

September 03, 2014

Kent Monical President
Jeri Jones Interim President
UnitedHealthcare Community Plan
1 East Washington Suite 900
Phoenix, Arizona 85004

SUBJECT: Compliance Action - Notice to Cure

Dear Mr. Monical and Ms. Jones:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has identified that UnitedHealthcare Community Plan (UHCCP) is in violation of its Acute Care Contract YH14-0001 for contract year ending 2014 as outline below. As a result of these violations and pursuant to Acute Care Contract YH14-0001 Section D, Paragraph 72, AHCCCS is imposing the following regulatory action:

Notice to Cure

Concern

AHCCCS has received a disproportionate number of provider complaints related to numerous claims payment issues including but not limited to contract load, authorization, incorrect rate reimbursement, and audit process. Complaints have been consistently increasing prior to the new system implementation as well as after the implementation in April 2014. UHCCP has failed to address and resolve provider complaints regarding claims payment issues. Provider complaints include but are not limited to:

- failure to provide the appropriate, knowledgeable persons that can speak to provider claims issues
- failure to provide a plan and timeline for resolution of specific issues and specific claims
- unresolved issues for months up to a year at a time
- repeated requests for documentation that has already been submitted by providers, often multiple times
- non productive provider meetings
- inability of Provider Service Representatives to affect any resolution of issues
- poor customer service and lack of responsiveness by Provider Service Representatives

Requests by AHCCCS for follow up and resolution of specific provider issues have not provided steps taken to resolve identified issues and final resolution. Unfortunately, AHCCCS staff has also observed poor customer service and inappropriate interactions by UHCCP staff with providers.

In addition, Claims Dashboard reporting indicates four consecutive months, (April 2014 – July 2014) of failure to meet the performance metric of 95% of claims processed within 30 days. UHCCP identified an action plan in the Claims Dashboard cover letter for these months; however, the metric continues to be out of compliance despite completion of 80% of the actions.

The Grievance System Reporting indicates that the number of claims disputes has progressively increased and more than doubled since October 2013 with approximately 50% being overturned and approximately 60% of overturns being due to incorrect handling, however, the Grievance System Reporting consistently, month after month, indicates no interventions taken.

AHCCCS has significant concerns about UHCCP's ability to efficiently and accurately process and pay claims, expeditiously resolve issues, reprocess and pay claims appropriately and timely, and work collaboratively with providers to address and resolve issues. UHCCP is in violation of contract requirements as outlined below.

Contract Requirement Violations

➤ Section D 1. Introduction – Add Value to the Program

AHCCCS expects that the Contractor must continue to add value to the program and does so by:

- Recognizing that health care providers are an essential partner in the delivery of health care services, and operates the Health Plan in a manner that is efficient and effective for health care providers as well as the Contractor.
- Recognizing that the program is publicly funded, is subject to public scrutiny, and operates in a manner consistent with the public trust.

➤ Section D Paragraph 16 Staff Requirement and Support Services

The Contractor must employ sufficient staff and utilize appropriate resources to achieve contractual compliance. The Contractor's resource allocation must be adequate to achieve outcomes in all functional areas within the organization. Staff positions of *Claims Administrator, Provider Claims Educator, Provider Services and Claims Processing staff* must fulfill the duties and responsibilities of these positions including but not limited to:

- ensuring prompt and accurate provider claims processing,
- educating providers,
- identifying trends and guiding the development and implementation of strategies to improve provider satisfaction,
- ensuring providers receive prompt responses and assistance,
- ensuring timely and accurate processing of original claims, resubmissions and overall adjudication of claims.

➤ Section D Paragraph 29 i, j – Network Management

i. Track and trend provider inquiries/complaints/requests for information and take systemic action as necessary and appropriate; and

j. Ensure that provider calls are acknowledged within three business days of receipt, resolved and/or state the result communicated to the provider within 30 business days of receipt (this includes referrals from AHCCCS).

➤ Section D paragraph 38 Claims Payment/Health Information System

Claims System Audits: The Contractor shall develop and implement an internal ongoing claims audit function that will include, at a minimum, the following:

- a. Verification that provider contracts are loaded correctly
- b. Accuracy of payments against provider contract terms

Required Actions

UHCCP must develop a Corrective Action Plan to immediately address and resolve provider claims payment issues and improve provider satisfaction. The CAP must minimally include the following items:

1. A detailed project plan that includes the following:
 - a) A schedule of weekly provider meetings to begin the week of September 8, 2014 with those providers having outstanding issues including times, locations and/or call in numbers
 - b) Identification by name of UHCCP attendees including Executive Leadership and knowledgeable claims staff both at the Plan and Corporate levels that can address issues
 - c) A schedule of regular provider forums focused on claims available to all providers on at least a monthly basis beginning September 2014 including times and locations with ample time to address specific claims items and answer provider questions.
 - d) Weekly tracking of claims issues as follows:
 - Issues by provider as reported in the weekly and monthly provider meetings
 - Evaluation of issues
 - Number of claims per provider

- Specific actions taken to resolve issues
 - Tracking and trending of claims issues
 - Reporting of aging for claims resolution by provider
 - Associated dollar amounts by provider
 - Identification and resolution of systemic issues to prevent impact to other providers.
2. A detailed description of the Provider Service Model/Structure with lines of reporting
 3. A detailed description of the process utilized by a provider to obtain service and resolution of a claims issue
 4. Customer Service Training for Provider Representatives and Provider relations staff as well as appropriate actions to address poor customer service and inappropriate interactions with providers. Assurances that required Claims staff are knowledgeable and available to providers and are fulfilling the responsibilities as outlined in contract
 5. Weekly Milestone reporting to AHCCCS, beginning with the initial submission due on **Monday, September 15, 2014 and every Monday thereafter**, as follows;
 - Weekly Tracking Report of all provider specific meetings to include items listed in #4 with a summary of specific issues, actions, timeline for resolution, completion dates and sign in sheets.
 - Agenda, sign in sheets including UHCCP staff and Providers, and meeting minutes with identified issues and actions for resolution for each Monthly Provider Forum.

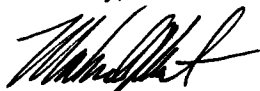
AHCCCS staff may join and/or attend meetings/forums to monitor compliance with the requirements of this Notice To Cure and timely resolution of issues for providers as well as conduct follow up calls to providers to determine progress on resolution of issues and improved customer satisfaction. AHCCCS will monitor the Weekly Milestone reporting for resolution of issues and compliance with contract requirements.

UHCCP must demonstrate a concerted effort to provide outstanding customer service, listen to provider concerns, address and timely resolve concerns of its providers, track and trend concerns and take actions for resolution, and offer provider education where necessary. UHCCP must demonstrate substantial weekly progress through expedited resolution of provider issues and meet all contractual requirements as outlined in this Notice To Cure. Please submit your Corrective Action Plan by **September 10, 2014** and the follow up Weekly Milestone reporting to Christina Quast, Operations and Compliance Officer at Christina.quast@azahcccs.gov.

UnitedHealthcare Community Plan must demonstrate significantly improved resolution of provider issues and compliance with contract requirements by **September 29, 2014**. Failure to correct the deficiencies as outlined in this letter may result in additional compliance action, in accordance with Acute Care Contract Section D, Paragraph 72, including but not limited to sanctions and/or cap on enrollment.

If you have any questions regarding this letter, you may contact Virginia Rountree, Operations Administrator, at 602-417-4122 or Virginia.rountree@azahcccs.gov.

Sincerely,



Michael Veit
Contracts and Purchasing Administrator

Cc: Kimulet Winzer, West Region Compliance Officer, UnitedHealthcare Community Plan
Jennifer Palumbo, Contract Compliance Officer, UnitedHealthcare Community Plan
Kari Price, Assistant Director, DHCM
Shelli Silver, Assistant Director, DHCM
Virginia Rountree, Operations Administrator, DHCM
Diana Alvarez, Operations Manager, DHCM
Christina Quast, Operations and Compliance Officer, DHCM

