

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

Dear Mr. Gaudio:

The Arizona Health Care Cost Containment System (AHCCCS) has determined that UnitedHealthcare Community Plan – Children’s Rehabilitative Services (UHCCP-CRS) is in violation of Contract YH14-0002 Sections D Paragraph 22, Quality Management and Performance Improvement; Paragraph 66 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 71, Administrative Actions, Sanctions, of the Acute Care Contract, UHCCP-CRS is hereby subject to compliance action as outlined below.

UHCCP-CRS has failed to meet AHCCCS stated Minimum Performance Measures (MPS) and to improve performance measure outcomes from year to year as evidenced by UHCCP-CRS’s CYE 2016 Administrative Performance Measures and CYE 2017 Hybrid Immunization Audit results for the following Performance Measures. UHCCP-CRS’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:**

- Well Child, 15 Months (6+ Visits)

UHCCP-CRS’s Acute Care Contract Section D Paragraph 22 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, and
- 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-CRS has not only failed to show demonstrable and sustained improvement toward meeting AHCCCS Performance Standards as mandated by contract, UHCCP-CRS has demonstrated continued underperformance for Well Child, 15 Months (6+ Visits) below MPS and AHCCCS Aggregate.

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-CRS's failure to meet the MPS and the statistically significant negative impact on the AHCCCS aggregate rates, AHCCCS is imposing a **\$25,000** sanction as allocated below. This sanction will be withheld from a future capitation payment.

- Well Child, 15 Months (6+ Visits) \$ 25,000
    - *Hybrid option; ran as administrative*
    - *Performance below the MPS and AHCCCS aggregate*
- Total \$25,000**

If UHCCP-CRS 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](mailto:Virginia.Rountree@azahcccs.gov) or Jakenna Lebsock at 602-417-4229 or [Jakenna.Lebsock@azahcccs.gov](mailto:Jakenna.Lebsock@azahcccs.gov)

Sincerely,



Meggan LaPorte, CPPO, MSW  
Chief Procurement Officer

cc: Alexandra Quijada, Contract Compliance Officer, UHCCP-CRS  
Dan Jensen, Performance Improvement Coordinator, UHCCP-CRS  
Virginia Rountree, DHCM Assistant Director, AHCCCS  
Shelli Silver, DHCM Assistant Director, AHCCCS  
Jakenna Lebsock, 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*

<b>Measure</b>	<b>MPS</b>	<b>AHCCCS Aggregate Rate</b>	<b>CYE 2016 Rate</b>	<b>CYE 2015 Rate</b>	<b>Statistical Significance</b>
<i>Well Child, 15 Months</i>	65%	57.7%	55.8%	49.6%	<b>P&lt;.001</b>

