

June 23, 2021

James V. Stover
Chief Executive Officer
Arizona Complete Health-Complete Care Plan
1870 W. Rio Salado Parkway
Tempe, AZ 85281

RE: Compliance Action - Sanction

Dear Mr. Stover:

The Arizona Health Care Cost Containment System, Division of Health Care Management (AHCCCS) has determined that Arizona Complete Health-Complete Care Plan (AzCH-CCP) is in violation of its AHCCCS Complete Care (ACC) Contract YH19-0001-04 and its Regional Behavioral Health Authority (RBHA) Contract YH17-0001-01. As outlined in Section D, Paragraph 68 of the ACC and RBHA Contracts, AzCH-CCP is hereby subject to compliance action as delineated below.

As a Contractor responsible for the comprehensive health care needs of a diverse member population with varied complex health conditions, it is essential AzCH-CCP ensures compliance with all Contract requirements. The issuance of Member Identification (ID) Cards as required by AHCCCS, is a fundamental Contractor requirement and is mandated by contractual and policy requirements.

Section D, Paragraph 17, Member Information of the ACC and RBHA Contracts provides:

***Member Identification Cards:** The Contractor is responsible for the production, distribution, and cost of AHCCCS Member Identification (ID) Cards and the AHCCCS Notice of Privacy Practices in accordance with ACOM Policy 433. The Contractor shall submit Member ID Cards for AHCCCS approval as specified in Section F, Attachment F3, Contractor Chart of Deliverables.*

AHCCCS Contractor Operations Manual (ACOM) 433, Member Identification Cards provides:

C. PROGRAM REQUIREMENTS

Responsible Contractors shall have in place processes to ensure all members receive appropriate ID Cards in a timely manner. Refer to Attachment A to identify which of the following minimum requirements apply to a Responsible Contractor:

- 1. Members requiring ID Card shall be identified as a result of the 834 Transaction File and the ID Cards shall be produced and mailed as follows:*

- a. *The Responsible Contractor shall mail ID Cards to new members within 12 Business Days from the Business Day following AHCCCS providing the 834 Transaction File to the Contractor, and*
 - b. *The Responsible Contractor shall mail ID cards for member replacement requests within five Business Days of the request.*
2. *AHCCCS Contractors shall ensure the timeliness standards are met. The Contractors shall monitor the timeliness standards in this Policy for the ID Cards it issues directly, and any issued by its subcontractors.*

While investigating a member complaint involving a member who did not receive a Member ID Card, AzCH-CCP discovered its ID Card production automation logic contained an error. This error resulted in ID Cards not being produced and issued for thousands of AzCH-CCP members. AzCH-CCP notified AHCCCS of this non-compliance on January 27, 2021. In addition this error also resulted in AzCH-CCP's failure to timely issue ID Cards to another subset of members. According to AzCH-CCP, the ID Card errors originated when the Contractor transitioned its ID Card production from separate Cenpatico Integrated Care (CIC) and Health Net Access (HNA) processes to a single process on 10/1/2018. AzCH-CCP failed to issue or timely issue Member ID Cards to enrolled members between October 1, 2018 and February 8, 2021, when AzCH-CCP reported the error was resolved. A total of 39,013 members were impacted, 29,996 of whom were still active with the Contractor as of January 2021.

AHCCCS recognizes that AzCH-CCP has taken steps to rectify the error resulting in this non-compliance. However, failure to provide and/or timely provide ID Cards are serious compliance failures.

Sanction

The Contractor failed to comply with the requirements to provide or to timely provide Member ID Cards to its enrolled members. It is also important to recognize that members who are unable to provide proof of insurance coverage may be held responsible for incurred medical expenses that would otherwise be covered by the Contractor.

As a result of these compliance deficiencies, AzCH-CCP is hereby subject to a monetary sanction totaling **\$100,000** as specified below.

- AzCH-CCP ACC line of business - **\$50,000**
- AzCH-CCP RBHA line of business - **\$50,000**

This monetary sanction will be withheld from a future capitation payment.

Additional Requirements

AzCH-CCP shall issue written communication to all individuals impacted by this matter, including persons who are no longer enrolled with the Contractor, by a date in July to be later specified by AHCCCS. The communication shall explain the background regarding AzCH-CCP's failure to issue ID Cards and inform members of the process to be used in the event the member was held responsible for covered services during the impacted time period. The draft communication shall

be submitted for prior approval to AzCH-CCP's assigned Operations and Compliance Officer, Lola Davis, via email at Lola.Davis@azahcccs.gov, by close of business, **Thursday July 8, 2021**.


Future Performance

AzCH-CCP shall ensure that it complies with contractual and policy provisions setting forth requirements to provide ID Cards to members. Future non-compliance regarding the deficiencies outlined in this notice may result in additional Administrative Actions, as outlined in ACC and RBHA Contractor Section D, Paragraph 68, Administrative Actions.

If AzCH-CCP disagrees with this decision, the Contractor may file a dispute with the AHCCCS Administration by 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 Administration, Office of Administrative Legal Services at 801 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.

Should AzCH-CCP have any questions or concerns regarding this correspondence, please contact Christina Quast at Christina.Quast@azahcccs.gov or (602) 417-4527

Sincerely,


Meggan LaPorte (Jun 23, 2021 10:17 PDT)

Meggan LaPorte CPPO, MSW
Chief Procurement Officer

cc: Jakenna Lebsack, AHCCCS
Christina Quast, AHCCCS
Michelle Holmes, AHCCCS
Lola Davis, AHCCCS
Rodd Mas, AzCH-CCP
File