

## 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 ANT to PB re Anthem Response PHI breach CAP\_dte063015:**

Corrective Action Plan Response – Anthem implemented a complex, three level authentication processes for all privileged administrator accounts for access to their databases.

**2 – ANT2015DB-1A Ltr PB to CC re Accept CAP PHI breach\_dte072715:**

Corrective Action Plan Accepted – DMS contingently accepts CAP submitted by Anthem.

**3 – ANT2015DB-2 Ltr ANT to PB re Response Premera BC breach\_dte063015:**

Corrective Action Plan Response – Anthem outlined multiple steps to prevent future occurrences and commits to notify DMS within 1-2 business days should any such event occur in the future where another Blues organization becomes the victim of a cyber-attack.

**4 – ANT2015DB-2 Ltr PB to ANT re Accept CAP Premera BC breach\_dte072715:**

Corrective Action Plan Accepted – DMS contingently accepts CAP submitted by Anthem.

**5 – CC2015AR-1 Ltr PB to CC re CAP Request Monitor Requirements\_dte071415:**

Corrective Action Plan Requested – Coventry not in substantial compliance with monitoring requirements; Coventry failed to provide information requested by DMS staff for monitoring purposes.

**6 – CC2015AR-1 Ltr CC to PB re Coventry CAP Response \_dte072915:**

Corrective Action Plan Response – Coventry provided an explanation how the data provided initially met the requested information; which is why additional data was not submitted.

**7 – CC2015AR-1 Ltr PB to CC re CAP Response Not Accepted\_dte081015:**

Corrective Action Plan Not Accepted – DMS unable to locate a detailed plan to ensure future compliance and an implementation date (time and manner) as requested in letter dated July 14<sup>th</sup>.

**8 – CC2015AR-1 Ltr CC to PB re Coventry Updated CAP Response\_dte082715:**

Corrective Action Plan Updated Response – Coventry implemented a new desktop procedure outlining each department's responsibility in responding to the state's request of ad hoc reporting to include specific language specified herein.

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**9 – CC2015SE-2 Ltr PB to CC re CAP encounter submission\_dte071415:**

Corrective Action Plan Requested – Coventry’s pharmacy subcontractor failed to submit accurate encounter data.

**10 – CC2015SE-2 Ltr CC to PB re Coventry CAP Response\_dte072915:**

Corrective Action Plan Response – Coventry’s subcontractor made a system modification to remove member records whose Medicaid ID was less than 10 digits. Correct encounter files were resubmitted to DMS and accepted.

**11 – CC2015SE-2 Ltr PB to CC re CAP Response Accepted\_dte081015:**

Corrective Action Plan Accepted – DMS accepts Coventry’s CAP.

**12 – HCS2014IPRO Ltr PB to HCS re CAP EQR Performance\_dte081015:**

Corrective Action Plan Requested – The SFY 2014 Medicaid Compliance Review conducted by IPRO on behalf of the Department found Humana CareSource minimally compliant in several contract areas.

**13 – HU2015ICD-1 Ltr HCS to PB re Humana CAP Response\_dte070215:**

Corrective Action Plan Response – Humana CareSource will ensure the subject line of manually submitted emails accurately reflect the content of the emails and test files so no further confusion exists. Requests DMS to reconsider CAP issuance on the basis of human error.

**14 – HU2015ICD-1 Ltr PB to HCS re CAP ICD Accept\_dte071415:**

Corrective Action Plan Accepted – DMS accepts the response and agreed to change this action to a letter of concern rather than a corrective action plan.

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#### **15 –HU2015PC-1 re Humana Credentialing CAP response\_dte071015:**

Corrective Action Plan Response – Humana will ensure its credentialing and recredentialing process screens any person disclosed as an owner, office, managing employee or board member of a provider against sanctions lists through on-going training and professional development.

#### **16 –HU2015PC-1 re Credentialing CAP Accepted\_dte071715:**

Corrective Action Plan Accepted – DMS accepts Humana’s CAP response.

#### **17 –HU2015PL-1 re CAP Requested Prov Ntwk File\_dte072315:**

Corrective Action Plan Requested – Humana failed to leave provider license blank if physician is licensed in a state other than Kentucky which is non-compliant with provider network file layout.

#### **18 –HU2015PL-1 re Humana Prov Ntwk File CAP Response\_dte080715:**

Corrective Action Plan Response – Senior staff will review the file load and assist any new employees to ensure compliance with appendix L of the MCO contract.

#### **19 –HU2015PL-1 re Prov Ntwk File CAP Accepted\_dte081715:**

Corrective Action Plan Accepted – DMS accepts Humana’s CAP response.

#### **20 –PP2015ESE-2 re Delegations Enctr Data CAP Requested\_dte072715:**

Corrective Action Plan Requested – Passport failed to oversee and remain accountable for functions and responsibilities delegated to subcontractor; and failed to submit accurate encounter data.

#### **21 –PP2015ESE-2 re Passport CAP Response\_dte081015:**

Corrective Action Plan Response – Subcontractor making system enhancements. Failed encounter file corrected and resubmitted.

#### **22 –WC2015NA-1 re WellCare Prov Ntwk CAP Response\_dte071015:**

Corrective Action Plan Response – WellCare to review Third Party Vendor (TPV) network files prior to file submission to the Department.

#### **23 –WC2015NA-1 re Prov Ntwk CAP Accepted\_dte072315:**

Corrective Action Plan Accepted – DMS accepts WellCare’s CAP response.



June 30, 2015

Patricia Biggs  
Director, Division of Program Quality and Outcomes  
Department for Medicaid Services  
275 E Main St. 6C-C  
Frankfort, KY 40621

RE: Identifying # ANT2015DB-1A

Dear Ms. Biggs,

Anthem Blue Cross and Blue Shield Medicaid (Anthem) is responding to the notification of Corrective Action received from the Department for Medicaid Services (DMS) on June 17, 2015. The letter was in regards to Anthem's cyber-attack and noted that Anthem was not in compliance with Appendix O of our contract with DMS by not following required procedures regarding the breach of unsecured PHI.

Since learning of the incident, Anthem has taken the following steps in order to prevent future occurrences of this nature. We have implemented a complex, three level authentication process for all privileged administrator accounts for access to our databases. The security and system event logging capabilities have been enhanced and expanded, more than doubling the amount of information captured and stored. Security has been further enhanced for end user convenience system access to items such as calendars, contact lists and email. This access now requires two-factor authentication that includes mandatory use of a token. We have added additional sensors and monitoring agents and have increased security spending to expand staffing resources. Anthem associates no longer have access to their personal email accounts using corporate desktops and laptops in Anthem offices or when connected remotely to our network. This incident was not related to the use of personal email accounts; however, we felt this was one more step we could take that would increase our security by eliminating the risk of use of web-based email systems that are subject to viewing by outside entities. We also continue to explore all possible avenues of continued heightened security measures and will do so well into the future.

We will follow up with additional updates regarding this event, as well as the detailed listing of affected members and the corresponding PHI details. There is an on-going investigation into this incident by Anthem in conjunction with the Federal Bureau of Investigation (FBI). At this time, there is no estimated timeframe for completion; however, Anthem will continue to cooperate with federal law enforcement officials throughout the process. We will also provide DMS with updates during this time until completion.

We are available to discuss any questions or concerns and thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Amy Hayden".

Amy Hayden  
Manager, Regulatory Services  
Anthem Blue Cross and Blue Shield Medicaid



**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  
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Fax: (502) 564-0223  
[www.chfs.ky.gov](http://www.chfs.ky.gov)

**Audrey Tayse Haynes**  
Secretary

**Lisa D. Lee**  
Commissioner

July 27, 2015

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

Re: ANT2015DB1-A

Dear Ms. Manlove,

The Division of Program Quality & Outcomes is in receipt of the response developed for ANT2015DB1-A (Appendix O Business Associates Agreement- Failure to follow procedures regarding breach of unsecured PHI) dated June 30, 2015.

Please be advised that the response is accepted contingent upon:

- Anthem cooperating with any requests for documentation needed by our HIPAA Compliance Officer, Barbara Epperson (PN#502-564-4321 Ext, 2227), [Barbara.Epperson@ky.gov](mailto:Barbara.Epperson@ky.gov); and,
- Anthem sending updates, as they become available, to your liaison, David McAnally, Branch Manager and Barbara Epperson.

If we 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  
David McAnally, Branch Manager, Managed Care Oversight, Department for Medicaid Services





June 30, 2015

Patricia Biggs  
Director, Division of Program Quality and Outcomes  
Department for Medicaid Services  
275 E Main St. 6C-C  
Frankfort, KY 40621

RE: Identifying # ANT2015DB-2

Dear Ms. Biggs,

Anthem Blue Cross and Blue Shield Medicaid (Anthem) is responding to the notification of Corrective Action received from the Department for Medicaid Services (DMS) on June 17, 2015. The letter was in regards to the cyber-attack of which Premera Blue Cross was victim and noted that Anthem was not in compliance with Appendix O of our contract with DMS by not following required procedures regarding the breach of unsecured PHI.

Anthem learned of the Premera cyber-attack on March 17, 2015. This attack was completely separate, and unrelated, from Anthem's own cyber-attack. While we were informed about the attack on this date, we were not yet aware of the affected membership. It took additional time for Premera and Anthem to perform the needed research to narrow down what Anthem Kentucky Medicaid members, if any, had been affected as well as any other Anthem, Inc. members in other markets. Anthem was provided with the names of our affected members on March 19, 2015. While Premera is not an Anthem company and has no relationship with our organization, our members were affected because both Premera and Anthem are Blues plans. Our affected members had received services while out of state and the servicing providers followed the procedure of submitting their claims through the Blues card program. The individuals committing the cyber-attack therefore had access to their information.

Premera has committed to the following steps in order to prevent future occurrences of this nature.

- Removed compromised systems from the Premera network and rebuilt those systems
- Blocked known malicious sites to the web proxy
- Blocked attacker controlled IP addresses
- Implemented a DNS black hole solution (internal DNS servers identify known malicious domain names to the IP addresses of an internal monitoring server)
- Validated that all network remote access mechanisms require strong two-factor authentication
- Reset all Windows domain and local credentials
- Removed local administrator privileges for Windows domain accounts that do not require them
- Strengthened Windows password policy to protect against password cracking and brute force attacks
- Enhanced Windows event logging
- Reduced the exposure of Windows credentials in memory
- Enhanced network device logging capabilities

- Installed enhanced monitoring tools to provide reports of any new attacks on the Premera network
- Enhanced and expanded security and system event logging capability
- Stopped the ability for employees to access personal email accounts, as well as many websites, from Premera's network
- Increased the sensitivity of the existing ProofPoint application so that suspicious embedded links and attachments are blocked from delivery to employees
- Enhanced employee education on the risks of the phishing tactics used by cyberattackers

In order to maintain compliance with our contract requirements, should any such events occur in the future where another Blues organization becomes the victim of a cyber-attack, Anthem will notify DMS within 1-2 business days of receiving notification. This notice will confirm the incident and inform DMS that it is a preliminary notification that will be followed with confirmation of whether any PHI of any Anthem Kentucky Medicaid members was accessed. The confirming notification will contain the specific details of the affected members, including a description of the PHI involved. We believe it is in the best interest of all parties to provide notification for all such incidents, even if the result is that no Anthem members were affected, as was the case with CareFirst BlueShield.

We will follow up with additional updates regarding this event, as well as the detailed listing of affected members and the corresponding PHI details.

We are available to discuss any questions or concerns and thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Amy Hayden".

Amy Hayden  
Manager, Regulatory Services  
Anthem Blue Cross and Blue Shield Medicaid



**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

July 27, 2015

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

Re: ANT2015DB-2

Dear Ms. Manlove,

The Division of Program Quality & Outcomes is in receipt of the response developed for ANT2015DB-2 (Appendix O Business Associates Agreement- Failure to follow procedures regarding breach of unsecured PHI) dated June 30, 2015.

Please be advised that the response is accepted contingent upon;

- Anthem conducting outreach for all sixteen members involved in the breach via phone in addition to the mailed notification.
- Anthem cooperating with any requests for documentation needed by our HIPAA compliance officer, Barbara Epperson (PN#502-564-4321 Ext, 2227), [Barbara.Epperson@ky.gov](mailto:Barbara.Epperson@ky.gov).
- Anthem sending updates, as they become available, to your liaison, David McAnally, Branch Manager and Barbara Epperson.

If we 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,

A handwritten signature in cursive script that reads "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  
David McAnally, Branch Manager, Managed Care Oversight, Department for Medicaid Services



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**Steven L. Beshear**  
Governor

**Audrey Tayse Haynes**  
Secretary

**Patricia Biggs**  
Director

**Lisa D. Lee**  
Commissioner

July 14, 2015

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

RE: CC2015AR-1

Dear Ms. Moore and Mr. Murphy:

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that CoventryCares of Kentucky ("CoventryCares") is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Coventry Health and Life Insurance Company. Pursuant to Section 39.4 of the Contract, CoventryCares 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
CC2015AR-1	Section 21.2 Monitoring Requirements	The Contractor shall cooperate with the Department, its agent and/or Contractor in auditing activity, which may require the Contractor to report progress and problems, provide documents, allow random inspections of its facilities, participate in scheduled meetings and monitoring, respond to requests for corrective action plans and provide reports as requested by the Department.

On Friday, 6/26/2015, the Department requested that Coventry email information in regard to Behavioral Health provider types. According to the data provided Coventry doesn't have the Behavioral Health Provider Types codes (03, 63, 81, 82, 83, and 89). The Department wanted to ensure this was not a discrepancy and wanted to clarify the initial data received for February 2015. The Department was still not able to get the correct Behavioral Health Provider Type information after corresponding with Coventry; therefore, on Thursday, July 2, 2015 a follow up email was sent to Coventry requesting additional information in regard to Behavioral Health Provider Type. As of July 13<sup>th</sup>, Coventry has not submitted a response to this request.

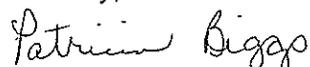


As Coventry is aware Section 21.2 Monitoring Requirements of the Contract states: The Contractor shall cooperate with the Department, its agent and/or Contractor in the annual contract monitoring, tracking and/or **auditing activity**, which may require the Contractor to report progress and problems, **provide documents**, allow random inspections of its facilities, participate in scheduled meetings and monitoring, respond to the requests for corrective action plans and **provide reports as requested** 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 Coventry'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, Manager, Managed Care Oversight, Department of Medicaid Services



07/29/15

**Via Mail**

Department for Medicaid Services  
Cabinet for Health and Family Services  
275 E. Main St. 6C-C  
Frankfort, KY 40621

Re: Request for Corrective Action Plan- CC2015AR-1

Dear Ms. Patricia Biggs:

Please accept this correspondence in response to your notification dated July 14, 2015 with regard to a request for a revised Corrective Action Plan for the following cited deficiency:

Identifying #	Contract Section	DEFICIENCY
CC2015AR-1	21.2 Monitoring Requirements	The Contractor shall cooperate with the Department, its agent and/or Contractor in auditing activity, which may require the Contractor to report progress and problems, provide documents, allow random inspections of its facilities, participate in scheduled meetings and monitoring, respond to requests for corrective action plans and provide reports as requested by the Department.

Per your communication, CoventryCares has not provided DMS with clarification on the Behavioral Health Provider Types monthly report.

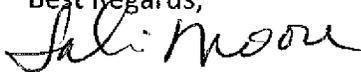
In February 2015, CoventryCares produced a report to DMS identifying all Behavioral Health Providers in the CoventryCares' network with all points of access. This report contained 1500 lines of in-network Behavioral Health Providers. Some providers may have been listed multiple times as they provided services at different access points (for example, they had multiple sites/locations throughout the state). This was an all inclusive listing containing any provider who was credentialed as a Behavioral Health Provider, performing behavioral health services.

DMS reviewed this report against the monthly Behavioral Health Provider Types report submitted in February 2015, which indicates we have 586 Behavioral Health Providers for the indicated Provider Types listed on the report. As a result of the review, DMS requested (on 7/2/15) that CoventryCares identify only Behavioral Health Providers on the report of 1500 in-network Behavioral Health Providers supplied to DMS. CoventryCares tried to explain that each of the providers listed on the report were indeed Behavioral Health providers. The discrepancy between the reports is that the state report only asks for specific provider types (which are not inclusive of all Behavioral Health Providers in-network with CoventryCares). The monthly Behavioral Health Provider Types report captures ONLY the independently licensed providers available to join the network 1/1/14 and the newly created MSG & BHSO provider types. It doesn't account for ARNPs, MDs, and CMHCs.

As DMS is aware, CoventryCares does not credential by provider type but by licensure. The report of 1500 in-network Behavioral Health Providers can be sorted by licensure to crosswalk the provider types 81, 82, 83, 84, and 89 based on how the state has listed the providers in their network. The report will not specifically show provider types 03 and 66 (MSG and BHSO).

CoventryCares of Kentucky is committed to meeting our obligations. We believe this letter answers your concerns. Should you have any follow up questions or concerns, please feel free to contact me at (502) 719-8809.

Best Regards,



Sabrina Moore  
Plan Compliance Officer



**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**  
Commissioner

August 10, 2015

Sabrina Moore  
Terence L. Byrd  
CoventryCares Health Plan  
9900 Corporate Campus, Ste. 1000  
Louisville, KY 40223

Re: CC2015AR-1

Dear Ms. Moore and Mr. Byrd:

We are in receipt of your Corrective Action Plan regarding:

Identifying #	Contract Section	DEFICIENCY
CC2015SP-2	21.2 Monitoring Requirements	The Contractor shall cooperate with the Department, its agent and/or Contractor in auditing activity, which may require the Contractor to report progress and problems, provide documents, allow random inspections of its facilities, participate in scheduled meetings and monitoring, respond to requests for corrective action plans and provide reports as requested by the Department.

After reviewing your MCO's response we were unable to locate a detailed plan to ensure future compliance and an implementation date (time and manner) as requested in our July 14<sup>th</sup> letter.

As for the specific issue addressed in the prior correspondence, DMS had made multiple email attempts to clarify the initial data received for February 2015 and made a final attempt on Thursday, July 2, 2015 to request additional information in regard to Behavioral Health Provider Type. As of July 13<sup>th</sup>, Coventry has not submitted a response to this request. There was no explanation on the oversight and how in the future Coventry will ensure cooperation with the Department, its agent and/or Contractor.



As you are aware this deficiency has been assigned a unique identifier. Please 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 revised Corrective Action Plan and will be available for your questions throughout the process.

Sincerely,

A handwritten signature in cursive script that reads "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  
David McAnally, Branch Manager, Managed Care Oversight, Department of Medicaid Services



08/27/15

**Via Mail**

Mr. David McAnally  
Department for Medicaid Services  
Cabinet for Health and Family Services  
275 E. Main St. 6C-C  
Frankfort, KY 40621

Re: Request for Corrective Action Plan- CC2015AR-1 – Updated Response

Dear Mr. McAnally:

Please accept this correspondence in response to your notification dated August 10, 2015 with regard to a request for a revised Corrective Action Plan for the following cited deficiency:

Identifying #	Contract Section	DEFICIENCY
CC2015AR-1	21.2 Monitoring Requirements	The Contractor shall cooperate with the Department, its agent and/or Contractor in auditing activity, which may require the Contractor to report progress and problems, provide documents, allow random inspections of its facilities, participate in scheduled meetings and monitoring, respond to requests for corrective action plans and provide reports as requested by the Department.

Per your communication, CoventryCares had not responded to a request for clarification for Behavioral Health Provider Types submitted on 7/2/15.

In February 2015, CoventryCares produced a report to DMS identifying all Behavioral Health Providers in the CoventryCares' network with all points of access. This report contained 1500 lines of in-network Behavioral Health Providers. Some providers may have been listed multiple times as they provided services at different access points (for example, they had multiple sites/locations throughout the state). This was an all inclusive listing containing any provider who was credentialed as a Behavioral Health Provider, performing behavioral health services.

DMS reviewed this report against the monthly Behavioral Health Provider Types report submitted in February 2015, which indicates we have 586 Behavioral Health Providers for the indicated Provider Types listed on the report. As a result of the review, DMS requested (on 7/2/15) that CoventryCares identify only Behavioral Health Providers on the report of 1500 Behavioral Health Providers we supplied to DMS. CoventryCares tried to explain that each of the providers listed on the report were indeed Behavioral Health providers. The discrepancy between the reports is that the state report only asks for specific provider types (which are not inclusive of all Behavioral Health Providers in-network with CoventryCares). The monthly Behavioral Health Provider Types report captures ONLY the independently licensed providers available to join the network 1/1/14 and the newly created MSG & BHSO provider types. It doesn't account for ARNPs, MDs, and CMHCs.

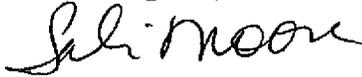
As DMS is aware, CoventryCares does not credential by provider type but by licensure. The report of 1500 in-network Behavioral Health Providers can be sorted by licensure to crosswalk the provider types 81, 82, 83, 84, and 89 based on how the state has listed the providers in their network. The report will not specifically show provider types 03 and 66 (MSG and BHSO).

CoventryCares has implemented a new desktop procedure outlining each department's responsibility in responding to the state's request of ad hoc reporting to include the following language:

DMS may require CoventryCares to prepare and submit ad hoc reports. DMS will give CoventryCares at least five (5) business days' notice prior to submission of an ad hoc report. DMS should submit all ad hoc report requests to the Compliance Officer. To ensure all requests are processed in a timely manner, a copy of the request should be submitted to the Chief Operations Officer as well. If any requests are received by any other employee of CoventryCares from DMS, the employee shall forward the request to the Compliance Officer immediately. Any additional correspondence regarding the ad hoc report request should also be submitted to the Compliance Officer. The Compliance Officer will field all questions to the responsible department lead and will provide DMS with a timely response to their inquiry. If CoventryCares is unable to respond within the specified timeframe, the Compliance Officer or his/her delegate, will immediately notify DMS in writing and shall include an explanation for the inability to meet the timeframe and a request for approval of an extension. It is the CoventryCares department lead's responsibility to ensure responses are submitted to the Compliance Officer in the timeframe outlined in the request.

CoventryCares of Kentucky is committed to meeting our obligations. We believe this letter answers your concerns. Should you have any follow up questions or concerns, please feel free to contact me at (502) 719-8809.

Best Regards,

A handwritten signature in black ink that reads "Sabrina Moore". The signature is written in a cursive, flowing style.

Sabrina Moore  
Plan Compliance Officer





**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**  
Commissioner

July 14, 2015

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

RE: CC2015SE-2

Dear Ms. Moore and Mr. Murphy:

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that CoventryCares of Kentucky ("CoventryCares") is not in substantial compliance with certain material provisions of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Coventry Health and Life Insurance Company. Pursuant to Section 39.4 of the Contract, CoventryCares 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
CC2015SE-2	17.1 Encounter Data Submission	Failure to submit accurate Encounter Data.

The following files received from Coventry's Subcontractor's for Pharmacy on Wednesday, June 17, 2015, caused the splitter to abnormally end within the HP system:

The file,  
384470752\_NCPDPGENERIC\_046243070\_KYWNCPPD\_9900004316\_D\_20150611\_190028.dat.xml  
was moved to a temporary folder and bad data had to be stripped by HP.

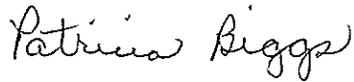
The file,  
384470649\_NCPDPGENERIC\_266472446\_KYWNCPPD\_9900004316\_D\_20150611\_190027.dat.xml  
from Coventry caused a splitter "abend" again due to the member ID 32968000000762 in the file.

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

Sincerely,

A handwritten signature in cursive script that reads "Patricia Biggs".

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



07/29/15

**Via Mail**

Department for Medicaid Services  
Cabinet for Health and Family Services  
275 E. Main St. 6C-C  
Frankfort, KY 40621

Re: Request for Corrective Action Plan- CC2015SE-2

Dear Ms. Patricia Biggs:

Please accept this correspondence in response to your notification dated July 14, 2015 with regard to a request for a revised Corrective Action Plan for the following cited deficiency:

Identifying #	Contract Section	DEFICIENCY
CC2015SE-2	17.1 Encounter Data Submission	Failure to submit accurate Encounter Data.

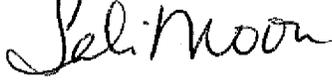
Per your communication, CoventryCares' Pharmacy subcontractor submitted an Encounter file that caused the splitter to abnormally end with the HP system.

This error was caused by records submitted with a member Medicaid ID that had an invalid length. The Pharmacy subcontractor, Express Scripts, Inc. (ESI), made a modification in their system to remove member records whose Medicaid ID was less than 10 digits. In addition, CoventryCares also requested that ESI make a change to their current logic to remove member records whose Medicaid ID was not equal to 10 digits. ESI has removed all records where the member Medicaid ID was not the correct length. Corrected files were resubmitted to DMS and were accepted via a 277U. In discussions with HP, during the IT meeting on 7/21/15, they indicated they were also putting in an edit to avoid this in the future.

As an additional measure, CoventryCares is also in the process of implementing software, in the October/November timeframe, that will validate the NCPDP files prior to submission to DMS.

CoventryCares of Kentucky is committed to meeting our obligations. We believe this letter answers your concerns. Should you have any follow up questions or concerns, please feel free to contact me at (502) 719-8809.

Best Regards,

A handwritten signature in black ink that reads "Sabrina Moore". The signature is written in a cursive, flowing style.

Sabrina Moore  
Plan Compliance Officer

9900 Corporate Campus Drive • Suite 1000 • Louisville, KY 40223

502-719-8600 • 888-470-0550 • [www.coventrycaresky.com](http://www.coventrycaresky.com)

CoventryCares of Kentucky is a Medicaid product of Coventry Health and Life Insurance Company



**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**  
Commissioner

August 10, 2015

Sabrina Moore  
Terence L. Byrd  
CoventryCares Health Plan  
9900 Corporate Campus, Ste. 1000  
Louisville, KY 40223

Re: CC2014SE-2

Dear Ms. Moore and Mr. Byrd:

The Division of Program Quality & Outcomes is in receipt of the response developed for CC2014SE-2 (17.1 Encounter Data Submission regarding the failure to submit accurate Encounter Data) dated July 29, 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,

A handwritten signature in cursive script that reads "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  
David McAnally, Branch Manager, Managed Care Oversight, Department of Medicaid Services



CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES

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Audrey Tayse Haynes  
Secretary

Lisa D. Lee  
Commissioner

August 10, 2015

Chad Pendleton  
Humana CareSource Health Plan  
101 South 5<sup>th</sup> Street  
Louisville, KY 40202

Dear Mr. Pendleton,

Please accept this correspondence as notification from the Commonwealth of Kentucky, Department for Medicaid Services ("Department") that in order to be compliant with Section 21.5 (EQR Performance) of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Humana Health Plan (Humana), Humana shall submit to the Department Corrective Action Plans for each deficiency cited below. Plans shall be submitted within 60 days following the date of this notification delineating the time and manner in which each deficiency is to be corrected. Humana's final resolution of all potential quality concerns shall be completed within six (6) months of Humana's notification.

The SFY 2014 Medicaid Compliance Review conducted by IPRO on behalf of the Department found Humana Minimally Compliant.

Identifying #	Contract Section	DEFICIENCY
HCS2014IPRO-1	21.5 EQR Performance	The Monitoring Summary page of the report summarizes those areas of the contract that were determined to be out of compliance (and has a specific format for response).

The Corrective Action Plan (utilizing the attached monitoring summary) must fully describe the methodology which accomplishes complete and ongoing corrective action and including:

1. Specific action undertaken to correct an area cited or a deficiency noted;
2. The date a corrective action was/will be initiated; and,
3. The action utilized to assure ongoing compliance.



In order to track Humana's progress in this area, I am asking that Humana give a report on the plan's progress at the Quarterly Quality Meetings and Operations Meeting. Acceptance will be contingent on IPRO's recommendation and the Department's final approval.

Please note that each issue is assigned a unique identifier. This must be included in any other correspondence concerning these issues. I look forward to receiving Humana's Quarterly Progress Reports and will be available for your questions throughout the process.

Sincerely,

A handwritten signature in cursive script that reads "Patricia Biggs, R.N.".

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

cc: Lisa 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

**B. #CMF09-114A: Monitoring Summary/Corrective Action Plan(s)**

Onsite:  X

Desk Review:

**MONITORING SUMMARY/CORRECTIVE ACTION PLAN(S)**

1. **Agency Monitored:** Humana CareSource Health Plan
2. **Contract Number(s) / Programs Monitored:**
3. **Monitoring Period:** SFY 2014
4. **Person(s) Conducting Monitoring:** Marydale Coleman and IPRO
5. **Date(s) of Onsite Monitoring:** March 18-19, 2015
6. **Location(s) of Monitoring:** Louisville, KY  
(NA if Desk Review)
7. **Date of Entrance Conference:** March 18, 2015  
(NA if Desk Review)
8. **Persons Present at Entrance Conference:** Janice Acar, Jessica Bielo and April Lathrop  
(NA if Desk Review)
9. **Date of Exit Conference:** March 19, 2015  
(NA if Desk Review)
10. **Persons Present at Exit Conference:** Janice Acar, Jessica Bielo, April Lathrop  
(NA if Desk Review)

**FINDINGS OF Minimal and NON – COMPLIANCE/CORRECTIVE ACTION PLAN(S)**

**Monitoring Tool Name: Tool #1 Measures and Improvement**

**Scoring Minimal**

**Monitoring Item 1/ Issue:** B. Providing review and comment on the Grievance and Appeals process as well as policy modifications needed based on review of aggregate Grievance and Appeals data;

*Addressed in the 2014 QI Program Description and QMAC Charter.*

*Specific discussion of and input from members about the Grievance and Appeals process was not found in the QMAC meeting minutes.*

**Recommendation for Humana**

Humana should ensure that the QMAC fulfills all its stated functions, including review and comment on the Grievance and Appeals process as well as policy modifications needed based on review of aggregate Grievance and Appeals data.

**Corrective Action Plan:**

**Date of Planned Implementation:**

**Monitoring Item 2/ Issue:** D. Reviewing Member education materials prepared by the Contractor;

**Scoring Minimal**

*Addressed in the 2014 QI Program Description and QMAC Charter.*

*Review of member education materials prepared by the Contractor, other than the Member Handbook, was not found in the QMAC meeting minutes.*

**Recommendation for Humana**

Humana should ensure that the QMAC fulfills all its stated functions, including Reviewing Member education materials prepared by the MCO.

**Corrective Action Plan:**

**Date of Planned Implementation:**

**Monitoring Tool Name: Tool # 2 Grievance System**

**No issues of non-compliance were noted**

**Monitoring Tool Name: Tool # 3 Health Risk Assessment**

**No issues of non-compliance were noted**

**Monitoring Tool Name: Tool # 4 Quality Assessment and Performance Improvement: Structure and Operations - Credentialing**

**No issues of non-compliance were noted**

**Monitoring Tool Name: Tool#5 Quality Assessment and Performance Improvement: Access**

**Scoring Minimal**

**Monitoring Item 1/ Issue:** All information shall be provided to the Member in a confidential manner. Appointments for counseling and medical services shall be available as soon as possible with in a maximum of 30 days. If it is not possible to provide complete medical services to Members less than 18 years of age on short notice, counseling and a medical appointment shall be provided right away preferably within 10 days. Adolescents in particular shall be assured that Family Planning Services are confidential and that any necessary follow-up will assure the Member's privacy.

*The requirement that all information be provided to members in a confidential manner is found in the Member Handbook and the Provider Manual. Missing from the documentation was the regulatory language pertaining to counseling and medical services.*

**Recommendation for Humana**

Humana should add the regulatory language pertaining to counseling and medical service appointments to its Family Planning Policy as well as to its Provider Manual and Member Handbook.

**Corrective Action Plan:**

**Date of Planned Implementation:**

**Monitoring Tool Name: Tool # 5a Quality Assessment and Performance Improvement: Access-Utilization Management**

**Scoring Minimal**

**Monitoring Item 1/Issue**

The Member's right to request a State hearing;

*Includes UM file review results.*

*1 of 10 of the UM Files in 2014 included the member's right to request a State hearing.*

*During the onsite interview, the plan explained that a draft of the Notice of Action letter was submitted to the State in October and recently received state approval on 2/6/15. The MCO provided a copy of an email showing denial letter update approved by DMS on 2/6/15.*

*This requirement is addressed in the Medical Management - Medical Necessity Determination Policy on page 7, Medical Management – Member- Provider Notification of Initial Determinations on page 4 and Member Denial Letter Update Draft.*

**Recommendation for Humana**

The initial adverse determination notice should include reference to the member's right to a State hearing.

**Corrective Action Plan:**

**Date of Planned Implementation:**

**Monitoring Tool Name: Tool # 6 Program Integrity**

**Scoring: Non-Compliance**

**Monitoring Item 1 /Issue**

K. Upon completion of the PIU's preliminary review, the PIU shall provide the Department and the OIG a copy of their investigative report, which shall contain the following elements:

Any other elements identified by CMS for fraud referral

*No documentation was submitted to meet this requirement.*

*This requirement is not addressed in the submitted documentation. A policy and procedure is needed to meet this requirement.*

**Corrective Action Plan:**

**Date of Planned Implementation:**

**Monitoring Tool Name: Tool # 7 Early and Periodic Screening, Diagnosis and Treatment (EPSDT)**

**No issues of non-compliance were noted**

**Monitoring Tool Name: Tool# 10 Case Management/ Care Coordination**

**No issues of non-compliance were noted**

**Monitoring Tool Name: Tool #12a Enrollee Rights and Protection: Enrollee Rights**

**Scoring: Minimal**

**Monitoring Item 1 /Issue**

**30.4 Billing Members for Covered Service**

The Contractor and its Providers and Subcontractors shall not bill a Member for Medically Necessary Covered Services with the exception of applicable co-pays or other cost sharing requirements provided under this contract. Any Provider who knowingly and willfully bills a Member for a Medicaid Covered Service shall be guilty of a felony and upon conviction shall be fined, imprisoned, or both, as defined in Section 1128B(d)(1) 42 U.S.C. 1320a-7b of the Social Security Act. This provision shall remain in effect even if the Contractor becomes insolvent.

*This is not addressed in the Provider Manual. The Member Billing Policy on page 14 in the 2013 provider manual does not contain a statement that any Provider who knowingly and willfully bills a Member for a Medicaid Covered Service shall be guilty of a felony and upon conviction shall be fined, imprisoned, or both, as defined in Section 1128B(d)(1) 42 U.S.C. 1320a-7b of the Social Security Act.*

*Humana-CareSource provided a draft revised Provider Manual dated 12-18-14. This manual addresses the federal requirement on page 11. Humana stated that the manual is currently in internal review and will be submitted to DMS for review and approval.*

*Review determination is minimal because this is a Federal Regulation and the prior year's recommendation was not addressed.*

***Recommendation for Humana***

Humana-CareSource should complete the internal approval process and then submit the manual to DMS for review and approval

**Corrective Action Plan:**

**Date of Planned Implementation:**

**Monitoring Tool Name: Tool # 12b Enrollee Rights and Protection: Member Education and Outreach**

No issues of non-compliance were noted

**Monitoring Tool Name: Tool # 13 Medical Records**

No issues of non-compliance were noted

**Monitoring Tool Name: Tool # 15 Behavior Health Services**

No issues of non-compliance were noted

**Monitoring Tool Name: Tool # 16 Pharmacy Benefits**

No issues of non-compliance were noted

---

Signature and Job Title

Date

CMF09-114A

July 2, 2015

**Re: HU2015ICD-1**

Dear Ms. Biggs,

Humana-CareSource disagrees with the HU2015TICD-1 notice of noncompliance and is seeking reconsideration. Section 16.0 and 17.1 of the Medicaid Managed Care Contract guides us to Appendix C, D, and E on how the files must be formatted. The test file for the claims file submission referenced in the notice of noncompliance was submitted in the appropriate format for this test file type as required according to the Contract including the use of "Test\_" when submitting test files as indicated during previous KDMS Humana Weekly IT calls. A screen shot of the submitted file name cited in this notice of noncompliance is listed below for your reference:

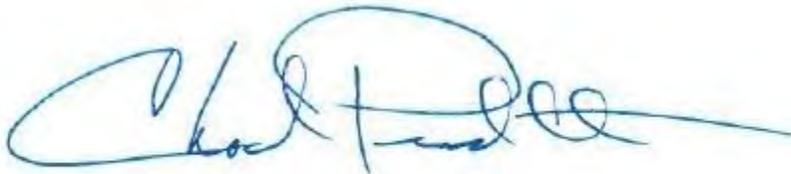
S. No	File name	Claim count
1	TEST_KYW837P_9900005018_D_20150619_020537.zip	9235

The file cited in the notice of noncompliance provided the correct file naming convention and file layout according to the contract requirements and guidance provided by KDMS in the Humana Weekly IT Calls for the type of claim file submitted. However, when manually submitting the test file through email, the staff member inadvertently added reference to ICD-10 to the subject line. This test file submitted was not related to ICD-10, and therefore does not require to ICD-10 file naming convention. In the aforementioned section of the Medicaid Managed Care Contract, there is no guidance on requirements for subject lines of emails when transmitting these test files manually. This issue was identified by Humana-CareSource and conveyed to Jan Thornton on 6/23 during the KDMS Humana Weekly IT call. Based upon these facts, Humana-CareSource respectfully requests to overturn this notice of noncompliance.

In the future, Humana-Caresource will ensure the subject line of manually submitted emails accurately reflect the content of the emails and test files so no further confusion exists.

In the future we will be submitting test files related to ICD-10 according to guidance in the Medicaid Managed Care contract. The subject line will reflect the content test file contained in the email.

Thank you for your reconsideration.



Chad Pendleton  
Executive Director, Kentucky Medicaid



**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**  
Commissioner

July 14, 2015

Chad Pendleton  
Humana CareSource Health Plan  
101 South 5<sup>th</sup> Street  
Louisville, KY 40202

RE: HU2015ICD-1

Dear Mr. Pendleton,

The Division of Program Quality & Outcomes is in receipt of the response developed for HU2015ICD-1 (regarding Section 16.0 Management Information System - Failure of the contractor of ICD-10-CM diagnosis code changes and required testing and Section 17.1 Encounter Data Submission of the Contract which 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.) signed July 2, 2015.

Please be advised that the response is accepted. In reviewing your response, we understand human error in naming the file incorrectly; therefore, we have changed this action to a Letter of Concern. Please be aware in the future, when you receive email correspondence from OATs regarding files please respond promptly (the email was from sent by OATS on 6/22/15) and was not addressed until 6/23/15 in the weekly Information Technology meeting.

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,

A handwritten signature in cursive script that reads "Patricia Biggs".

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 of Medicaid Services





## Corrective Action Plan

**Date:** July 10, 2015  
**Topic:** Provider Credentialing and Recredentialing  
**Unique Identifier:** HU2015PA-1

### Compliance Regulation/Requirement:

Section 27.2 of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Humana-CareSource states that "the Contractor shall conduct Credentialing and Recredentialing in compliance with 907 KAR 1:672 and federal law." Section 27.2(D) states "The process for verification of Provider credentials and insurance shall be in conformance with the Department's policies and procedures. The Contractor shall meet requirements under KRS 205.560(12) related to credentialing. The Contractor's enrolled providers shall complete a credentialing application in accordance with the Department's policies and procedures." Verification of Provider's credentials shall include: (L) Documentation of sanctions or penalties imposed by Medicare or Medicaid.

### Background:

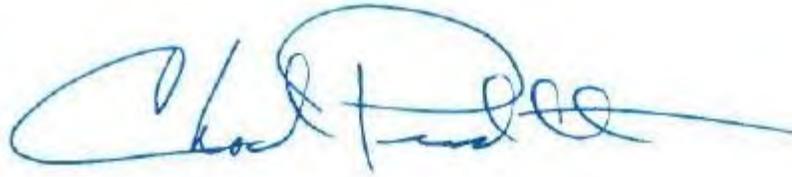
On June 17<sup>th</sup>, the Commonwealth of Kentucky, Department for Medicaid Services ("Department") became aware of a provider (BHSO) whose application for credentialing had been submitted by Humana-CareSource which included a board member of that provider who had been excluded from Medicaid and Medicare participation.

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

Deficiency	Corrective Action	Due Date
<p>Failure of Humana-CareSource to meet requirements under KRS 205.560(12) related to credentialing.</p> <p>Recommendation: Ensure credentialing and recredentialing process screens any person disclosed as an owner, officer, managing employee or board member of a provider against sanctions lists.</p>	<ol style="list-style-type: none"> <li>1. Humana-CareSource will ensure its credentialing and re-credentialing process will include screening any person disclosed as an owner, officer, managing employee or board member of any provider applying for initial enrollment or recredentialing.</li> <li>2. Humana-CareSource will continue providing training and professional development to staff regarding credentialing and recredentialing policies and procedures to ensure that processes remain in sync with KDMS policies, procedures, and expectations.               <ol style="list-style-type: none"> <li>a. On July 2, 2015, during Humana-KDMS monthly Operations meeting, a request was made to schedule training for Humana’s credentialing staff with KDMS Provider Enrollment, in order to ensure that our processes remain in sync with KDMS policies, procedures, and expectations. Currently, we are awaiting notification from KDMS of when this can be scheduled.</li> </ol> </li> </ol>	<p>Implemented</p> <p>On-going</p> <p>In process</p>

**Certification:**

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

A handwritten signature in blue ink, appearing to read "Charles" followed by a stylized surname.

**Business Owner Signature:**

**Date:** 7/10/2015



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

Division of Program Quality & Outcomes  
275 E Main St, 6 C-C  
Frankfort, KY 40621  
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**Steven L. Beshear**  
Governor

**Patricia Biggs**  
Director

**Audrey Tayse Haynes**  
Secretary

**Lisa D. Lee**  
Commissioner

July 17, 2015

Chad Pendleton  
Humana CareSource Health Plan  
101 South 5<sup>th</sup> 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 (regarding Section 2.27 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.) signed July 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,

A handwritten signature in cursive script that reads "Patricia Biggs, R.N.".

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 Outcome  
David McAnally, Branch Manager, Program Quality and Outcome





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

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**Steven L. Beshear**  
Governor

**Audrey Tayse Haynes**  
Secretary

**Patricia Biggs**  
Director

**Lisa D. Lee**  
Commissioner

July 23, 2015

Chad Pendleton  
Humana CareSource Health Plan  
101 South 5<sup>th</sup> Street  
Louisville, KY 40202

RE: HU2015PL-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 40.4 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
HU2015PL-1	APPENDIX L. MCO Provider Network File Layout (Effective 11-07-12)	Failure to leave provider license blank if physician is licensed in a state other than Kentucky.

On July 16, 2015, five (5) records submitted by Humana were rejected as follows:

Record 40936: Rejected - Error on table "AIM"."T\_PR\_NETWORK", column PR\_LICENSE. ORA-12899: value too large for column "AIM"."T\_PR\_NETWORK"."PR\_LICENSE" (actual: 14, maximum: 10)

Record 41165: Rejected - Error on table "AIM"."T\_PR\_NETWORK", column PR\_LICENSE. ORA-12899: value too large for column "AIM"."T\_PR\_NETWORK"."PR\_LICENSE" (actual: 14, maximum: 10)



Record 41166: Rejected - Error on table "AIM"."T\_PR\_NETWORK", column PR\_LICENSE.  
ORA-12899: value too large for column "AIM"."T\_PR\_NETWORK"."PR\_LICENSE" (actual: 14,  
maximum: 10)

Record 42507: Rejected - Error on table "AIM"."T\_PR\_NETWORK", column PR\_LICENSE.  
ORA-12899: value too large for column "AIM"."T\_PR\_NETWORK"."PR\_LICENSE" (actual: 14,  
maximum: 10)

Record 42851: Rejected - Error on table "AIM"."T\_PR\_NETWORK", column PR\_LICENSE.  
ORA-12899: value too large for column "AIM"."T\_PR\_NETWORK"."PR\_LICENSE" (actual: 14,  
maximum: 10)

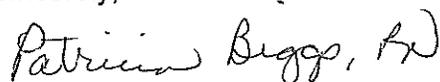
The Office of Administrative and Technology Services (OATS) brought to our attention that Humana continues to send out of state licenses on their provider network file.

APPENDIX L. MCO Provider Network File Layout states: Provider License Character 10 - Must be submitted for physicians and leave blank if physician is licensed in a state other than Kentucky.

Please note this deficiency has been assigned a unique identifier. Include this number with any correspondence concerning this issue.

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 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



## Corrective Action Plan

**Date:** August 7, 2015  
**Topic:** Provider License  
**Unique Identifier:** HU2015PL-1

### **Compliance Regulation/Requirement:**

APPENDIX L of the Managed Care Contract ("Contract") between the Commonwealth of Kentucky and Humana-CareSource titled "MCO Provider Network File Layout" states: Provider License Character 10 – Must be submitted for physicians and leave blank if physician is licensed in a state other than Kentucky.

### **Background and Root Cause Analysis:**

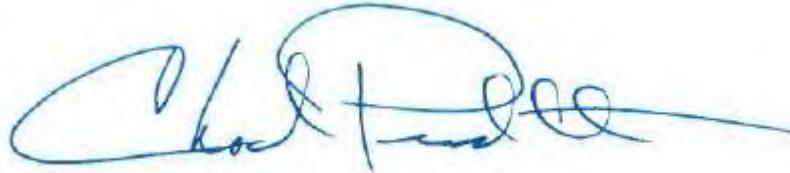
On July 16, 2015, five records submitted by Humana-CareSource via a file from Beacon, a subcontractor, were rejected for failure to leave provider license blank if a physician is licensed in a state other than Kentucky. The license numbers were entered into the report with all the numbers and characters listed on the license per verification. Beacon had a new employee assisting with the file load who failed to leave the provider license blank.

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

<b>Deficiency</b>	<b>Corrective Action</b>	<b>Due Date</b>
Failure to leave provider license blank if a physician is licensed in a state other than Kentucky.	1. Beacon is aware that the limit of licensure numbers is 10 characters and will truncate numbers in order to fit the size limitation per the reporting specifications and requirements under the Contract. Senior staff will review the file load and assist any new employees to ensure compliance with this provision.	Implemented
	2. Beacon will provide training and oversight of staff who are conducting the file load.	Implemented

**Certification:**

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



**Business Owner Signature:**

**Date:** 8/7/2015



**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

August 17, 2015

Chad Pendleton  
Humana CareSource Health Plan  
101 South 5<sup>th</sup> Street  
Louisville, KY 40202

Re: HU2015PL-1

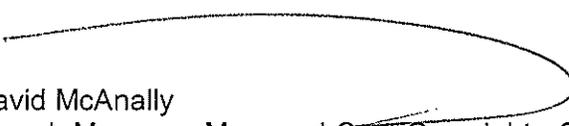
Dear Mr. Pendleton,

The Division of Program Quality & Outcomes is in receipt of the response developed for HU2015PL-1 (APPENDIX L. MCO Provider Network File Layout (Effective 11-07-12), for failure to leave provider license blank if physician is licensed in a state other than Kentucky.) dated August 7, 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 Arflack, Assistant Director, Managed Care Oversight, Department of Medicaid Services





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

**Steven L. Beshear**  
Governor

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

**Patricia Biggs**  
Director

**Lisa D. Lee**  
Commissioner

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

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.	<b>Communications with Dental Subcontractor</b> <ul style="list-style-type: none"> <li>Advised subcontractor of error – DMS reported issue within header and trailer not matching causing the file to fail.</li> <li>ISA Data Element 14 must be completed in order to receive TA1.</li> <li>Subcontractor making enhancement to system logic to support ISA Data Element 14.</li> </ul>	7/31/15	Completed
2.	<b>Failed Dental File Corrected</b> <ul style="list-style-type: none"> <li>Failed file resubmitted to DMS on 6/29/15</li> <li>Attestation was sent to DMS on 7/30/15 documenting resubmission</li> </ul>	7/30/15	Completed
3.	<b>Communication to All Subcontractors</b> 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.



**Rebecca Randall**  
Director of Regulatory Affairs

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

July 10, 2015

RE: WC2015NA-1

Dear Ms. Biggs:

On behalf of WellCare of Kentucky, Inc., ("WellCare"), I am responding to your letter received via email on June 17, 2015 which states that WellCare is not in substantial compliance with Section 28.9 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
WC2015NA-1	28.9 Expansion and/or Changes in the Network	Failure to maintain an adequate provider network.

On June 12, 2015, WellCare received the Department's monthly network adequacy report from its liaison, Cynthia Lee, with indication that the percentages of access for members had significantly decreased for pharmacy, vision and dental providers. Upon receipt of the Department's report, WellCare immediately began investigating the issue. As WellCare has historically maintained 100% compliance with the requirements of Section 28.7 and previous reports issued by the Department, we recognized immediately that this was most likely a technical error and not a deficient reflection of WellCare's provider network.

WellCare promptly convened members of its IT and Network Integrity Team to determine the root cause of the issue. A review of our Third Party Vendor (TPV) network files for pharmacy, dental and vision revealed that the longitude and latitude coordinates were missing from the files. These omissions, which were transferred to the Department via our bi-weekly electronic network file submission, were the direct cause of the percentage decreases identified by the Department and were not related to a decreased number of providers. The issue was fully remediated on June 17<sup>th</sup> 2015.

The attached Corrective Action Plan (CAP) details the step actions WellCare took to remediate this issue as soon as we were aware. The CAP also details the proactive steps we have enacted to prevent such errors from occurring in the future. These steps include additional review of WellCare's TPV network files, including IT alerts to detect and notify staff of data discrepancies prior to file submission to the Department.



**Rebecca Randall**

Director of Regulatory Affairs

As evidenced by the network adequacy report (which showed 100% compliance) WellCare received from the Department on July 2, 2015, the IT malfunction has been remediated. WellCare will continue to monitor the network file submissions to ensure such errors do not occur in the future.

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



WC2015NA-1 Received: June 17, 2015

Deviation:		Repeat Deficiency?		
<p>1                      KY Medicaid Contract Section 28.9 Expansion and/or Changes in the Network: If at any time, the Contractor or the Department determines that its Contractor Network is not adequate to comply with the access standards specified above for 95% of its Members by region, the Contractor or Department shall notify the other of this situation and within fifteen business (15) days the Contractor shall submit a corrective action plan to remedy the deficiency. 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. In addition to expanding the service delivery network to remedy access problems, the Contractor shall also make reasonable efforts to recruit additional providers based on Member requests. When Members ask to receive services from a provider not currently enrolled in the network, the Contractor shall contact that provider to determine an interest in enrolling and willingness to meet the Contractor's terms and conditions.</p>		No		
Step	Step Action	Complete?	Target Completion Date or Actual Completion Date	Responsible Department
Step Actions:	1	Yes	Complete	Corporate IT/Market Collaboration
	2	Yes	Complete	Corporate IT/Market Network Integrity Team
	<b>Discrepancy Determined</b>			
	3	Yes	Complete	Corporate/Vendor Collaboration
4	Re-run the network adequacy file to troubleshoot discrepancies once this information is received	Yes	Complete	Corporate IT
4a	Determine if a code change or patch is needed to fix any areas identified by troubleshooting exercise	Yes	Complete	Corporate IT/Market Network Integrity Team/Vendor Collaboration



WC2015NA-1 Received: June 17, 2015

Preventing Future Discrepancies				
5	System alerts integrated into daily file creation process to detect data discrepancies prior to process completion ** Intake Ticket submitted 6/18/2015	Ongoing	Ongoing	Corporate
6	Verify daily file for valid field population (prov type, specialty, latitude/longitude, and dates) to capture discrepancies prior to submitting file	Ongoing	Ongoing	Market Network Integrity Team



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**Audrey Tayse Haynes**  
Secretary

**Patricia Biggs**  
Director Commissioner

**Lisa D. Lee**

July 23, 2015

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

Re: WC2015NA-1

Dear Ms. Munson:

The Division of Program Quality & Outcomes is in receipt of the response developed for WC2015NA-1 (28.9 Expansion and/or Changes in the Network regarding Failure to maintain an adequate provider network) dated June 10, 2015.

Please be advised that the response is accepted.

For clarification in response "As WellCare has historically maintained 100% compliance with the requirements of Section 28.7 and previous reports issued by the department", a Network Adequacy issue was reported in SFY14 and a Letter of Concern (LOC) was issued on September 18, 2013 and responded to by WellCare on September 30, 2013.

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  
David McAnally, Branch Manager, Managed Care Oversight, Department of Medicaid Services