

Letter Sent Electronically

January 29, 2018

Mike Uchrin
Chief Executive Officer
Health Choice Arizona
410 N. 44th Street, Ste. 900
Phoenix, AZ 85008

RE: Compliance Action: Sanction, Deliverable Accuracy

Dear Mr. Uchrin:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has determined that Health Choice Arizona (HCA) is in violation of its Contract YH14-0001-07 Section D Paragraph 23 Quality Management and Performance Improvement; Paragraph 67 Periodic Reporting Requirements and Attachment F Contractor Chart of Deliverables.. As outlined in Section D, Paragraph 72, Sanctions, of the Acute Care Contract, Health Choice Arizona is hereby subject to compliance action as outlined below.

HCA's contract outlines AHCCCS' use of a hybrid or other methodologies for collecting and reporting performance measure rates. It requires that the Contractor collect data from medical records, electronic records or through approved processes and that the Contractor provide the data with supporting documentation as instructed by AHCCCS for each hybrid measure. The contract further sets forth *Timeliness, Accuracy and Completeness* standards for determining adequacy of required reports.

On November 17, 2016 AHCCCS issued a notification to Managed Care Organizations (MCOs) regarding the CYE 2015 Diabetes Hybrid Audit. The audit was to evaluate compliance with the Minimum Performance Standards for diabetes care for the following measures for members with a diagnosis of diabetes: HbA1c Testing; HbA1c Greater than 9; and Eye Exams.

The sample provided to HCA for this audit included 452 total records. The files with completed data were to be submitted back to AHCCCS in early 2017. All supporting documentation for the identified measurement period was to be provided for every data element that was entered as part of the numerator.

Of the 452 total records provided, HCA submitted only a total of 131 records. Initial validation of a sample of the submitted data for the 131 records was completed by AHCCCS staff. Due to the exceedingly low accuracy rates derived from the sample validation, a full validation of every data point was performed which resulted in overall accuracy rates for the 131 records of 21.4 percent for the eye exam and 17.7 percent for the HbA1c measures.

Of the submitted records, 36 records were validated for accuracy for the eye exam measure and 125 records were validated for the HbA1c measure. The HCA performance measurement compliance resulting from this data is 1.3 percent compliance for eye exams where the Minimum Performance Standard is 49%, and 4.0 percent compliance for HbA1c testing where the Minimum Performance Standard is 77%. The reliability of HCA data raises serious concerns.

HCA submitted only 131 records of the 452 total provided by AHCCCS. Moreover, the validation of HCA records performed by AHCCCS yielded high levels of inaccuracy. As a result, AHCCCS suspended reporting of official performance rates for HCA.


AHCCCS has significant concerns regarding the data submitted by HCA as well as HCA's lack of attention to, and focus on, the hybrid study. HCA failed to meet AHCCCS *Accuracy and Completeness* standards. Data was not prepared by HCA in strict conformity with AHCCCS requirements for this study. The data submitted by HCA was not responsive to the AHCCCS request, and it contained material omissions. HCA submitted inaccurate and unreliable data to AHCCCS, resulting in invalid study results.

As a result of HCA's failure to comply with *Accuracy and Completeness standards* for the CYE 2015 Diabetes Hybrid Audit, AHCCCS is imposing a **\$25,000** monetary sanction. The sanction will be withheld from a future capitation payment.

If HCA disagrees with this decision, 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 and legal and factual basis for the dispute as well as relief requested.

If you have questions regarding this matter, please feel free to contact Virginia Rountree at (602) 417-4122 or Virginia.rountree@azahcccs.gov or Jakenna Lebsock at (602) 417-4229 or Jakenna.Lebsock@azahcccs.gov.

Sincerely,


Meggan Harley, CPPO, MSW
Chief Procurement Officer

cc: Nicole Larson, HCA Compliance Officer
Virginia Rountree, AHCCCS DHCM Assistant Director
Shelli Silver AHCCCS DHCM Assistant Director
Christina Quast, AHCCCS Operations Administrator
Jakenna Lebsock, AHCCCS Clinical Administrator
Jamie Robin, AHCCCS Quality Improvement Manager
Lola Davis, AHCCCS Operations Compliance Officer