

March 1, 2017

James Stover  
Interim Chief Executive Officer  
Cenpatico Integrated Care  
1501 W Fountainhead Parkway, Suite 360  
Tempe, AZ 85282

**RE: Notice to Cure - Quality of Care Concerns**

Dear Mr. Stover:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM), has determined that Cenpatico Integrated Care (CIC) is in violation of Contract YH17-0001-01 for Regional Behavioral Health Authority (RBHA) services for contract year ending 2017. Therefore, AHCCCS is issuing the following compliance action:

***Notice to Cure***

Ensuring the health and safety of AHCCCS members and the timely provision of quality care and services is of the highest priority. As a Contractor responsible for the comprehensive health care needs of vulnerable members with multiple, complex health conditions, it is critically important that CIC manage member complaints and concerns as mandated by Contract and policy requirements. CIC has failed to comply with Contract requirements as outlined in RBHA Contract Section 10, Quality Management and AHCCCS Medical Policy Manual Chapter 960:

**Contact Requirements**

Section 10.3 Incident, Accident and Death Reports:

*The Contractor shall:*

*10.3.1 Develop and implement policies and procedures that require individual and organizational providers to report to the Contractor and other proper authorities incident, accident and death (IAD) reports of abuse, neglect, injury, alleged human rights violation, exploitation and death in conformance with the AHCCCS Medical Policy Manual, Chapter 900.*

*10.3.2 Incident, accident and death (IAD) reports must be submitted in accordance with requirements established by AHCCCS and in accordance with Exhibit-9, Deliverables.*

## Section 10.4 Quality of Care Concerns and Investigations:

*The Contractor shall:*

- 10.4.1 Establish mechanisms to assess the quality and appropriateness of care provided to members, including members with special health care needs, 42 CFR 438.420(b)(4).*
- 10.4.2 Develop a process that requires the provider to report incidents of healthcare acquired conditions, abuse neglect, exploitation, injuries, high profile cases and unexpected death to the Contractor.*
- 10.4.3 Develop a process to report incidents of healthcare acquired conditions, abuse, neglect, exploitation, injuries, high profile cases and unexpected death to AHCCCS Quality Management and in accordance with Exhibit-9, Deliverables.*
- 10.4.4 Develop and implement policies and procedures that analyze quality of care issues through identifying the issue, initial assessment of the severity of the issue, and prioritization of action(s) needed to resolve immediate care needs when appropriate.*
- 10.4.5 Establish a process to ensure that staff, having contact with members or providers, are trained on how to refer suspected quality of care issues to quality management. This training must be provided during new employee orientation and annually thereafter.*
- 10.4.6 Establish mechanisms to track and trend member and provider issues, which includes, but is not limited to, investigation and analysis of quality of care issues, abuse, neglect, exploitation, high profile, human rights violations and unexpected deaths.*
- 10.4.7 Implement mechanisms to assess the quality and appropriateness of care furnished to members with special health care needs.*

## AMPM Policy Requirements

### Chapter 960 Tracking and Trending of Member and Provider Issues

#### **B. DOCUMENTATION RELATED TO QUALITY OF CARE CONCERNS**

*As a part of the Contractor's process for reviewing and evaluating member and provider issues, there must be written policies and procedures regarding the receipt, initial and ongoing processing of these matters that include the following:*

- 1. Document each issue raised, when and from whom it was received and the projected time frame for resolution.*
- 2. Determine promptly whether the issue is to be resolved through the Contractor's established:*
  - a. Quality management process,*
  - b. Grievance and appeals process,*
  - c. Process for making initial determinations on coverage and payment issues, or*
  - d. Process for resolving disputed initial determinations.*

#### **C. PROCESS OF EVALUATION AND RESOLUTION OF QUALITY OF CARE AND SERVICE CONCERNS**

*The quality of care concern process must include documentation of identification, research, evaluation, intervention, resolution and trending of member and provider*

*issues. Resolution must include both member and system interventions when appropriate. The quality of care/service concern process must be a stand-alone process completed through the quality management unit. The process shall not be combined with other agency meetings or processes. Work units outside of the quality management unit will not have the authority to conduct quality of care investigations but may provide subject matter expertise throughout the investigative process.*

- 1. The Contractor must develop and implement policies and procedures that address analysis of the quality of care issues through:
  - a. Identification of the quality of care issues.*
  - b. Initial assessment of the severity of the quality of care issue.*
  - c. Prioritization of action(s) needed to resolve immediate care needs when appropriate*
  - d. Review of trend reports obtained from the Contractor's quality of care data system to determine possible trends related to the provider(s), including organizational providers, involved in the allegations(s) including: type(s) of allegations(s), severity and substantiation, etc.*
  - e. Research, including but not limited to: a review of the log of events, documentation of conversations, and medical records review, mortality review, etc.*
  - f. Quantitative and qualitative analysis of the research, which may include root cause analysis*
  - g. Direct interviews of members, direct care staff and witness to a reportable event; when applicable and appropriate.**
- 2. Onsite visits must be conducted by the Contractor's Quality Management staff when there are identified health and safety concerns, immediate jeopardy or serious incident situations, or at the direction of AHCCCS. Subject matter experts outside the Quality Management unit may participate in the onsite visit but may not take the place of Quality Management staff during reviews.*
- 3. Contractors may not delegate quality of care investigation processes or onsite quality of care visits.*

A complaint submitted to AHCCCS alleged CIC's lack of responsiveness in addressing serious health and safety concerns for members receiving services from a CIC-contracted provider. As a result of this communication, AHCCCS identified significant concerns related to CIC's actions which are summarized below.

- The CIC Complaints Department:
  1. Failed to refer at least four concerns it received about this provider regarding member health and safety and the provision of care and services between December 2016 and January 2017 to its Quality Management Department (QM).
  2. Attempted to investigate quality of care allegations for which it lacked authority.

3. Requested the provider, to conduct an internal investigation of one of the allegations for which it lacked authority.
  4. Failed to report serious quality of care concerns to its QM Department concerning the CIC contracted provider after having reviewed and substantiated such allegations which include, but are not limited to: “inappropriate seclusion and restraint procedures”, termination of an employee and reporting of a licensed staff to the licensing board.
- Despite CIC’s knowledge of continuing, serious concerns, regarding the provider, specific to member care and as a result of the Complaints Department’s decision to investigate and evaluate these concerns, CIC failed to:
    1. Have its QM staff conduct an onsite investigation in response to concerns of member health and safety
    2. Submit Incidents Reports regarding these matters to AHCCCS
    3. Submit the quality of care concerns and the CIC investigation to AHCCCS
    4. Comply with CIC established policies for referral and investigation of quality of care concerns
    5. Comply with required reporting to licensing entities
    6. Comply with the process for Peer Review
    7. Comply with the requirement to submit to AHCCCS Incident/Accident/ Death (IAD) Reports as evidenced by the fact that no IAD Reports related to this provider have been submitted prior to December 2016.
    8. Be able to accurately identify the number of its members in the facility.
    9. Ensure that its staff have a thorough understanding of the following:
      - The differences between grievances, complaints and quality of care concerns
      - The authorities, limitations, responsibilities and duties of QM and the Complaints Department as well as the roles and responsibilities of each
      - The critical importance and urgency of referrals of quality of care concerns to QM
      - CIC policies and procedures for referral, evaluation and resolution of grievances/complaints and quality of care concerns.
    10. Ensure CIC staff understand and are compliant with their, responsibility to report concerns and/or deficiencies with internal processes and have a thorough understanding of the avenues available for reporting.

CIC must take immediate actions to address each of these concerns and come into compliance with its Contract and AHCCCS policy related to the process of evaluation and resolution of quality of care concerns. CIC shall submit an **Action Plan** no later than close of business **March 7, 2017**, to **Ena Binns Operations Compliance Officer** via email at [Enna.binns@azahcccs.gov](mailto:Enna.binns@azahcccs.gov) which provides, at a minimum the following:

- A root cause analysis of the failure of staff to comply with CIC policy regarding evaluation and resolution of quality of care concerns
  - Strategies to address the findings of the analysis to ensure ongoing compliance

- A comprehensive review and analysis of CIC's policies related to evaluation and resolution of quality of care concerns, tracking and trending and peer review processes to ensure compliance with AHCCCS Contract and Policy. The analysis must identify all identified deficiencies and must also describe all strategies that will be implemented to remediate the deficiencies and ensure compliance.
- A current functional organizational chart of the Quality Management Department
- A flow chart of the processing of quality of care concerns
- Development of a comprehensive curriculum regarding evaluation and resolution of quality of care concerns and all items under #8 above for staff training of all CIC staff including leadership, management and line staff
  - Target date for submission of curriculum to AHCCCS for approval prior to initiation of training sessions
  - Target date for initiation for new employee orientation
  - Prescheduled dates for initial and quarterly training of all staff for the next four quarters (for a year)
- A review of its Corporate Compliance Program that evaluates the effectiveness of:
  - Lines of communication between the Corporate Compliance Officer and CIC employees
  - The training curriculum for all existing staff and new hires with respect to the Compliance Program as well as the process and importance of reporting noncompliance.
- A refresher Compliance Training addressing communication and reporting for all existing CIC staff including leadership, management and line staff.
- The Action Plan must include implementation dates and responsible key staff including identification of a member of leadership responsible for oversight of the action.

In addition to the **Action Plan**, AHCCCS is requiring that CIC submit the following information:

- Submission of a tracking Complaint Log of all complaints received by CIC for the period of September 2016 – February 2017 with dates of receipt; nature of complaint; current status (open or closed); and disposition including if it was referred to any other internal or external department.
- A comprehensive summary of all actions taken and responsible CIC staff involved to date regarding the reported concerns related to the provider including the status of this provider and a detailed plan for continuing monitoring and oversight.
- Submission of the contract between CIC and the Horizon PAC facility in Apache Junction that was in effect during December 2016

These items must be received by the Operations Compliance Officer at the above referenced email by **COB March 7, 2017**.

Failure to comply with this requirement may result in addition compliance actions pursuant to RBHA Contract Section 19.6, Sanctions and Terms and Conditions 48, Terminations, up to and including sanctions and/or termination of the contract in whole or in part due to failure of the Contractor to comply with any terms or condition of this contract.

Additionally, in light of the serious nature of noncompliance by CIC, AHCCCS will be assessing the scope of the Contractor's failure to evaluate and resolve quality of care concerns as well as CIC's Action Plan. After the Agency has completed its review, AHCCCS may take further compliance action, up to and including sanctions.

If you have any questions or concerns, please contact Virginia Rountree, Assistant Director, at (602)417-4122 or via email at [Virginia.Rountree@azahcccs.gov](mailto:Virginia.Rountree@azahcccs.gov).

Sincerely,



Meggan Harley, CPPO, MSW  
Chief Procurement Officer

cc: Paul Barnes, Centene  
Kim Lancaster, CIC  
Virginia Rountree, AHCCCS  
Sharon Ormsby, AHCCCS  
Vanessa Templeman, AHCCCS  
Jakenna Lebsock, AHCCCS  
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