

Letter Sent Electronically

December 11, 2018

Joseph Gaudio
Chief Executive Officer
UnitedHealthcare Community Plan
1 E. Washington Street, Suite 900
Phoenix, AZ 85004

RE: CYE 2016 Administrative Performance Measures and CYE 2017 Hybrid Immunization Audit

Dear Mr. Gaudio:

The Arizona Health Care Cost Containment System (AHCCCS) has determined that UnitedHealthcare Community Plan (UHCCP) is in violation of Contract YH14-0001-01 Sections D Paragraph 23, Quality Management and Performance Improvement; Paragraph 67 Periodic Reporting Requirements and Attachment F Contractor Chart of Deliverables and AHCCCS Medical Policy Manual Chapter 900, Policy 970 Performance Measures. As outlined in Section D, Paragraph 72, Sanctions, of the Acute Care Contract, UHCCP is hereby subject to compliance action as outlined below.

UHCCP has failed to meet AHCCCS stated Minimum Performance Measures (MPS) and to improve performance measure outcomes from year to year as evidenced by UHCCP's CYE 2016 Administrative Performance Measures and CYE 2017 Hybrid Immunization Audit results for the following Performance Measures. UHCCP's PM rates for each measure and its rating in regard to the below criteria is delineated in **ATTACHMENT A – Sanctioned Performance Measures**.

CYE 2016 Administrative Performance Measures:

- Children's Access to PCPs, 12 -24 Months
- Well Child, 15 Months (6+ Visits)
- Well Child, 3-6 Years
- Adolescent Well Care

CYE 2017 Hybrid Immunization Measures:

- Childhood Immunizations*

UHCCP's Acute Care Contract Section D Paragraph 23 QUALITY MANAGEMENT AND PERFORMANCE IMPROVEMENT, requires the following:

The Contractor must meet AHCCCS stated Minimum Performance Standards (MPS) for each population/eligibility category for which AHCCCS reports results. AHCCCS-reported rates are the official rates utilized for determination of Contractor compliance with performance requirements. It is equally important that, in addition to meeting the contractual MPS, the Contractor continually improve performance measure outcomes from year to year. Contractor calculated and/or reported rates will be used strictly for monitoring Contractor actions and not be used for official reporting or for consideration in corrective action purposes.

Minimum Performance Standard – MPS is the minimal expected level of performance by the Contractor. If a Contractor does not achieve this standard, the Contractor will be required to submit a corrective action plan and may be subject to a sanction of up to \$100,000 dollars for each deficient measure.

A Contractor must show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards. AHCCCS may impose sanctions on Contractors that do not show statistically significant improvement in a measure rate as calculated by AHCCCS. Sanctions may also be imposed for statistically significant declines of rates even if they meet or exceed the MPS, for any rate that does not meet the AHCCCS MPS, or a rate that has a significant impact to the aggregate rate for the State. AHCCCS may require the Contractor to demonstrate that they are allocating increased administrative resources to improving rates for a particular measure or service area. AHCCCS also may require a corrective action plan for measures that are below the MPS or that show a statistically significant decrease in its rate even if it meets or exceeds the MPS.

An evidence-based corrective action plan that outlines the problem, planned actions for improvement, responsible staff and associated timelines as well as a place holder for evaluation of activities must be received by AHCCCS within 30 days of receipt of notification of the deficiency from AHCCCS. This plan must be approved by AHCCCS prior to implementation. AHCCCS may conduct one or more follow-up desktop or on-site reviews to verify compliance with a corrective action plan.

AHCCCS evaluated the Administrative Performance Measure and the Hybrid Immunization Measures results based upon the following criteria:

- Compliance with the Minimum Performance Standard (MPS) for each measure as outlined in Contract,
- Evaluation to determine if a statistically significant decline in each PM rate from the previous measurement period occurred
- Evaluation to determine if each PM rate had a statistically significant negative impact on the AHCCCS aggregate rates.

At least annually, AHCCCS may take additional regulatory action if the Minimum Performance Standards are not met and/or statistically significant improvement is not shown.

AHCCCS places significant emphasis on the selected Performance Measures because those measures have the greatest ability to positively impact member health outcomes. These measures for child well care visits and child and adult immunizations are fundamental components for effective delivery of essential health care to members. AHCCCS has developed and implemented performance metrics to monitor the compliance of its Contractors in meeting contractual requirements related to the delivery of care and services to its members. UHCCP has not only failed to show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards as mandated by contract, UHCCP demonstrated significant underperformance in CYE 2016 Administrative Performance Measures and CYE 2017 Childhood Hybrid Immunization Measures; both were under MPS. Poor performance with respect to these crucial indicators of basic health care delivery presents urgent concerns and is wholly unacceptable.

It is expected that all Performance Measures meet or exceed the Minimum Performance Standards as outlined in the Contract. Moreover, measures are expected to improve from year to year. A statistically significant decline from year to year undermines the objectives of performance improvement and is indicative of significant Contractor deficiencies across multiple operational areas.

Sanction

If a Contractor fails to achieve compliance with the Minimum Performance Standard, the Contractor may be subject to a sanction of up to \$100,000 dollars for *each* deficient measure. Measure rates that do not meet the MPS, measure rates that show a statistically significant decline from the previous measurement period, and/or measure performance rates with a statistically significant negative impact on the AHCCCS aggregate rates are subject to sanctions for the measurement period. AHCCCS utilized the following methodology for the determination of the sanction amount:

Sanction Methodology

- *Administrative Performance rates that were below the MPS but alternatively could have been measured as a hybrid measure were sanctioned at \$25,000*
 - *If the Contractor rate was below the MPS but above the AHCCCS Aggregate Rate, the sanction was waived*
- *Administrative Performance rates that were administrative only were sanctioned at \$100,000*
 - *If the Contractor rate was below the MPS but above the AHCCCS Aggregate Rate, the sanction was waived*
- *Childhood Immunization rates were assessed as follows:*
 - *If four or less individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$100,000 was applied*
 - *If five or more individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$300,000 was applied*

- *If five or more measures that were below the MPS showed statistically significant improvement, the sanction rate was reduced to \$200,000*
- *Adolescent Immunization rates were assessed as follows:*
 - *If two or less individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$50,000 was applied*
 - *If three or more individual antigen/combination rates were below the MPS and the AHCCCS aggregate, a sanction of \$100,000 was applied*
 - *If three or more measures that were below the MPS showed statistically significant improvement, the sanction rate was reduced to \$75,000*

As a result of UHCCP’s failure to meet the MPS, its significant decline in the PM results from 2015 to 2016, and the statistically significant negative impact on the AHCCCS aggregate rates, AHCCCS is imposing a **\$175,000** sanction as allocated below. This sanction will be withheld from a future capitation payment.

*Note: AHCCCS is not sanctioning UHCCCP for Childhood Immunizations Performance as UHCCP was above the AHCCCS aggregate rate; however, performance was still below the MPS for several measures.

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| • Children’s’ Access to PCPs, 12 -24 Months | \$100,000 |
| ○ <i>Administrative only</i> | |
| ○ <i>Performance below the MPS and AHCCCS aggregate</i> | |
| • Well Child, 15 Months (6+ Visits) | \$ 25,000 |
| ○ <i>Hybrid option; ran as administrative</i> | |
| ○ <i>Performance below the MPS and AHCCCS aggregate</i> | |
| • Well Child, 3-6 Years | \$ 25,000 |
| ○ <i>Hybrid option; ran as administrative</i> | |
| ○ <i>Performance below the MPS and AHCCCS aggregate</i> | |
| • Adolescent Well Care | \$ 25,000 |
| ○ <i>Hybrid option; ran as administrative</i> | |
| ○ <i>Performance below the MPS and AHCCCS aggregate</i> | |
| Total | \$175,000 |

If UHCCP disagrees with this sanction, 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 the legal and factual bases for the dispute, as well as the relief requested

If you have any questions regarding this matter, please 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,

A handwritten signature in black ink that reads "Megan". The signature is written in a cursive, flowing style.

Meggan LaPorte, CPPO, MSW
Chief Procurement Officer

cc: Alexandra Quijada, Contract Compliance Officer, UHCCP
Dan Jensen, Performance Improvement Coordinator, UHCCP
Virginia Rountree, DHCM Assistant Director, AHCCCS
Shelli Silver, DHCM Assistant Director, AHCCCS
Jakenna Lebsack, Clinical Administrator, AHCCCS
Christina Quast, Operations Administrator, AHCCCS
Jessica Blackburn, Operations Compliance Officer, AHCCCS
Jamie Robin, Quality Improvement Manager, AHCCCS

ATTACHMENT A: SANCTIONED PERFORMANCE MEASURES

Administrative Measures

Measure	MPS	AHCCCS Aggregate Rate	CYE 2016 Rate	CYE 2015 Rate	Statistical Significance
<i>Children's Access to PCPs: 12-24 Months</i>	93%	92.1%	90.9%	95.5%	P<.001
<i>Well Child, 15 Months</i>	65%	57.7%	53.9%	56.3%	P=.003
<i>Well Child, 3-6 Years</i>	66%	61.0%	57.9%	62.2%	P<.001
<i>Adolescent Well Care</i>	41%	39.2%	35.8%	38.4%	P<.001