

June 26, 2018

Paul Barnes
Chief Executive Officer
Bridgeway Health Solutions
1850 W. Rio Salado Pkwy, Suite 201
Tempe, AZ 85281

RE: Compliance Action – Case Management Assessments

Dear Mr. Barnes:

The Arizona Health Care Cost Containment System (AHCCCS), Division of Health Care Management (DHCM) has determined that Bridgeway Health Solutions (BWY) is in violation of Contract YH12-0001-01 for services for contract year ending 2017. As outlined in Section D, Paragraph 80 “Sanctions” of the ALTCS/EPD Contract, BWY is hereby subject to compliance action as outlined below.

On March 3 2017, AHCCCS awarded the ALTCS/EPD Contract YH18-0001. BWY was not awarded a Contract, and, as a result, began the process of transitioning approximately 5,000 members to the three awarded Contractors. As an exiting Contractor, BWY was obligated to provide services to enrolled members through the term of its YH12-0001-01 Contract and to comply with all contractual provisions and incorporated policies, including but not limited to, AMPM Policy 1600 “ALTCS Case Management” and ACOM Policy 440 “Managed Care Expiration or Termination of Contract.” The term of Contract YH12-0001-01 ended after September 30, 2017. BWY failed to comply with Contract and Policy requirements, including those specified below.

Contract Requirements:

Section D, Paragraph 8, Transition Activities:

Contract Termination: In the event the contract or any portion thereof, is terminated for any reason, or expires, the Contractor shall assist AHCCCS in the transition of its members to other Contractors, and shall abide by standards and protocols set forth above. In addition, AHCCCS reserves the right to extend the term of the contract on a month-to-month basis to assist in any transition of members. AHCCCS may discontinue enrollment of new members with the Contractor three months prior to the contract termination date. The Contractor shall make provisions for continuing all management and administrative services until the transition of all members is completed and all other requirements of this contract are satisfied. The Contractor shall submit, upon request, to AHCCCS for approval a detailed plan for the transition of its members in the event of contract expiration or termination. The name and title of the Contractor’s transition coordinator shall be included in the transition plan.

Section D, Paragraph 16, Case Management:

Case managers shall follow all applicable standards outlined in AMPM Chapter 1600 while conducting case management activities for and with ALTCS members/families/significant others.

The case manager shall make initial contact and periodic placement/service reviews on-site with the member/family/significant others within the appropriate timeframes established by AHCCCS policy.

ACOM Requirements:

Chapter 400 Policy 440 – Managed Care Expiration or Termination of Contract

Section III (D) General Contractor Responsibilities:

For Contract expirations and terminations, the Contractor shall adhere to the following:

- 1. Produce reports timely and perform all responsibilities through the dates specified in the AHCCCS notification,*
- 2. Comply with all terms of the Contract including, but not limited to, the provision of all management and administrative services throughout the transition,*
- 3. Maintain adequate staffing to perform all required functions as specified in Contract,*
- 4. Designate an individual as Contract Transition Coordinator who shall ensure the continuance of Contractor performance, operations, and member transitions through a time determined by AHCCCS, and provide this individual's contact information with submission of the Contract Expiration or Termination Plan,*
- 5. Participate in any meetings, workgroups, trainings or other activities scheduled by AHCCCS related to the transition of members, to support a seamless transition,*
- 6. Be responsible for payment of all outstanding obligations for medical care rendered to members,*
- 7. Be responsible for the provision of a monthly claims aging report including IBNR amounts (as outlined in the AHCCCS Notification),*
- 8. Be responsible for the provision of Quarterly and Audited Financial Statements up to the date specified by AHCCCS,*
- 9. Be responsible for the provision of encounter reporting until all services rendered prior to Contract expiration or termination have reached adjudicated status and data validation of the information has been completed,*
- 10. Cooperate with reinsurance audit activities on prior Contract years,*
- 11. Cooperate with AHCCCS to complete and finalize any open and pending reconciliations,*
- 12. Be responsible for the submission of Quality Management and Medical Management reports as required by contract, as appropriate, to provide information on services rendered up to the date of contract expiration or termination including Quality Of Care (QOC) concern reporting and investigations based on the date of service,*
- 13. Be responsible for participation in and closing out Performance Measures and Performance Improvement Projects as required,*
- 14. Provide a monthly accounting and disposition of Member Grievances and Claim Disputes as outlined in the AHCCCS Notification,*
- 15. Be responsible for the retention, preservation, and availability of all records, including, but not limited to those records related to member grievance and appeal records, litigation, base data, Medical Loss Ratio (MLR) reports, claims settlement and those covered under HIPAA, as required by Contract, State and Federal law, including but not limited to, 45 CFR 164.530(j)(2) and 42 CFR 438.3(u),*
- 16. Be responsible for the completion of existing third-party liability cases or making any necessary arrangements to transfer the cases to AHCCCS' authorized Third Party Liability (TPL) Contractor,*

17. *Be responsible for the following activities pertaining to member services and transitions:*
 - a. *Continue to serve enrolled members and provide all medically necessary covered services until the transition of all members is complete as specified by AHCCCS,*
 - b. *Conduct all member transition activities in accordance with AHCCCS requirements,*
 - c. *Cooperate with Contractor(s) which are receiving members, to support seamless transition of all member services,*
 - d. *Transfer member data to Contractor(s) which are receiving members using a file format and dates for transfer of member data specified by AHCCCS, and*
 - e. *The cost, if any, of reproducing and forwarding medical records.*
18. *Return to AHCCCS any funds advanced to the Contractor for coverage of members for periods subsequent to the date of termination within 30 days of the Contract termination, and*
19. *Make available all data, information and reports collected or prepared by the Contractor in the course of performing its duties and obligations under the contract to AHCCCS within 30 days following expiration or termination of the Contract or such other period as specified by AHCCCS.*

AMPM Policy Requirements:

Chapter 1600, Policy 1610, Guiding Principles and Components of ALTCS Case Management; 1610B ALTCS Case Management Components

1. *Service planning and coordination*

To identify services that will effectively meet the member's needs in the most cost effective manner and to develop and maintain the member's service plan. Development of the service plan shall be coordinated with the member/ guardian/designated representative to ensure mutually agreed upon approaches to meet the member's needs within the scope and limitations of the program, including cost effectiveness. Service planning and coordination also includes ensuring member/guardian/designated representative know how to report the unavailability of or other problems with services and that these issues will be addressed as quickly as possible when they are reported.

2. *Brokering of services*

To obtain and integrate all ALTCS services to be provided to the member, as well as other aspects of the member's care, in accordance with the service plan. If certain services are unavailable, the case manager may substitute combinations of other services, within cost effectiveness standards, in order to meet the member's needs until the case manager is able to obtain such services for the member. The case manager shall also consider and integrate non-ALTCS covered community resources/services as appropriate based on the member's needs.

3. *Facilitation and Advocacy*

To resolve issues which impede the member's progress and access to needed services (both ALTCS and non-ALTCS covered services) and to ensure services provided are beneficial for the member. The case manager shall assist the member in maintaining or progressing toward his/her highest functional level through the coordination of all services.

4. *Review and reassessment*

To review, evaluate and make modifications as appropriate to the member’s service plan, goals and services provided to the member as required and as necessary including when the member’s condition changes and/or at the request of the member/family/representative.

5. *Monitor and assess*

To determine medically necessary and cost effective ALTCS services for the member. This includes evaluating the member’s placement, and authorized services, and taking necessary action to ensure that placement and services are appropriate to meet the member’s needs.

Chapter 1600, Policy 1620, ALTCS Case Manager Standards, Exhibit 1620-1 Case Management Timeframes:

REASSESSMENT VISITS (Includes service plan review and signature)	TIMEFRAMES
HCBS member	At least every 90 days
Nursing Facility (NF) member	At least every 180 days

Shortly after the October 1, 2018 transition, AHCCCS identified a significant number of BWY members who had not received case management (CM) reassessment visits in a timely manner. AHCCCS determined that BWY CM management instructed the CM staff to complete upcoming reassessments ahead of the scheduled date of reassessment. In many cases these visits occurred as early as four weeks prior to the originally scheduled due date which, in turn, accelerated the next scheduled reassessment due date for these members to September 2017. Further, AHCCCS identified that CM staff had been instructed that it was not necessary to conduct reassessment visits in September 2017, the final month of the ALTCS YH12-0001-01 Contract. As a result, BWY failed to perform the mandated case management reassessments.

Performing timely case management reassessment visits for ALTCS members is critical to ensure timely access to, and provision of, medically necessary health care services to vulnerable AHCCCS members. The importance of performing reassessment visits according to the mandated schedule cannot be overstated. Failure to conduct required visits and reassessments delays prompt identification and resolution of member health care needs which may impair the member’s progress and restrict access to vital health care services. Member reassessment visits are crucial for timely identification and review of any change in a member’s condition as well as for monitoring and evaluation of the appropriateness of the member’s placement and services. Compliance with the procedural and substantive requirements of reassessment visits is fundamental to ALTCS guiding principles.

The failure of BWY to conduct member reassessments in September 2017, as required, impacted a total of 2033 members of whom 1913 members resided in home and community based settings and 120 members resided in nursing facilities. The 2033 BWY members transitioned to new Contractors on October 1, 2017 with overdue reassessments, and, as a result of BWY’s inaction, the “receiving” Contractors to which these members were transitioned were then required to

prioritize visits and reassessments for the 2033 members to address outstanding or unaddressed needs, care, and/or services.

Beyond the immediate member-related concerns directly presented by BWY's noncompliance, AHCCCS as well as "receiving" Contractors were required to undertake additional and substantial activities of a priority nature that would not have been necessary had BWY adhered to the terms of its contract. Receiving Contractors were responsible for developing and providing work plans to AHCCCS for conducting the overdue case management reassessments that had not been performed by BWY in September 2017. Moreover, the receiving Contractors were also required to track the number of members who had not received these reassessments where service issues or critical needs were identified and to submit related Quality of Care Concerns (QOCs) directly to AHCCCS. AHCCCS conducted comprehensive investigations for all referrals submitted as QOC cases. These activities added considerably to the extensive administrative and operational work already underway by both AHCCCS and Contractors that were necessary to support a seamless member transition of more than 9000 ALTCS members during a critical time period. BWY's focus on the health care needs of vulnerable members and its compliance with the aforementioned contractual requirements would have obviated the need for the actions described above.

Sanction

As a result of BWY's non-compliance with terms of the ALTCS/EPD Contract and relevant policies, BWY is subject to a monetary sanction of **\$150,000**. AHCCCS intends to withhold the total sanction amount from future reinsurance payments, share of cost reconciliation payment or HCBS reconciliation payment. Should a current payment not exist to withhold the sanction, AHCCCS will request BWY to remit payment upon receipt of an invoice submitted by AHCCCS.

Should BWY disagree with this decision, the Contractor may file a dispute with the AHCCCS Administration 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 Administration, Office of Administrative and Legal Service at 701 E. Jefferson, Phoenix AX 85034, no later than 60 days from the date of this letter. The dispute shall specify the legal and factual basis for the dispute and well as relief requested.

If you have any questions regarding this matter, please contact Virginia Rountree at (602) 417-4122 or Virginia.Rountree@azahcccs.gov.

Sincerely,



Meggan Harley CPPO, MSW
Chief Procurement Officer

Cc: Cheyenne Ross, Centene
Virginia Rountree, AHCCCS
Shelli Silver, AHCCCS
Christina Quast, AHCCCS
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