

*Letter Sent Electronically*

July 26, 2019

Kathy Oestreich  
Chief Executive Officer  
University Family Care  
2701 E. Elvira Road  
Tucson, AZ 85756

RE: Amended Sanction Notification for CYE 2016 Administrative Performance Measures and CYE 2017 Hybrid Immunization Audit to Reflect 4 Childhood Immunization Measures Below the MPS and AHCCCS Aggregate Rate

Dear Ms. Oestreich:

This correspondence is being issued as a revision to the December 11, 2018 AHCCCS correspondence notifying University Family Care (UFC) of the imposition of a \$475,000 sanction. Although the sanction amount of \$475,000 is correct, page 4 of the December 11, 2018 notification inadvertently specified that 10 UFC Childhood Immunization measures were below the AHCCCS Minimum Performance Standards (MPS) and the Medicaid Mean rates rather than 4. The \$475,000 sanction was calculated using the 4 Childhood Immunization measures determined to be below the MPS and the Medicaid Mean rates, and, therefore, the sanction amount is unchanged. Accordingly, the AHCCCS notification of sanction has been amended by this correspondence to reflect that 4 Childhood Immunization measures were below the MPS and AHCCCS aggregate rate as specified on page 5. No other changes to the original notification have been made.

The Arizona Health Care Cost Containment System (AHCCCS) has determined that University Family Care (UFC) is in violation of Contract YH14-0001-02 Sections D Paragraph 23, Quality Management and Performance Improvement; Paragraph 67 Periodic Reporting Requirements and Attachment F Contractor Chart of Deliverables and AHCCCS Medical Policy Manual Chapter 900, Policy 970 Performance Measures. As outlined in Section D, Paragraph 72, Sanctions, of the Acute Care Contract, UFC is hereby subject to compliance action as outlined below

UFC has failed to meet AHCCCS stated Minimum Performance Measures (MPS) and to improve performance measure outcomes from year to year as evidenced by UFC's CYE 2016 Administrative Performance Measures and CYE 2017 Hybrid Immunization Audit results for the following Performance Measures. UFC's PM rates for each measure and its rating in regard to the below criteria is delineated in **ATTACHMENT A – Sanctioned Performance Measures**.

**CYE 2016 Administrative Performance Measures:**

- Children’s Access to PCPs, 12 -24 Months
- Children’s Access to PCPs, 25 Months to 6 Years
- Well Child, 15 Months (6+ Visits)
- Well Child, 3-6 Years
- Adolescent Well Care
- Annual Dental Visits
- 

**CYE 2017 Hybrid Immunization Measures:**

- Childhood Immunizations

UFC’s Acute Care Contract Section D Paragraph 23 QUALITY MANAGEMENT AND PERFORMANCE IMPROVEMENT, requires the following:

*The Contractor must meet AHCCCS stated Minimum Performance Standards (MPS) for each population/eligibility category for which AHCCCS reports results. AHCCCS-reported rates are the official rates utilized for determination of Contractor compliance with performance requirements. It is equally important that, in addition to meeting the contractual MPS, the Contractor continually improve performance measure outcomes from year to year. Contractor calculated and/or reported rates will be used strictly for monitoring Contractor actions and not be used for official reporting or for consideration in corrective action purposes.*

*Minimum Performance Standard – MPS is the minimal expected level of performance by the Contractor. If a Contractor does not achieve this standard, the Contractor will be required to submit a corrective action plan and may be subject to a sanction of up to \$100,000 dollars for each deficient measure.*

*A Contractor must show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards. AHCCCS may impose sanctions on Contractors that do not show statistically significant improvement in a measure rate as calculated by AHCCCS. Sanctions may also be imposed for statistically significant declines of rates even if they meet or exceed the MPS, for any rate that does not meet the AHCCCS MPS, or a rate that has a significant impact to the aggregate rate for the State. AHCCCS may require the Contractor to demonstrate that they are allocating increased administrative resources to improving rates for a particular measure or service area. AHCCCS also may require a corrective action plan for measures that are below the MPS or that show a statistically significant decrease in its rate even if it meets or exceeds the MPS.*

*An evidence-based corrective action plan that outlines the problem, planned actions for improvement, responsible staff and associated timelines as well as a place holder for evaluation of activities must be received by AHCCCS within 30 days of receipt of notification of the deficiency from AHCCCS. This plan must be approved by AHCCCS prior*

*to implementation. AHCCCS may conduct one or more follow-up desktop or on-site reviews to verify compliance with a corrective action plan.*

AHCCCS evaluated the Administrative Performance Measure and the Hybrid Immunization Measures results based upon the following criteria:

- Compliance with the Minimum Performance Standard (MPS) for each measure as outlined in Contract,
- Evaluation to determine if a statistically significant decline in each PM rate from the previous measurement period occurred
- Evaluation to determine if each PM rate had a statistically significant negative impact on the AHCCCS aggregate rates.

At least annually, AHCCCS may take additional regulatory action if the Minimum Performance Standards are not met and/or statistically significant improvement is not shown.

AHCCCS places significant emphasis on the selected Performance Measures because those measures have the greatest ability to positively impact member health outcomes. These measures for child well care visits and child and adult immunizations are fundamental components for effective delivery of essential health care to members. AHCCCS has developed and implemented performance metrics to monitor the compliance of its Contractors in meeting contractual requirements related to the delivery of care and services to its members. UFC has not only failed to show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards as mandated by contract, UFC demonstrated significant under performance in both CYE 2016 Administrative Performance Measures and CYE 2017 Childhood Hybrid Immunization Measures, as listed in Attachment A. UFC's exceedingly poor performance with respect to these crucial indicators of basic health care delivery presents urgent concerns and is wholly unacceptable.

It is expected that all Performance Measures meet or exceed the Minimum Performance Standards as outlined in the Contract. Moreover, measures are expected to improve from year to year. A statistically significant decline from year to year undermines the objectives of performance improvement and is indicative of significant Contractor deficiencies across multiple operational areas.

***Sanction***

If a Contractor fails to achieve compliance with the Minimum Performance Standard, the Contractor may be subject to a sanction of up to \$100,000 dollars for *each* deficient measure. Measure rates that do not meet the MPS, measure rates that show a statistically significant decline from the previous measurement period, and/or measure performance rates with a statistically significant negative impact on the AHCCCS aggregate rates are subject to sanctions for the measurement period. AHCCCS utilized the following methodology for the determination of the sanction amount:

### Sanction Methodology

- *Administrative Performance rates that were below the MPS but alternatively could have been measured as a hybrid measure were sanctioned at \$25,000*
  - *If the Contractor rate was below the MPS but above the AHCCCS Aggregate Rate, the sanction was waived*
- *Administrative Performance rates that were administrative only were sanctioned at \$100,000*
  - *If the Contractor rate was below the MPS but above the AHCCCS Aggregate Rate, the sanction was waived*
- *Childhood Immunization rates were assessed as follows:*
  - *If four or less individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$100,000 was applied*
  - *If five or more individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$300,000 was applied*
    - *If five or more measures that were below the MPS showed statistically significant improvement, the sanction rate was reduced to \$200,000*
- *Adolescent Immunization rates were assessed as follows:*
  - *If two or less individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$50,000 was applied*
  - *If three or more individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$100,000 was applied*
    - *If three or more measures that were below the MPS showed statistically significant improvement, the sanction rate was reduced to \$75,000*

As a result of UFC's failure to meet the MPS, its significant decline in the PM results from 2015 to 2016, and the statistically significant negative impact on the AHCCCS aggregate rates, AHCCCS is imposing a **\$475,000** sanction as allocated below. This sanction will be withheld from a future capitation payment.

- Children's Access to PCPs, 12 -24 Months \$100,000
  - *Administrative only*
  - *Performance below the MPS and AHCCCS aggregate*
- Children's Access to PCPs, 25 Months to 6 Years \$100,000
  - *Administrative only*
  - *Performance below the MPS and AHCCCS aggregate*
- Well Child, 15 Months (6+ Visits) \$ 25,000
  - *Hybrid option; ran as administrative*
  - *Performance below the MPS and AHCCCS aggregate*
- Well Child, 3-6 Years \$ 25,000
  - *Hybrid option; ran as administrative*
  - *Performance below the MPS and AHCCCS aggregate*
- Adolescent Well Care \$ 25,000
  - *Hybrid option; ran as administrative*

- Performance below the MPS and AHCCCS aggregate
  - Annual Dental Visits \$100,000
    - Administrative only
    - Performance below the MPS and AHCCCS aggregate
  - Childhood Immunizations \$100,000
    - 4 measures below the MPS and AHCCCS aggregate
    - All measures show statistically significant declines
- Total \$475,000**

If UFC disagrees with this sanction, the Contractor may file a dispute with AHCCCS using the process outlined in A.A.C. R9-34-401, et seq. The dispute must be filed in writing and must be received by the AHCCCS Office of Administrative and Legal Services at 701 E. Jefferson, Phoenix AZ 85034, no later than 60 days from the date of this letter. The dispute shall specify the legal and factual bases for the dispute, as well as the relief requested

If you have any questions regarding this matter, please contact Virginia Rountree at (602) 417-4122 or [Virginia.rountree@azahcccs.gov](mailto:Virginia.rountree@azahcccs.gov) or Jakenna Lebsock at 602-417-4229 or [Jakenna.Lebsock@azahcccs.gov](mailto:Jakenna.Lebsock@azahcccs.gov)

Sincerely,

*K. Eden Chollaandre for Meggan LaPorte  
Deputy Director for Business Operations*

Meggan LaPorte, CPPO, MSW  
Chief Procurement Officer

cc: Kenna Gomez, Contract Compliance Officer, UFC  
 Lisa Wettstein, Performance Improvement Coordinator, UFC  
 Virginia Rountree, DHCM Assistant Director, AHCCCS  
 Shelli Silver, DHCM Assistant Director, AHCCCS  
 Jakenna Lebsock, Clinical Administrator, AHCCCS  
 Christina Quast, Operations Administrator, AHCCCS  
 Jason Rentscheler, Operations Compliance Officer, AHCCCS  
 Jamie Robin, Quality Improvement Manager, AHCCCS

**ATTACHMENT A: SANCTIONED PERFORMANCE MEASURES**

*Administrative Measures*

Measure	MPS	AHCCCS Aggregate Rate	CYE 2016 Rate	CYE 2015 Rate	Statistical Significance
<i>Children's Access to PCPs: 12-24 Months</i>	93%	92.1%	90.5%	95.1%	<b>P&lt;.001</b>
<i>Children's Access to PCPs: 25 Months - 6 Years</i>	84%	85.4%	85.4%	83.1%	<b>P&lt;.001</b>
<i>Well Child, 15 Months</i>	65%	57.7%	55.0%	55.4%	<b>P=.774</b>
<i>Well Child, 3-6 Years</i>	66%	61.0%	58.8%	65.0%	<b>P&lt;.001</b>
<i>Adolescent Well Care</i>	41%	39.2%	37.6%	40.2%	<b>P=.838</b>
<i>Annual Dental Visits</i>	60%	58.6%	54.6%	60.7%	<b>P&lt;.001</b>

Childhood Immunization Measures

Measure	Minimum Performance Standard (MPS)	CYE 17 Medicaid Rate	CYE 15 Medicaid Rate	Relative Percentage Change	Statistical Significance	All Contractor Medicaid Average
Diphtheria, Tetanus, Acellular Pertussis (DTAP)	85%	<b>77.9%</b>	85.6%	-9.0%	<b>P=.002</b>	77.4%
Inactivated Polio Virus (IPV)	91%	<b>88.1%</b>	92.5%	-4.8%	<b>P=.021</b>	86.4%
Measles, Mumps, Rubella (MMR)	91%	<b>86.3%</b>	93.3%	-7.5%	<b>P&lt;.001</b>	87.6%
Haemophilus Influenza Type B (HIB)	90%	<b>86.8%</b>	90.7%	-4.3%	<b>P=.057</b>	86.3%
Hepatitis B (HEP B)	90%	<b>89.0%</b>	93.1%	-4.4%	<b>P=0.25</b>	85.9%
Varicella (VZV)	88%	<b>85.4%</b>	93.1%	-8.2%	<b>P&lt;.001</b>	86.8%
Pneumococcal Conjugate (PCV)	82%	<b>75.5%</b>	80.5%	-6.2%	<b>P=.062</b>	74.9%
Hepatitis A (HEP A)	40%	<b>83.7%</b>	90.7%	-7.8%	<b>P=.001</b>	87.3%
Rotavirus (RV)	60%	<b>67.5%</b>	79.3%	-14.8%	<b>P&lt;.001</b>	59.0%
Influenza	45%	<b>34.7%</b>	45.8%	-24.3%	<b>P&lt;.001</b>	38.1%
Combination 3	68%	<b>70.6%</b>	77.1%	-8.4%	<b>P=.024</b>	69.1%