



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

Steven L. Beshear
Governor

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Audrey Tayse Haynes
Secretary

Lawrence Kissner
Commissioner

August 15, 2014

Michael Murphy
Coventry Cares
9900 Corporate Campus, Ste. 1000
Louisville, KY 40223

Dear Mr. Murphy,

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 Coventry Health and Life Insurance (Coventry), Coventry 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. Coventry’s final resolution of all potential quality concerns shall be completed within six (6) months of Coventry’s notification.

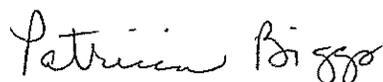
The 2013 Medicaid Compliance Review conducted by IPRO on behalf of the Department found Coventry Non-Compliant in the following elements of Program Integrity:

Unique Identifier	Review Findings
CC2014IPRO-PI1	The name of any officer, director, employee or agent of, or any person with an ownership or controlling interest in, the Contractor, any Subcontractor or supplier, who is also employed by the Commonwealth of any of its agencies
CC2014IPRO-PI2	The unit shall be able to prioritize work coming into the unit to ensure that cases with the greatest potential program impact are given the highest priority. Allegations or cases having the greatest program Impact include cases involving:
CC2014IPRO-PI3	1. Multi-State fraud or problems of national scope, or fraud or abuse crossing service area boundaries;
CC2014IPRO-PI4	2. High dollar amount of potential overpayment;
CC2014IPRO-PI5	3. Likelihood for an increase in the amount of Fraud or Abuse or enlargement of a pattern

CC2014IPRO-PI6	Incidents or allegations concerning physical or mental abuse of Members shall be Immediately reported to the Department for Community Based Services in accordance with state law and carbon copy the Department for Medicaid Services and OIG
CC2014IPRO-PI7	Gather, produce, keep and maintain records including, but not limited to, ownership disclosure for all providers and subcontractors, submissions, applications, evaluations, qualifications, member information, enrollment lists, grievances, Encounter data, desk reviews, investigations, investigative supporting documentation, finding letters and subcontracts for a period of 5 years after contract end date;
CC2014IPRO-PI8	In the event no action toward collection of overpayments is taken by the Contractor after one hundred and eighty (180) days the Commonwealth may begin collection activity and shall retain any overpayments collected. If the Contractor takes appropriate action to collect overpayments, the Commonwealth will not intervene
CC2014IPRO-PI9	The Contractor shall provide identity and cover documents and information for law enforcement investigators under cover

Please note that each issue is assigned a unique identifier. This must be included in the Corrective Action Plan and in any other correspondence concerning this issue. Failure to include this will result in the Plan being rejected by the Department. I look forward to receiving Coventry's Corrective Action Plans and will be available for your questions throughout the process.

Sincerely,



Patricia Biggs
Director of Program Quality and Outcomes
Department for Medicaid Services

cc: Lawrence Kissner, Commissioner, Department for Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Elizabeth Justus, Manager, Managed Care Oversight, Department for Medicaid Services