

**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

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*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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January 18, 2013

Patrick Ross, President  
Bridgeway Health Solutions  
1501 W. Fountainhead Parkway Suite 201  
Tempe, AZ 85282

**RE: ALTCS Diabetes Performance Measure Concerns and Regulatory Action**

Dear Mr. Ross:

The Arizona Health Care Cost Containment System (AHCCCS) has completed the review and evaluation of ALTCS Contractor results of the Clinical Quality Diabetes Performance Measures reported in Contract Year End (CYE) 2011. Based upon the results of the review, Bridgeway Health Solutions is subject to regulatory actions which include financial sanctions. **AHCCCS sent a letter dated January 17, 2012, with a sanction amount consistent with the amount applied to large Contractors. After further consideration, AHCCCS has determined that the Bridgeway Health Solutions' Arizona Long Term Care System (ALTCS) population size is not consistent with that of an AHCCCS large Contractor. Therefore, this letter serves to correct the sanction amount to the level of a small AHCCCS Contractor.**

Bridgeway Health Solutions demonstrated declines on each of the three diabetes performance measures: HbA1c testing, lipid screening, and retinal eye exams. Two of the three measures showed statistically significant decreases. In addition, Bridgeway's performance had a significant impact on aggregate statewide performance for each of the measures.

Based on the severity of the performance rate declines and the multiple concerns of AHCCCS staff regarding the oversight and monitoring of these measures, regulatory action is being taken with the expectation that these concerns are immediately remedied and interventions are put in place to drive substantial improvement.

***Sanctions***

AHCCCS has compared Contractor performance to the Minimum Performance Standards (MPS) specified in contract and also against the statewide average for each measure using an inter-quartile rating process. Through this process outliers were identified across measure sets. Contractor rates that had a variance of -14.3 percentage points or greater from the statewide average for the measures were identified as negative outliers and are subject to sanction.

Based on the Contractor's failure to meet the Minimum Performance Standard in the most recent measurement and the measures being classified as negative outliers, AHCCCS will sanction the Contractor a total of **\$100,000.00** for the following measures, as allowed in Contract:

- Diabetes Care, Lipid Profiles - \$50,000.00
- Diabetes Care, Retinal Eye Exams - \$50,000.00

**This sanction will be withheld from an upcoming capitation payment.**

It should be noted that the following sanctions could have been applied due to failure to meet the Minimum Performance Standards outlined in the Contract. AHCCCS is instead requiring participation in individual quality improvement technical assistance meetings.

- Diabetes Care, HbA1c Testing- \$50,000.00

#### ***Notice to Cure and Mandatory Quarterly Technical Assistance***

AHCCCS has evaluated each Contractor's final results of contractual measures for the CYE 2011 measurement period and compared them with the CYE 2010 measurement period and the Minimum Performance Standards in the CYE 2011 Contract. Based on these results, AHCCCS is implementing a Notice to Cure for all three diabetes performance measures and also requiring Bridgeway Health Solutions to actively participate in Quarterly Technical Assistance meetings to discuss successes and barriers related to these measures as well as related performance and interventions. Detailed instructions for these sessions will be sent at a later date.

#### ***Corrective Action Plans***

Bridgeway Health Solutions must submit to AHCCCS corrective action plans (CAPs) for the diabetes performance measures that did not meet the MPS in the most recent measurement. All existing activities and interventions implemented to date must be documented and include an evaluation of the effectiveness of each activity/intervention based on analysis of data and trends. Also, please determine whether or not the intervention will continue or be replaced with another intervention in order to improve the effectiveness of the interventions and the overall performance results of the measures.

All required CAPs must be submitted to the AHCCCS Division of Health Care Management (DHCM), Clinical Quality Management (CQM) Unit, within 30 days of the date of this notice. CAPs should be submitted via the SFTP with a notification directed to the attention of Kim Elliott, Ph.D, CPHQ, Clinical Quality Management Administrator, at [Kim.Elliott@azahcccs.gov](mailto:Kim.Elliott@azahcccs.gov).

#### ***Future Performance***

It is expected that all Performance Measures meet or exceed the Minimum Performance Standards outlined in the contract. Contractors should strive to show continuous quality improvement for each of the measures; documenting and building upon successful interventions while discontinuing unsuccessful activities. It is expected that Contractors maintain appropriate supporting documentation for all performance measures in order to supply AHCCCS with

requested documentation in a timely and orderly fashion. AHCCCS will not provide additional opportunities after expiration of the data collection period for the Contractor to accurately collect the required documentation.

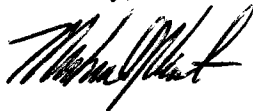
Per the terms of your contract, sanctions are not AHCCCS' exclusive remedy. Regulatory actions may include continuation of actions listed above, including additional sanctions, as allowed in the Contract. In addition, and without limiting possible future actions, if any legal action is brought against AHCCCS as the result of the Contractors non-compliance with the Contract, AHCCCS will seek compensation for any damages arising from such legal action, including but not limited to AHCCCS' cost of representation, as well as the cost of any attorney's fees and costs payable to the party bringing the action.

If you disagree with this sanction, you 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 AHCCCS 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. Dispute letters should be sent to:

AHCCCS  
Office of Administrative Legal Services  
701 E. Jefferson  
Phoenix, AZ 85034

If you have any questions regarding this letter, please contact Kim Elliott, Clinical Quality Management Administrator at 602-417-4782 or [Kim.Elliott@azahcccs.gov](mailto:Kim.Elliott@azahcccs.gov).

Sincerely,



Michael Veit,  
Contracts and Purchasing Administrator

cc: Robert Krauss, Chief Medical Officer, Bridgeway Health Solutions  
Cheyenne Ross, Contract Compliance Officer, Bridgeway Health Solutions  
Kim Elliott, PhD, CPHQ, Clinical Quality Administrator, DHCM, AHCCCS  
Kari Price, Assistant Director, DHCM, AHCCCS  
Shelli Silver, Assistant Director, DHCM, AHCCCS

\*Note: This letter dated January 18<sup>th</sup>, 2013 rescinds the letter sent dated January 17<sup>th</sup>, 2013 same subject referenced matter.