

June 21, 2019

James Stover
Chief Executive Officer
Arizona Complete Health-Complete Care Plan
333 E. Wetmore Rd., Suite 600
Tucson, AZ 85705-1090

RE: Compliance Action – January 25, 2019 Sanction Update

Dear Mr. Stover:

The Arizona Health Care Cost Containment System, Division of Health Care Management (AHCCCS) has received Arizona Complete Health-Complete Care Plan's (AzCH-CCP) updates to its Corrective Action Plan (CAP) implemented as a result of significant payment issues related to its system migration to a single provider network database on October 1, 2018. This correspondence addresses several issues presented by the updates from AzCH-CCP to address the multiple deficiencies.

The migration to a single provider network database resulted in AzCH-CCP's failure to make timely and accurate claims payments to providers consistent with state and federal requirements and resulted in significant adverse impacts to providers of critical services. As a result, AHCCCS issued a Compliance Action – Sanction of \$125,000 to AzCH-CCP on January 25, 2019. In the Compliance Action, AHCCCS required AzCH-CCP to resolve all outstanding system deficiencies, including related claims payments and adjustments by April 30, 2019.

While AHCCCS has received communications from a small number of providers indicating AzCH-CCP's meetings and discussions with these providers to assist with these ongoing payment issues, AHCCCS continues to receive provider complaints regarding this matter.

AzCH-CCP submitted several responses to AHCCCS in an effort to establish that it had fully resolved the issues arising from the database migration including the following:

- Actions to correct claims payments for claims with dates of service between October 2018 and December 2018.
- Return to claims payment compliance targets for claims paid within 30 and 60 days by reducing the pended inventory. (Processed timely percentage increased from January 2019 to May 2019 as follows: 30 day - 83.7% to 96.7%; 60 day – 95.9% to 99.7 %.)
- Increase in claims payment accuracy.
 - Information regarding claims payment accuracy provided in AzCH-CCP's June 19, 2019 submission specified that claims payment accuracy had increased from 73.0% in January 2019 to 87.0% in May 2019.

While AHCCCS was able to confirm AzCH-CCP has come into compliance with the percent of claims processed within 30 and 60 days, the data submitted by AzCH-CCP regarding claims payment accuracy is inconsistent with the data reported in its monthly Claims Dashboard Report submitted June 17, 2019, as outlined below, and in fact appears to be declining in the most recent month.

AzCH-CCP Monthly Claims Dashboard Report Results

	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
% of Claims Processed in 0 to 30 Days <i>AHCCCS Required Standard = 95%</i>	100.0%	95.3%	86.6%	83.7%	89.5%	93.1%	96.1%	96.7%
% of Claims Processed in 0 to 60 Days <i>AHCCCS Required Standard = 99%</i>	100.0%	100.0%	99.3%	95.9%	96.2%	98.9%	99.6%	99.7%
Audited % of Correctly Paid Claims	97.3%	73.3%	77.3%	65.3%	70.7%	73.3%	78.7%	66.7%

After comprehensive review of this matter, AHCCCS has determined that AzCH-CCP has not established that all of the issues resulting from the October 1, 2018 database migration have been resolved and that the Agency’s concerns regarding these deficiencies have been fully addressed. The ability to process and pay claims accurately and timely in accordance with requirements is a fundamental health plan function and is critical to ensuring delivery of services to members. AHCCCS expects AzCH-CCP to fully resolve and address ongoing issues related to this matter as well as ensuring that providers’ rates are loaded accurately. In addition, AHCCCS expects AzCH-CCP to continue to work directly with providers to address ongoing claims payment issues.

Accordingly, AHCCCS is requiring AzCH-CCP to further develop its Corrective Action Plan to minimally provide the following:

- A plan to hold regularly scheduled meetings with providers that continue to experience claims payment issues related to this matter as well as providers with continuing outstanding claims issues. Include a listing/schedule of all ongoing provider meetings scheduled with those providers with outstanding payment issues, including dates, provider and plan attendees, and specific subject matter.
- A weekly tracking log of provider projects delineated by each specific issue to include, at a minimum:
 - provider name;
 - assigned AzCH-CCP representative;
 - summary of the issue;
 - the date the plan was made aware of the issue;
 - actions taken to resolve the issue;
 - number of claims impacted;
 - total billed dollar amount impacted;
 - status of resolution the issue and timeline;
 - indication as to whether or not the issue impacts other providers

Items on this log must be inclusive of provider issues forwarded to AzCH-CCP from AHCCCS, as well as issues AzCH-CCP is aware of directly. Items are not to be considered closed unless the impacted provider agrees to closure of the matter.

The above tracking log reporting requirements shall be submitted to your assigned Operations Compliance Officer, Lola Davis, at Lola.Davis@azahcccs.gov, on a **weekly** basis beginning with the initial submission due on **Monday July 15, 2019 and every Monday thereafter**.

In addition to the ongoing reporting requirements outlined above, AzCH-CCP shall submit to AHCCCS the following:

- A listing and description of all actions previously taken, as well as those actions that will be implemented by AzCH-CCP, to benefit and redress the burdens imposed on providers for their efforts to receive appropriate and timely reimbursement from AzCH-CCP due to the migration issues, e.g. payment of interest, assistance to providers for administrative activities associated with obtaining reimbursement, etc.
- A summary of its internal process for auditing claims payments, including internal goals set for accuracy percentages, and a timeline for which AzCH-CCP expects to meet the goal.
- An analysis and explanation for the discrepancy between the monthly Claims Dashboard Report and the information provided in the June 19, 2019 letter regarding the claims payment accuracy percentages.

This information shall also be submitted as outlined above by **July 15, 2019**.

AHCCCS will review the submissions as well as continue to closely monitor AzCH-CCP's ongoing performance and compliance, including but not limited to provider claims payment satisfaction. AHCCCS will not consider closing this required corrective action until issues related to this matter have been adequately resolved, provider satisfaction has improved, and sustained compliance with claims processing and payment have been demonstrated.

Failure to fully resolve the deficiencies outlined in this notice, and the original Compliance Action issued January 25, 2019, will result in additional Administrative Actions, as outlined in the ACC Contract YH19-0001-04 Section D, Paragraph 68, Administrative Actions, including but not limited to further Sanctions and/or a cap on enrollment.

Should there be any questions regarding this correspondence, please contact Virginia Rountree at Virginia.Rountree@azahcccs.gov or (602) 417-4122.

Sincerely,



Christina Quast
Operations Administrator
AHCCCS, Division of Health Care Management

Cc: Paul Barnes, AzCH-CCP
Rodd Mas, AzCH-CCP
Matthew Isiogu, AHCCCS
Virginia Rountree, AHCCCS
Michelle Holmes, AHCCCS
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