



# **DHS Monitoring Process for Managed Care Organization Compliance**

Senate Human Resources

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## Managed Care Organizations (MCO) Compliance

Key Sources of Compliance Requirements

Goals of Compliance

DHS Contract Compliance Process

Remedies for Compliance Performance Issues



## Performance Requirements Drive MCO Oversight

There are 4 primary sources of requirements that drive MCO oversight:

- CMS (Federal Government)
- Iowa Administrative Rule
- DHS' contract with the MCOs
- MCO contracts with providers

Primary objectives:

- Members are safe and receive necessary services
- Providers receive timely payment
- The program is well managed and program goals are achieved



## MCO Performance: Data Reporting

- DHS data reporting requirements are designed to assure that the MCO is meeting federal, state and contract requirements.
- Data is collected and reported on daily, monthly, quarterly, semi annual and annual basis.
- Data will be submitted by other entities – the primary ones will be the MCOs and it will be analyzed by IME.
- Appendix I includes the DHS contract required MCO Reporting Matrix.
- DHS will utilize dash boards and reports to provide updates and analysis of the MCO performance.



## MCO Performance: Program Integrity

- MCO are required to follow federal and state requirements regarding Program Integrity (PI).
- MCO must coordinate PI activities with DHS and the Medicaid Fraud Control Unit in DIA.
- MCO must share information with DHS, DIA and other MCOs to leverage PI efforts.
- MCO must comply with federal and state obligations for suspension of payments to providers.
- The state will monitor the MCO to validate these activities are occurring.



## MCO Performance: DHS Monitoring Process

### IME staff in the Managed Care Bureau (See Appendix II)

- Interface directly with the MCO to gather information
  - Standardized reporting manual
  - Routine reports
  - Ad hoc reports
- Analyze data reported by MCO
  - Including timeliness, accuracy, etc.
- Monitoring contract performance through site visits, data reporting and information from DHS vendors
  - Performance to established standards
  - Performance relative to benchmarks
  - Performance trends

Note: Oversight responsibilities are also carried out by Iowa Insurance Division and Department of Inspection and Appeals.



## MCO Performance: DHS Monitoring Process

### IME Program Integrity staff

- Overall PI results (sustaining results)
- Trends and patterns
- Recoupments and collections

### IME Managed Care Bureau and Division of Fiscal Management Staff

- Rate cell assignment reconciliation
- Enrollment trends and enrollment distribution across capitated rates
- Utilization trends relative to projected degree of health management
- Risk adjustment

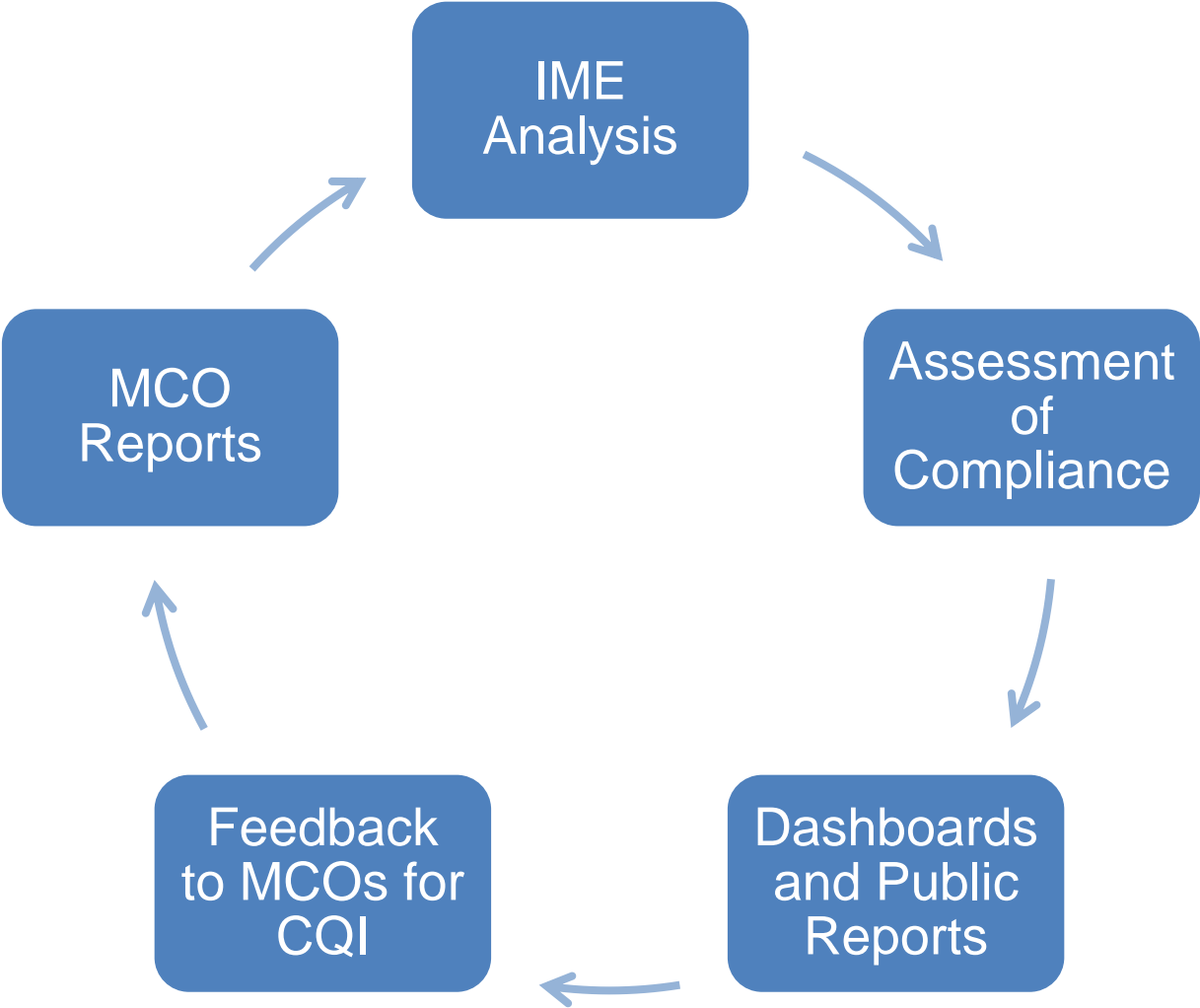
# Contract Compliance: Key DHS Vendor Roles

IME Vendors also play a key role in monitoring MCO performance.

Vendor	Vendor Activities
MAXIMUS	<ul style="list-style-type: none"><li>• Enrollment Broker</li><li>• Member Disenrollment</li><li>• Triage of Member Complaints</li><li>• Provider: Enrollment, Relations, Training &amp; Managed Care Support</li></ul>
Telligen	<ul style="list-style-type: none"><li>• Initial Level of Care Determinations</li><li>• Review of MCO Level of Care Determinations</li><li>• Audit HCBS Service Plans</li></ul>
Gould Health Systems	<ul style="list-style-type: none"><li>• Maintain the Preferred Drug List</li><li>• Monitor Drug Rebates</li></ul>
Program Integrity Vendor	<ul style="list-style-type: none"><li>• Monitor Encounter Data</li><li>• Monitor Fraud, Waste, and Abuse</li></ul>
Health Services Advisory Group	<ul style="list-style-type: none"><li>• External Quality Review Organization</li></ul>
University of Iowa	<ul style="list-style-type: none"><li>• Report HEDIS and CAHPS measures</li></ul>
Treo	<ul style="list-style-type: none"><li>• Implementation of Value Index Score (VIS) for MCOs</li></ul>



# Impact MCO Compliance





## MCO Compliance Performance Issues

Standardized, routine reports will support performance assessment. Performance issues include but are not limited to:

- Late or incomplete reports
- Inaccurate reports
- Noncompliance with operational performance requirements
- Noncompliance with service and quality performance requirements including member and provider requirements

Each reporting category is assigned a risk level based on a variety of factors such as member access to services, health and safety concerns, provider impact, fiscal impact, and regulatory compliance.



## Remedies for Compliance Performance Issues

Remedies for noncompliance are contractual and include the following:

- Written Warning
- Formal Corrective Action Plan
- Liquidated Damages (see Appendix III)
- Withholding Full or Partial Capitation Payment
- Suspending Auto-assignment of Membership
- Assigning the MCO's Membership and Responsibilities to another MCO
- Appointing Temporary Management of the Contractor's Plan
- Contract Termination



## Remedies for Compliance Performance Issues

- Level of remedy assigned in based on risk level.
- Level of remedy will depend upon the nature, severity and duration of the deficiency and repeated nature of the noncompliance.
- Remedy is progressive relative to duration of the deficiency.
- DHS retains discretion to modify the sequence of remedy and level of remedy based on the severity of any individual deficiency or noncompliance.
- DHS retains rights to any other legal remedies.
- Monitoring is intensified until full correction has been in place a minimum of 60 days.



This comprehensive contract compliance monitoring plan is designed to ensure program goals are achieved:

- Improve quality and access
- Promote accountability for outcomes
- Create a more predictable and sustainable Medicaid budget