



# **2020 Heritage Health EQRO Compliance Audit: Executive Summary**

**Period of Review: April 1, 2019 – March 31, 2020**

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**Prepared by IPRO on Behalf of  
The State of Nebraska  
Department of Health and Human Services  
Division of Medicaid and Long-Term Care**



Corporate Headquarters  
1979 Marcus Avenue  
Lake Success, NY 11042-1072  
(516) 326-7767  
ipro.org



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## Introduction

The Balanced Budget Act of 1997 established that state agencies contracting with Medicaid managed care plans (MCPs) provide for an annual external, independent review of the quality outcomes, timeliness of, and access to the services included in the contract between the state agency and the MCP. Subpart E – External Quality Review of 42 Code of Federal Regulations (CFR) sets forth the requirements for annual external quality review (EQR) of contracted MCPs. CFR 438.350 requires states to contract with an External Quality Review Organization (EQRO) to perform an annual EQR for each contracted MCP. The states must further ensure that the EQRO has sufficient information to carry out the EQR; that the information be obtained from EQR related activities; and that the information provided to the EQRO be obtained through methods consistent with the protocols established by the Centers for Medicaid and Medicare Services (CMS).

To meet these federal requirements, the Nebraska Department of Health and Human Services (DHHS) Division of Medicaid and Long-Term Care (MLTC) contracted with IPRO, an EQRO, to conduct annual compliance audits every three years, followed by partial audits in the intervening years. The 2020 annual compliance audit was a partial audit of MCP compliance with contractual requirements during the period of April 1, 2019 – March 31, 2020.

This report presents IPRO’s findings of the 2020 annual compliance audit for the one DBM and three MCOs in operation during the review period: MCNA Dental, Nebraska Total Care, United Healthcare Community Plan, and WellCare.

## Compliance Audit Objectives

The purpose of the audit was to assess the four Nebraska MCPs’ compliance with federal and state regulations regarding care management; grievance and appeals; member services; provider network; provider services; quality management; subcontracting; and utilization management.

The audit included a comprehensive evaluation of the MCPs policies, procedures, files and other materials corresponding to these 8 topic areas.

To assess the MCPs’ implementation of the policies and their operational compliance, file reviews were conducted in the following areas: provider appeals, provider complaints, member appeals, member grievances, care management, and utilization management denials.

For this audit, determinations of “full,” “partial” “non-compliance”, and “not applicable” were used for each element under review. The definition of each of the review determinations is presented in the table below.

Table 1: Review Determination Definitions

Review Determination	Definition
Full	The MCP is compliant with the standard.
Partial	The MCP is compliant with most of the requirements of the standard but has some deficiencies.
Non-compliant	The MCP is not in compliance with the standard.
Not applicable	The requirement was not applicable to the MCP.

## Statewide Summary of MCP Performance

### Summary of Findings

**Table 2** presents each of the four MCPs’ performance by domain of review. The score represents the total percentage of elements that were determined to be fully compliant for each domain. The statewide average represents the average number of elements determined to be fully compliant across the four MCPs. The total is the average percentage across review domains. The MCO(s) score that was the highest in each domain is highlighted in green while the score of the lowest performing MCO is highlighted in red.

Table 2: MCP Performance by Review Domain

Review Domain <sup>1</sup>	MCNA	NTC	UHCCP	WHP	Statewide Average
Care Management	N/A	100%	92%	100%	97%
Grievances and Appeals	100%	100%	100%	0%	75%
Member Services	100%	100%	100%	100%	100%
Provider Network	100%	100%	100%	100%	100%
Provider Services	100%	60%	80%	80%	80%
Quality Management	68%	92%	100%	92%	88%
Subcontracting	100%	100%	100%	100%	100%
Utilization Management	100%	100%	100%	100%	100%
<b>TOTAL</b>	<b>95%</b>	<b>94%</b>	<b>97%</b>	<b>84%</b>	<b>93%</b>

<sup>1</sup>The MCP(s) score that was the highest in each domain is highlighted in green while the score of the lowest performing MCP(s) are highlighted in red.

MCNA: Managed Care of North America; NTC: Nebraska Total Care; UHCCP: UnitedHealthcare Community Plan; WHP: WellCare Health Plan.

**Care Management**

*NTC*

NTC demonstrated 100% compliance for care management. At the virtual review, NTC requested to submit additional case files for review because the original file universe contained “opened” cases, as opposed to “active” cases, nine of which fell into IPRO’s sample for review. Additional member files were requested after random sampling from a revised universe and reviewed as replacements for the open files that were submitted for care management file review. All files reviewed met the requirement.

*UHCCP*

UHCCP’s deficiency involved lack of evidence of staff training including agendas, meeting materials and attendance record. Documentation submitted was outside the review period. Twenty five (25) care management files were requested from UHCCP for the file review. Out of the twenty five files, twenty one were submitted. During the interview, UHHC discussed that the plan is in possession of all medical records and that the four (4) files were not submitted because the files did not meet the criteria for care management file review. IPRO requested for the four files, all files were received and reviewed. Four (4) out of the 4 files reviewed predated the current review period.

*WellCare*

WellCare demonstrated 100% compliance with the elements associated with care management.

**Grievances and Appeals**

*MCNA*

MCNA demonstrated full compliance for grievances and appeals (two elements were reviewed this year). This year, MCNA’s timeliness of acknowledgement of appeals within ten days of receipt was in question. A file review was conducted. All files met this requirement fundamentally; two acknowledgement letters were provided upon the virtual onsite review and one acknowledgement letter contained a typo in the date received. A recommendation was made for MCNA to ensure accurate dates are indicated on appeal acknowledgement letters sent to members.

*NTC*

NTC demonstrated full compliance. One element was reviewed relating to submission of grievances, appeals, and state fair hearing logs to MLTC and NTC provided the policies supporting this requirement as well as screenshots indicating proof of timely submission of the logs to MLTC.

*UHCCP*

UHCCP demonstrated full compliance. One element was reviewed relating to submission of grievances, appeals, and state fair hearing logs to MLTC and UHCCP provided the policies supporting this requirement as well as proof of timely submission of the logs to MLTC.

#### *WellCare*

WellCare did not demonstrate full compliance for grievances and appeals. This year, IPRO reviewed three elements: two relating to timeliness of acknowledgement and resolution of grievances and appeals and one relating to timely submission of grievances, appeals, and state fair hearings logs to MLTC. For the element pertaining to timely acknowledgement of grievances and appeals with ten calendar days, a file review was conducted. Of the 20 grievance files reviewed, two files did not meet the requirement; of the 5 standard appeals files reviewed, two files did not meet this requirement. For the element pertaining to timely resolution of expedited appeals, a file review was conducted. Of the five expedited appeals files reviewed, one file did not meet the requirement of resolution within 72 hours. WellCare acknowledged these findings and explained their process for training staff and conducting internal audits to assess timeliness on an ongoing basis. For the element pertaining to submission of grievances and appeals data to MLTC, WellCare provided policy and procedure but did not provide proof of timely submission. After the virtual review, it was requested that WellCare provide proof of timely submission to MLTC of grievances and appeals data during the review period. WellCare provided proof of submission dated for September 2020. This is outside of the review period, and thus, this element was deemed partially compliant.

### **Member Services**

#### *MCNA*

MCNA demonstrated full compliance for member services. A total of five elements were reviewed. MCNA updated its member handbook to include language that pertains to the ability of members to request reports of transactions between MCNA and parties of interest, a particular element that was in question this year. MCNA also responded to IPRO's recommendation from last year to include font size change capabilities and bi-directional communication on its website.

#### *NTC*

NTC demonstrated full compliance for member services. NTC also updated its member handbook to include language that pertains to the ability of members to request reports of transactions between MCNA and parties of interest, a recommendation IPRO made last review. NTC also responded to IPRO's recommendation from last year's review and update its member website and other member materials to include information about members' disenrollment rights.

#### *UHCCP*

UHCCP also demonstrated full compliance for member services. UHCCP update its member handbook appropriately and timely. UHCCP did not have any recommendations from the previous review that needed follow-up.

#### *WellCare*

WellCare received full compliance for member services. WellCare updated its member handbook timely and appropriately. WellCare has uploaded member newsletters and the member handbook to its public-facing website, however, upon review of WellCare's secure member portal, it was determined that the MCO does not upload these member materials to its secure member portal. A recommendation was made to include these items within the secure member portal.

### **Provider Network**

#### *MCNA*

MCNA demonstrated full compliance for provider network. During the compliance review, MCNA confirmed that recruitment efforts were made during the review period, and provided IPRO with its Recruitment Activity Logs after the virtual review. MCNA also confirmed that they have not made any changes to their Network Sufficiency Plan since September 26th, 2018. One additional question IPRO has which is pending a response from MCNA pertains to the actions MCNA has taken in preparation for the implementation of the Heritage Health Adult (HHA) program in October 2020. IPRO has requested a response to this question from MCNA within the compliance review tool.

### *NTC*

NTC demonstrated full compliance with the elements associated with provider network. During the review, IPRO inquired about the steps the MCO is taking to ensure accuracy of its provider directory. The MCO reported that its provider directories are reviewed annually and there is a standardized process in place for providers when notifying the MCO that information listed in the directory has changed. NTC also indicated that the provider directory is available in English and Spanish, and can be translated into other languages upon request.

### *UHCCP*

UHCCP demonstrated full compliance with the elements associated with provider network. IPRO received all the documentation required to make a review determination prior to the virtual compliance review. During the virtual review, UHCCP and IPRO discussed IPRO's findings for the elements reviewed this year.

### *WellCare*

WellCare demonstrated full compliance with the elements associated with provider network. IPRO received all the documentation required to make a review determination prior to the virtual compliance review. During the virtual review, WellCare and IPRO discussed IPRO's findings for the elements reviewed this year.

## **Provider Services**

### *MCNA*

While MCNA demonstrated 100% compliance with the elements associated with provider services, there was one question regarding the volume of provider complaints (given there was only one reported during the measurement period). MCNA indicated that they capture all complaints received whether they are by telephone, in person, or in writing. However, if a provider complains about a claim or pre-authorization, it is classified as a reconsideration and not as a complaint. All provider claim dispute files (10 of 10) contained the appropriate documentation and demonstrated evidence of timely resolution.

### *NTC*

NTC's deficiencies involved how aspects of the contract were conveyed to providers (such as the option to express complaints in-person) and the timeliness of the provider claim disputes (1 of 10 files did not meet the 30 business day timeframe). All provider complaint files (10 of 10) met all requirements.

### *UHCCP*

UHCCP's deficiencies also involved lack of communication to providers about option to express complaints in-person, as well as one untimely provider complaint file (resolved within 31 days, which is inconsistent with internal policies that indicate 30 days). All provider claim dispute files (10 of 10) contained the appropriate documentation and demonstrated evidence of timely resolution.

### *WellCare*

All provider complaint files (6 of 6) included nature of the complaint and a timely resolution notice, along with a case summary and supporting documentation. All policies and procedures demonstrated compliance with the requirements. WHP's deficiency included 1 provider claim dispute resolution that took place outside of the 30 day window.

## **Quality Management**

### *MCNA*

In follow-up to last year's compliance review recommendation, MCNA incorporated a care coordination section into their QAPI annual evaluation. The DBM's QPP measures demonstrated that benchmarks had been met or exceeded. MCNA's quality concerns revolved largely around their member satisfaction survey, since it did not follow CAHPS methodology. The DBM indicated that they have a partnership with UAB that will allow them to administer an

anonymous survey to members, which will follow CAHPS guidelines. The other quality concern involved their provider satisfaction survey, which did not include questions related to the enrollment and complaint processes.

#### *NTC*

The QAPI Program Description was updated following last years' compliance audit to include a description of the corporate compliance committee. Further, the QAPI Program Evaluation now includes this committee as one that reports directly to the QAPIC. Overall provider satisfaction with NTC was 60.2%, a slight improvement from the 2018 rate of 59.4%, and notable improvement from the 2017 rate of 37.2%.

NTC did not include next steps for each PIP within their QI Work Plan. It was recommended they include these next steps so that they have a high-level framework to guide their actions for the subsequent project year. Further, NTC did not report on all CMS Adult and Child Core Set measures, per Amendment 7 of the Heritage Health contract.

#### *UHCCP*

UHCCP met or exceeded the QPP benchmarks, and reported on each of the CMS Adult and Core Set measures (with caveats to indicate which were not reportable due to limited data, for instance). Overall provider satisfaction with UHCCP was 52%, an improvement from the 2018 rate of 42%, and from the 2017 rate of 50%. UHCCP identified the following areas of opportunity for 2020, based on provider satisfaction results: Appeals Process, Customer Service, Prior Authorization Process, and Credentialing.

#### *WellCare*

In follow-up to last year's recommendation, WellCare included QPP outcomes within the QAPI Program Evaluation, and provided a screenshot of where these measures and outcomes can be located on their website.

Provider survey results demonstrated an increase in overall satisfaction from the previous two years (56.8% in 2019 compared with 45.5% in 2018 and 48.2% in 2017).

WellCare's deficiency was around the Member Advisory Committee and lack of member addresses and community organizations represented. Further, WellCare did not report on all CMS Adult and Child Core Set measures, per Amendment 7 of the Heritage Health contract.

### **Subcontracting**

#### *MCNA*

MCNA demonstrated full compliance for subcontracting. MCNA reported no new subcontractors since IPRO's last review May, 2019. Fiserv remains MCNA's only subcontractor for NE. During the virtual review, MCNA reported that Fiserv has continued to score high on MCNA's quarterly audits thus; they did not pursue opportunities for improvement during the review period.

#### *NTC*

NTC demonstrated full compliance for subcontracting. NTC provided a list of 25 subcontractors including two which were subcontracted for the first time during the review period (AMR & MTM), and two which were contracted with after the review period (ExactCare & MCMC). A subcontract was also provided for Pacify. However, Pacify was excluded from the MCO's list of subcontractors. During the compliance audit NTC confirmed that the Pacify contract was terminated on 3/13/2020. IPRO was unable to find evidence of a formal evaluation for CDR and CENVEO contracts. NTC provided IPRO with documentation of ongoing monitoring and a formal evaluation of these contracts in the form of agendas and meeting minutes.

#### *WellCare*

WellCare demonstrated full compliance for subcontracting. WellCare provided Pre-delegation audit results for two subcontractors contracted with during the review period. During the compliance audit IPRO requested two subcontractor agreements (The Results Company and Carenet Healthcare), as well as evidence of on-going monitoring of delegated subcontractors. WellCare provided IPRO with documentation of ongoing monitoring in the form of a scorecard for all delegated subcontractors, and submitted subcontractor agreements for The Results Company and

Carenet Healthcare. During the virtual review, IPRO brought up a concern with the audit completion date for Teleperformance, which was listed in October 2017. WellCare clarified that this date was a typo, and resubmitted the 2019-2020 Annual Audit Plan listing the corrected audit date for Teleperformance as December 31, 2019.

#### *UHCCP*

UHCCP demonstrated full compliance for subcontracting. UHCCP provided a Delegated Credentialing List with 12 active subcontractors. UHCCP also provided pre-delegation evaluation reports for three subcontractors Logistica re, March Vision, and Medtrans. During the compliance audit IPRO requested the subcontractor agreement and a formal evaluation for “Voices”. UHCCP reported that this subcontractor was terminated during the review period and should have been removed from their vendor list. IPRO also requested a formal evaluation for Market Strategies International. UHCCP reported that they did not use Market Strategies International in 2019; therefore their performance was not evaluated. Lastly, UHCCP confirmed that Logistica re was the only subcontractor in the pre-delegated stage during the review period.

### **Utilization Management**

#### *MCNA*

MCNA has demonstrated full compliance for utilization management. MCNA has updated its UM program description timely and appropriately and has conducted the UM program evaluation. During last year’s review, it was recommended that MCNA include language in its acknowledgement letters for expedited requests the ability for the member to request an informal reconsideration; MCNA has addressed this recommendation and all five expedited files reviewed contained this language in the letters to members.

#### *NTC*

NTC received full compliance for utilization management. NTC updated its UM program description appropriately and timely and conducted the UM program evaluation. Additionally, NTC updated its clinical practice guidelines and submitted them for annual review.

#### *UHCCP*

UHCCP received full compliance for utilization management. UHCCP updated its UM program description appropriately and timely and conducted the UM program evaluation. UHCCP updated its clinical practice guidelines and submitted them for annual review.

#### *WellCare*

WellCare received full compliance for utilization management. WellCare updated its UM program description appropriately and timely and conducted the UM program evaluation. Additionally, WellCare updated its clinical practice guidelines and submitted them for annual review.

## **MCP Corrective Action and Next Steps**

Each of the MCPs will be required to submit a response to each recommendation that will address each of the audit elements determined to be less than fully compliant. IPRO and MLTC will review the responses and make final determinations.