CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

Steven L. Beshear
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Audrey Tayse Haynes
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Lawrence Kissner
Commissioner

July 29, 2014

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

Re: CC2014ES-1

Dear 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
CC2014ES-1	17.1 Encounter Data Submission	Failure to submit accurate Encounter Data.

On Monday, July 14, 2014 CoventryCares submitted 63 files containing 164,986 encounters. The following files caused major problems with claims and encounter processing that night and the day, Tuesday, July 15, 2014:

KYW837P_9900004316_O_20140714_090356
KYW837P_9900004316_O_20140714_090355
KYW837P_9900004316_O_20140714_090387
KYW837P_9900004316_O_20140714_090357

Please note the above files are all original file types and contained adjustments as detailed below.

File 090356 contained 10,000 encounters – 9,896 of these were ADJUSTMENTS with 104 ORIGINAL Encounters.

File 090355 contained 10,000 encounters – 9,975 of these were ADJUSTMENTS with 25 ORIGINAL Encounters.

File 090357 contained 408 encounters – 401 of these were ADJUSTMENTS with 7 ORIGINAL Encounters.

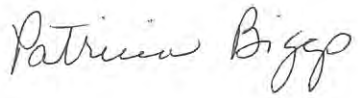
File 090387 contained 9,593 encounters – 9,471 of these were ADJUSTMENTS with 122 ORIGINAL Encounters.

The inclusion of Adjustment files in Original files caused claims/encounter processing to be greatly reduced. Normally we can process 5,000 to 10,000 encounters per hour depending on the type. The inclusion of Adjustment files in Original files caused the processing to slow down to 500 to 1,000 per hour. This also delayed the processing of recycle claims and mass adjustments.

As CoventryCares is aware Section 17.1 Encounter Data Submission, of the Contract states that the: ***Encounter Record must follow the format, data elements and method of transmission 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. I look forward to receiving CoventryCare's Corrective Action Plan 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 of Medicaid Services