CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

Steven L. Beshear
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Audrey Tayse Haynes
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June 11, 2014

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

Re: CC2014FC-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
CC2014FC-1	35.4 Children in Foster Care	Coventry failed to give the Department and DCBS the required forty-eight (48) hour notice before denying a request for continued stay.

Between May 20 and May 28, 2014, Coventry sent six (6) notices to the Department and DCBS stating that services to eight (8) foster children in residential facilities would be discontinued. None of these notifications was within the forty-eight (48) hours required by the contract. In two (2) cases the notification was sent after the services had been discontinued and in three (3) cases notification was sent on the same day services were discontinued.

The importance of giving ample notification to the Department has been discussed in several meetings, including a May 22 meeting between Coventry, the Department and DCBS. Failure

to give proper notification creates undue stress for the members and their families, who are already dealing with issues created by having a child in a residential setting. The lack of proper notice also hampers the Department's and DCBS' efforts to ensure the member receives the best possible care.

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

Sincerely,

Thomas McMahan
Senior Policy Advisor
Managed Care Oversight
Department for Medicaid Services

cc: Lawrence Kissner, Commissioner, Department of Medicaid Services
Lee A. Guice, Director of Policy and Operations, Department of Medicaid Services
Christina Heavrin, General Counsel, Cabinet for Health and Family Services
Elizabeth Justus, Manager, Managed Care Oversight, Department of Medicaid Services