

Letter Sent Electronically

September 17, 2018

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

RE: Compliance Action: Sanction for Failure to Meet Data Accuracy and Completeness Standards

Dear Mr. Nau:

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 Contract YH14-0001-07. Sections 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.

On November 3, 2017, AHCCCS issued a notification to Managed Care Organizations (MCOs) regarding the CYE 2017 Childhood Immunization Audit. The purpose of the audit was to evaluate immunizations administered to members prior to their second birthday and to comport with AHCCCS legislative Childhood Immunization reporting requirements.

The sample provided to HCA for this audit included 493 total files for which HCA was to submit to AHCCCS, no later than December 29, 2017, data substantiating the specific immunizations. HCA was required to furnish all supporting documentation of immunizations administered prior to the member's second birthday (for second birthdays occurring between 10/01/2016 - 09/30/2017) for each and every data element that was entered as part of the numerator.

HCA submitted its initial submission to AHCCCS prior to the December 29, 2017 due date, but subsequently withdrew the submission to review the accuracy and quality of the documentation provided. HCA submitted a limited total number of data responses to AHCCCS, with only 175 records (35.5%) submitted for the 493 members included in the sample file; compared to 64.5% of included members for which supporting documentation was not submitted. The sample file provided to HCA included a template with AHCCCS prepopulated dates of service; however, in HCA's review of the data (reflected by way of HCA's added dates of services within the provided template), HCA identified fewer dates of service than that which was identified in the AHCCCS review of the submitted documentation. AHCCCS identified these dates of service as missed opportunities and credited HCA for the higher number of immunizations based on its review of the provided supporting documentation.

AHCCCS has identified significant concerns regarding both the data submitted by HCA as well as HCA's lack of attention to, and focus on, the hybrid study. HCA submitted inaccurate and unreliable data, resulting in substantial MCO-specific declines in rates as well as an overall negative impact to the AHCCCS aggregate rates. HCA experienced statistically significant decreases in each of the 11 Childhood Immunization rates when compared to HCA's CYE 2015 Childhood Immunization rates. The overall impact on the CYE 2017 aggregate immunization rates varied from negative 1.3 percent to negative 4.5 percent for each of the 11 vaccinations (individual or combination). HCA failed to meet Accuracy and Completeness standards. Data was not prepared by HCA in strict conformity with AHCCCS requirements for this study. Moreover, the data submitted by HCA was not responsive to the AHCCCS request and it contained material omissions.

Further, HCA's failure to comply with *Accuracy and Completeness Standards* for the Childhood Immunization Audit represents continued noncompliance in this area by HCA. AHCCCS imposed a \$25,000 Sanction to HCA on January 29, 2018 for its failure to comply with *Accuracy and Completeness Standards* for the CYE 2015 Diabetes Hybrid Audit. It is imperative that HCA immediately address and implement improvements to its processes for meeting *Accuracy and Completeness Standards* for all future AHCCCS required hybrid audits.

As a result of HCA's failure to comply with the *Accuracy and Completeness Standards* for the CYE 2017 Childhood Immunization Audit, AHCCCS is imposing a **\$50,000** 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 Jakenna Lebsock at (602) 417-4229.

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
Scott Jewart, AHCCCS Operations Compliance Officer