Date:** May 29, 2015

**Topic:** Provider Appeals Resolved in 30 days

**Unique Identifier:** HU2015PA-1

**Compliance Regulation/Requirement:**

907 KAR 17:010 Section 4 states an MCO shall resolve an appeal within thirty (30) calendar days from the date the initial oral or written appeal is received by the MCO. CFR 438.408 (2) titled *Standard resolution of appeals states:* For standard resolution of an appeal and notice to the affected parties, the State must establish a timeframe that is no longer than 45 days from the day the MCO or PIHP receives the appeal. This timeframe may be extended under paragraph (c) of this section. (c) *Extension of timeframes*—(1) The MCO or PIHP may extend the timeframes from paragraph (b) of this section by up to 14 calendar days if— The enrollee requests the extension; or The MCO or PIHP shows (to the satisfaction of the State agency, upon its request) that there is need for additional information and how the delay is in the enrollee's interest.

**Background:**

For the second and third quarters of SFY15, Humana - CareSource has not maintained 100% resolved appeals within thirty days according to Report 28. The second quarter was 35.58% and third quarter was 60.95%.

**Root Cause Analysis:**

The root cause resulting in less than 100% of provider appeals to be resolved in thirty days was due to an increase in membership from 26,000 members at the beginning of 2014 to 94,000 members at the end of 2014. Increased membership resulted in increased appeals volumes. The staffing levels were insufficient and not able to support the volume increase. Additional staff was added to process the appeals, including the addition of two Appeals Coordinators and four Appeals Specialists.

Additionally, there were systemic limitations resulting in manual processes, including triaging of appeals, manual letter generation, manual inventory report generation, as well as duplication of work processes due to working out of two systems (OnBase Workflow System and Facets). Systemic solutions are in development and in the testing stage and will be implemented June 2015. These systemic enhancements will include:

1. Automatic letter generation; issuing an acknowledgement letter at the time an appeal number is assigned, and issuing a denial letter once an appeal decision is determined;
2. Systemically generated Daily Inventory Reports;
3. Automated Dashboard with the ability to generate warnings identifying aged appeals.

Additional staff and training of staff with increased oversight, as outlined below, have resulted in a steady decrease of the number of appeals aged past 30 days:

1. February 63.4% Appeals completed within 30 Days;
2. March 93.3% Appeals completed within 30 Days;
3. April 98.9% Appeals completed within 30 Days;
4. May To date, 99% of Appeals are completed within 30 days.

**Summary of actions taken/to be undertaken and completion dates:**

| Deficiency | Corrective Action | Due Date |
|---|---|---|
| Recommendation #1:<br>We recommend Humana CareSource review their corrective action plan to determine what changes need to be made to increase efficiency of appeals resolved in 30 days, whether it's additional staff, process changes, or program updates.<br>We recommend Humana CareSource continue to work to streamline their appeals process, as the increase in resolved appeals has not reached the 100% threshold.<br>We recommend that Humana CareSource continue to monitor their progress concerning the Provider Appeal Activity 30 day resolution over the next quarter and report the progress to their liaison during their monthly operations meetings.<br><br>Recommendation #2:<br>We recommend Humana CareSource follow Through and secure a contract with an electronic tracking system provider to add a reporting module. We recommend this module be able to provide daily | 1. Additional staff added to work Kentucky Appeals at the end of February 2015:<br>a. 2 additional Appeals Coordinators to manage the appeals submissions backlog<br>b. 4 Appeals Specialist.<br>2. Increased management oversight by having Team Meeting 3 times a week with entire team.<br>Resulting in:<br>a. 93.3% of the appeals completed within 30 days<br>b. Staff skillset continued to increase<br>c. Continued trend of reducing the number of appeals greater than 30 days.<br>d. May 2015 had 99% of appeals processed within 30 days.<br>3. Daily meetings with Appeals Coordinator team<br>a. providing oversight<br>b. reviewing inventory and appeals issues<br>c. focused issue resolution<br>Resulting in:<br>a. staff education on inventory volume, aging, and workflow processes.<br>b. reviewing work assignments<br>c. confirming appeals are worked by aging assurance that appeals resubmitted for a second consideration are not being reviewed by the employee who made the first determination | Implemented. |
| | OnBase System Enhancements Phase I<br>a. Development has been completed<br>• Letters Module: will allow letters to be generated out of the OnBase System at time of determination and decrease manual generation of letters.<br>• Dashboard: will produce real time data | Ongoing. |

| | | |
|---|---|---|
| reports and status updates, at a minimum, to assist Humana CareSource staff with the monitoring of appeal submissions. | showing Appeal Inventory, Aging and Average turnaround time, a produce real time data showing Appeal Inventory, Aging and Average turnaround time.<br>• Reports: will eliminate the manual production of Inventory Reports, provide visibility into the time it takes to complete the appeal process, provide productivity reports, aide in identifying workforce needs aligned with growth.<br>b. Testing currently in progress<br>c. Implementation scheduled for June 1, 2015 | |
| | Appeals Specialists were trained on the appeal process and were working independently in March. | Implemented. |
| Recommendation #3:<br>We recommend Humana CareSource immediately develop a process to ensure when an appeal, or grievance, is submitted for a second review they must assign a different employee to work the resubmission or Humana CareSource will be out of contract compliance. Ensuring an impartial reviewer is assigned to work the resubmission should alleviate any preconceived conclusions made during the initial review and give the submission a fair and honest review. | Provider Appeals Staff will review the Appeal submission and verify if another appeal was submitted for reconsideration for the same claim. If the Appeal is a second request for reconsideration, the Staff will verify who made the original determination, assuring that the second reconsideration is not reviewed by the employee who made the first determination. | Implemented. |

**Certification:**

**The undersigned have read this Corrective Action Plan and agree to its terms and requirements.**

**Business Owner Signature:**

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

**Steven L. Beshear**
Governor

**Patricia Biggs**
Director

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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 10, 2015

Chad Pendleton
Humana CareSource Health Plan
101 South 5th Street
Louisville, KY 40202

Re: HU2015PA-1

Dear Mr. Pendleton,

The Division of Program Quality & Outcomes is in receipt of the response developed for HU2015PA-1 (Appendix K, Report #28 Appeal Activity, 907 KAR 17:010 Section 4, CFR § 438.408, specifically for the second and third quarters of SFY15, Humana has not maintained 100% resolved appeals) dated May 29, 2015.

Please be advised that the response is accepted with the following conditions:

- Progression toward Report #28 compliance within a reasonable timeframe.
- Once in compliance, Humana will be monitored to ensure two consecutive quarters of compliance.

Failure of Humana to meet the criterion of acceptance noted above may result in further action.

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,

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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

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

**Steven L. Beshear**
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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 1, 2015

Chad Pendleton
Humana CareSource Health Plan
101 South 5th Street
Louisville, KY 40202

RE: HU2015TSE-1

Dear Mr. Pendleton,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that Humana CareSource Health Plan is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Humana CareSource Health Plan. Pursuant to Section 39.4 of the Contract, Humana CareSource 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 |
|---|---|---|
| HU2015TSE-1 | 17.1 Encounter Data Submission | Failure to submit electronic test data files as required by the Department in the format referenced in this Contract and as specified by the Department. |

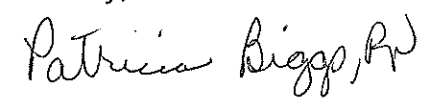
Humana emailed two test files on May 20, 2015, one file (name: TEST_KYWNCPDP_ 9900005018 _D_20150518_ 142439) failed due to an invalid separator.

As Humana is aware 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 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 Humana'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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

Humana

CareSource

# Corrective Action Plan

**Date:** June 16, 2015

**Topic:** Encounter Data Submission Test File Failure

**Unique Identifier:** HU2015TSE-1

**Summary of Incident:** Humana emailed two test files on May, 20 2015. One File (name: TEST_KYWNCPDP_9900005018_D_20150518_ 142439) failed due to an invalid separator.

**Compliance Regulation/Requirement:** Section 17.1 Encounter Data Submission of the Contract state: 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.

**Root Cause Analysis:** The encounter data submission test file that failed was submitted on May 20, 2015 and determined to contain a Carriage Return & Line Feed character set at the end of some of the records within the file. The subsequent test file did not have the Carriage Return character at the end of any record and successfully processed through the test system.

**Summary of actions taken/to be undertaken and completion dates:**

| Deficiency | Corrective Action | Due Date |
|---|---|---|
| The Carriage Return character set was present at end of some records on the test file. | Prior to submitting test files for the NCPDP Denial data through the test system, manually inspect the file for the carriage return character set by viewing the output file in a HEX format and searching for the “0D” HEX code prior to the Line Feed character set (HEX code “0A”). | 6/10/2015 |
| The Carriage Return character set was present at end of some records on the test file. | Create an automated check for the Carriage Return character set in the output. | 12/31/2015 |

**Certification:**

**The undersigned have read this Corrective Action Plan and agree to its terms and requirements.**

**Business Owner Signature:** **Date: 6/11/15**

CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

**Steven L. Beshear**
Governor

**Patricia Biggs**
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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 16, 2015

Chad Pendleton
Humana CareSource Health Plan
101 South 5th Street
Louisville, KY 40202

RE: HU2015TSE-1

Dear Mr. Pendleton,

The Division of Program Quality & Outcomes is in receipt of the response developed for CC2015SE-1 (regarding Section 17.1 Encounter Data submission- Failure to submit electronic test data files as required by the Department in the format referenced in this Contract and as specified by the Department) signed June 11, 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,
Patricia Biggs, RN
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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

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

**Steven L. Beshear**
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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 22, 2015

Chad Pendleton
Humana CareSource Health Plan
101 South 5th Street
Louisville, KY 40202

RE: HU2015PC-1

Dear Mr. Pendleton,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that Humana CareSource Health Plan ("Humana") is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Humana. Pursuant to Section 39.4 of the Contract, Humana 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 |
|---|---|---|
| HU2015PC-1 | 27.2 Provider Credentialing and Recredentialing | Failure of Humana to meet requirements under KRS 205.560(12) related to credentialing. Verification of Provider's credentials shall include the following: L. Documentation of sanctions or penalties imposed by Medicare or Medicaid. |

On June 17th the Department became aware of a provider (BHSO) that was submitted by your MCO had a board member that was excluded from Medicaid and Medicare participation. The specifics will be sent secure from your liaison.

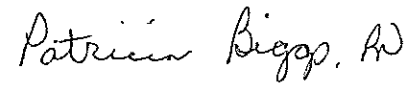
As your MCO is aware Section 27.2 Provider Credentialing and Recredentialing states: The contractor shall meet requirements under KRS 205.560(12) related to credentialing. Verification of Provider's credentials shall include the following: L. Documentation of sanctions or penalties imposed by Medicare or Medicaid.

In your response please include your process to ensure owners, officers, managing employees and board members are checked against sanctions lists.

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 Humana'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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

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

**Steven L. Beshear**
Governor

**Patricia Biggs**
Director

Division of Program Quality & Outcomes
275 E Main St, 6 C-C
Frankfort, KY 40621
Phone: (502) 564-9444
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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 30, 2015

Chad Pendleton
Humana CareSource Health Plan
101 South 5th Street
Louisville, KY 40202

RE: HU2015TICD-1

Dear Mr. Pendleton,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that Humana CareSource Health Plan is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Humana CareSource Health Plan. Pursuant to Section 39.4 of the Contract, Humana CareSource 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 |
|---|---|---|
| HU2015TICD-1 | 16.0 Management Information System | Failure of the contractor of ICD-10-CM diagnosis code changes and required testing. 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. |

On June 22, 2015, Humana CareSource Health Plan sent a test file (with 9,235 denied claims records) for ICD-10 with the incorrect file name. Humana has been advised the proper way to submit testing of ICD-10.

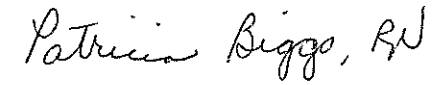
As your MCO is aware, Section 16. Management Information System: The Contractor shall be responsible for meeting all system requirements as required by the Department. The Contractor shall be responsible for meeting all 5010 transaction changes, ICD-10-CM diagnosis code changes and required testing.

Additionally, in 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 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 Humana'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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

PASSPORT HEALTH PLAN

5100 COMMERCE CROSSINGS DRIVE
LOUISVILLE, KY 40229
502-585-7900 / 800-578-0603
WWW.PASSPORTHEALTHPLAN.COM

June 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: PP2015SCT-1 – Delegations of Authority**

Dear Ms. Biggs:

This is Passport Health Plan's (Passport) response to the Department for Medicaid Services' (Department) letter dated May 27, 2015. The Department notified Passport it was not in substantial compliance with certain provisions of our Managed Care Contract with the Commonwealth of Kentucky. Specifically, a deficiency in section 4.3, Delegations of Authority, and Section 17.1, Encounter Data Submission of the Contract, were cited for Passport's failure to oversee and remain accountable for actions of a subcontractor who submitted an encounter test file on May 20, 2015 with a "P" instead of a "T" indicator and in general to submit electronic test files as required by the Department in the format reference in the contract between the Department and Passport and as specified by the Department.

Passport has reviewed this situation and determined that the root cause was due to be human error in the creation of the test file (subject line: 24863 PHP Beacon Test File). Certain processes that generally would be automated for the creation of production files are manually overridden in the creation of a test file. Unfortunately, in this situation, our behavioral health subcontractor did not manually override the P indicator with a T indicator. To reduce the likelihood of this error occurring in the future, we requested that our behavioral health subcontractor add an additional quality assurance check to the process to validate the file for proper format, including the file naming convention and the "T" indicator for all test files. This additional validation will be performed by a member of the behavioral health subcontractor's encounter production team that is responsible for the creation of encounter files. Our understanding is that this additional process was put in place effective June 4, 2015.

Passport acknowledges its responsibility to submit electronic test files in the format referenced in Section 17.1, Encounter Data Submission, of our contract with the Commonwealth. In addition to the specific actions we have requested our Behavioral Health subcontractor to take, Passport will reeducate all subcontractors regarding test files and request a similar quality assurance review of such files....

Passport respectfully requests that this deficiency be deemed corrected and seeks to close PP2015SCT-1 if the Department is in agreement. Passport requests a letter of closure in this matter or further communication regarding revisions to this corrective action in the event the actions taken to date do not satisfy the Department's requirements.

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
Cindy Arflack, Assistant Director Managed Care Oversight, Department of Medicaid Services
David McAnally, Internal Policy Analyst, III, Managed Care Oversight
Debbie Salleng, Policy Analyst, Managed Care Oversight
Mark Carter, CEO, Passport Health Plan

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**Audrey Tayse Haynes**
Secretary

**Lisa D. Lee**
Commissioner

June 16, 2015

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

RE: PP2015SCT-1

Dear Mr. Carter,

The Division of Program Quality & Outcomes is in receipt of the response developed for PP2015SCT-1 (regarding 4.3 Delegations of Authority specifically Failure of the Contractor to oversee and remain accountable for any functions and responsibilities that it delegates to any Subcontractor) dated June 10, 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,

Patricia Biggs, RN

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
Cindy Arflack, Assistant Director, Program Quality and Outcomes

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Audrey Tayse Haynes
Secretary

Lisa D. Lee
Commissioner

June 16, 2015

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

Re: WC2015NA-1

Dear Ms. Munson:

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that WellCare of Kentucky 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 28.9 of the Contract, WellCare shall submit to the Department a Corrective Action Plan within fifteen (15) 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 |
|---|---|---|
| WC2015NA-1 | 28.9 Expansion and/or Changes in the Network | Failure to maintain an adequate provider network. |

Section 28.7 outlines the manner in which WellCare is to assure that covered service are accessible to Members. Section 28.9 goes on to state that the standards identified in Section 28.7 must apply to 95% of Members. According to the May Network Adequacy Report, WellCare failed to meet this standard in the following areas:

67.79% of Members are within 60 miles of a Pharmacy;
81.44% of Members are within 60 miles of a Dentist; and,
87.69% of Members are within 60 miles of Vision Services.

Section 28.9 of the contract also states the corrective action plan shall describe the deficiency in detail, including the geographic location where the problem exists, and identify specific action steps to be taken by the Contractor and time-frames to correct the deficiency.

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 WellCare'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
Cindy Arflack, Assistant Director, Program Quality and Outcomes