Minnesota Department of Health
Compliance Monitoring Division
Managed Care Systems Section

Final Report

HealthPartners, Inc.
And
Group Health, Inc.

Quality Assurance Examination

For the period:
January 1, 2003 through November 30, 2005

Examiners:
Susan Margot, M.A.
MaryAnn Fena, J.D.
Elaine Johnson, RN, BS, CPHQ

Final Issue Date: September 14, 2006
The Minnesota Department of Health (MDH) conducted a Quality Assurance Examination of HealthPartners, Inc. and Group Health, Inc., to determine whether these HMOs are operating in accordance with Minnesota law and with the Minnesota Department of Human Services (DHS) Contract. Based on the examination, MDH has found that HealthPartners and Group Health are compliant with Minnesota law and the DHS Contract, except in the areas outlined in the “Deficiencies” section of this report. The “Recommendations” listed are areas where, although compliant with law, MDH identified improvement opportunities.

To address deficiencies, HealthPartners and its delegates must:

Include in its contractual arrangements for delegated functions its requirements for regular reporting and the process by which HealthPartners will evaluate the contracted entities’ performance of those delegated functions.

Consistently include the right to internal appeal in its notification of complaint decision when the plan’s decision is partially or wholly adverse to the complainant.

Consistently include the right to external review in its notification of appeal decision when the plan’s decision is partially or wholly adverse to the complainant.

Notify the provider by telephone (or facsimile) within one working day of its initial determination not to certify a request for behavioral health services.

Include the right to external review in its notification that the initial utilization review determination is not reversed on appeal.

Ensure that a psychiatrist reviews the final determination to deny appeals regarding mental health or substance abuse services for clinical reasons.

Ensure a chiropractor reviews all cases in which the HMO has concluded that a determination not to certify a chiropractic service or procedure for clinical reasons is appropriate and an appeal has been made.

To address recommendations, HealthPartners should:

Maintain documentation showing substantive evaluation through review and analysis of the regular reports of all of its delegates for all delegated functions.

Require the same standards for the assessment and annual reporting of its delegates’ networks that it has for its HealthPartners network.
Consistently provide documentation in the quality of care file when it forwards a complaint/grievance related to quality of care to the provider(s) who is the subject matter of the complaint.

Revise its policy and procedure for public programs to ensure that enrollees receiving previously authorized services that are reduced or terminated are sent a DTR at least 10 days prior to the reduction or termination.

Revise its policy and procedure UM 07 and attachments to indicate that an extension to an appeal investigation may not exceed 14 calendar days.

This report including these deficiencies and recommendations is approved and adopted by the Minnesota Commissioner of Health pursuant to authority in Minnesota Statutes, chapter 62D.

__________________________________________  _______________________
Darcy Miner, Director       Date
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I. Introduction

A. History: Founded in 1957, HealthPartners provides care and coverage to members across Minnesota and western Wisconsin. HealthPartners, Inc. is a nonprofit Minnesota corporation and the parent company of a family of corporations known as HealthPartners. The HealthPartners enterprise consists of affiliated organizations including HealthPartners Medical Group, HealthPartners Central Minnesota Clinics, HealthPartners Dental Group and Clinics, Regions Hospital, HealthPartners Research Foundation, HealthPartners Institute for Medical Education, and Group Health, Inc. (a separately licensed health maintenance organization), Midwest Assurance Company (a stock company) and HealthPartners Administrators, Inc. (a registered third party administrator). It provides services through a network of owned and contracted medical and dental centers, physician groups, hospitals, and related healthcare providers.

B. Membership: Based on the enrollment report submitted to the Minnesota Department of Health, HealthPartners membership, as of December 31, 2004, consisted of the following fully-insured populations:

<table>
<thead>
<tr>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully insured Commercial</td>
</tr>
<tr>
<td>HealthPartners, Inc.</td>
</tr>
<tr>
<td>Group Health, Inc.</td>
</tr>
<tr>
<td>Prepaid Medical Assistance Program</td>
</tr>
<tr>
<td>HealthPartners, Inc.</td>
</tr>
<tr>
<td>Prepaid General Assistance Medical Care</td>
</tr>
<tr>
<td>HealthPartners, Inc.</td>
</tr>
<tr>
<td>MinnesotaCare</td>
</tr>
<tr>
<td>HealthPartners Inc.</td>
</tr>
<tr>
<td>Medicare + Choice</td>
</tr>
<tr>
<td>Group Health, Inc.</td>
</tr>
<tr>
<td>Medicare Cost</td>
</tr>
<tr>
<td>HealthPartners, Inc.</td>
</tr>
<tr>
<td>Total -- HealthPartners, Inc.</td>
</tr>
<tr>
<td>Total -- GroupHealth, Inc.</td>
</tr>
<tr>
<td>Combined Total</td>
</tr>
</tbody>
</table>

C. Onsite Examination Dates: February 6 through 16, 2006

D. Examination Period: January 1, 2003 through November 30, 2005

E. National Committee for Quality Assurance (NCQA): HealthPartners is accredited by the NCQA, based on 2004/2005 standards. The Minnesota Department of Health (MDH) evaluated and used results of the NCQA accreditation in the following ways:
• If NCQA standards do not exist or are not as stringent as Minnesota law, the review results were not used for evaluation [no NCQA check box].
• If the NCQA standard was the same or more stringent than Minnesota law and HealthPartners was accredited with 100% of possible points, the NCQA review result was accepted as meeting Minnesota requirements [✓NCQA] unless evidence existed indicating further investigation was warranted [☐NCQA].
• If the NCQA standard was the same or more stringent than Minnesota law, but the review resulted in a reduction in possible points on NCQA’s score sheet, MDH conducted its own examination.

F. Sampling Methodology: Due to the small sample sizes and the methodology used for sample selection for the quality assurance examination, the results cannot be extrapolated as an overall deficiency rate for the health plan.

G. Performance Standard: For each instance of non-compliance with applicable law or rule identified during the course of the quality assurance examination, which covers a three-year audit period, the health plan is cited with a deficiency.

II. Quality Program Administration

Minnesota Rules, Part 4685.1110. Program

<table>
<thead>
<tr>
<th>Subp.</th>
<th>Written Quality Assurance Plan</th>
<th>yes</th>
<th>no</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subp.</td>
<td>Documentation of Responsibility</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Appointed Entity</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Physician Participation</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Staff Resources</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Delegated Activities</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Information System</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Program Evaluation</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Complaints</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Utilization Review</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Provider Selection and Credentialing</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Qualifications</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
<tr>
<td>Subp.</td>
<td>Medical Records</td>
<td>yes</td>
<td>no</td>
<td>NCQA</td>
</tr>
</tbody>
</table>

Subp. 6. Minnesota Rules, part 4685.1110, subpart 6, mandates that the HMO shall retain responsibility for performance of all delegated functions and requires the HMO to develop and implement review and reporting requirements to ensure that the delegated entity adequately performs the delegated functions. Review of delegation oversight documents and interviews indicated the following:

1 NCQA delegation standards are equivalent to Minnesota law for credentialing and quality improvement functions only.
Chiropractic Care of Minnesota, Inc. (CCMI). HealthPartners delegates utilization management, network management, and credentialing to CCMI. The provider agreement relating to network management submitted for review does not contain HealthPartners’ requirements of this delegate for regular reporting. Additionally, the provider agreement does not include the process by which HealthPartners will evaluate CCMI’s performance in regards to network management. (Deficiency #1) MDH reviewed a sample of the regular reports from CCMI pertaining to network management, which included a quarterly report, an annual report and a satisfaction survey with short summaries of each done by CCMI. No documentation showing substantive evaluation through review and analysis of these reports by HealthPartners was submitted to MDH. (Recommendation #1)

PharmaCare, Inc. (PharmaCare). HealthPartners delegates network management and claims to PharmaCare. The contract submitted for review did not include the process by which HealthPartners will evaluate PharmaCare’s performance in regards to network management and claims. (Deficiency #1) Numerous reports from PharmaCare were submitted for review, however no documentation showing substantive evaluation through review and analysis of these reports by HealthPartners was submitted to MDH. (Recommendation #1)

HealthPartners does an extremely comprehensive annual practitioner availability report for its network, which sets the standard for evaluating its network. HealthPartners should require the same comprehensive assessment of the networks of its delegates. (Recommendation #2)

Subpart 9 While on-site at the health plan, the examiners reviewed 48 complaint/grievance files related to quality of care (25 commercial and 23 public program enrollees). Based on staff interviews, it is the plan’s practice to forward all written complaints/grievances related to quality of care to the provider(s) who is the subject of the complaint. However, this was not consistently documented in the files. (Recommendation #3) Nonetheless, the evidence gathered during the examination shows the plan consistently conducts an adequate investigation and performs appropriate follow up on quality of care complaints.

Minnesota Rules, Part 4685.1115. Activities

<table>
<thead>
<tr>
<th>Subp.</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ongoing Quality Evaluation</td>
<td>☑️</td>
<td>☐️</td>
<td>☒</td>
</tr>
<tr>
<td>2</td>
<td>Scope</td>
<td>☑️</td>
<td>☐️</td>
<td>☒</td>
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</table>

Minnesota Rules, Part 4685.1120. Quality Evaluation Steps

<table>
<thead>
<tr>
<th>Subp.</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Problem Identification</td>
<td>☑️</td>
<td>☐️</td>
<td>☒</td>
</tr>
<tr>
<td>2</td>
<td>Problem Selection</td>
<td>☑️</td>
<td>☐️</td>
<td>☒</td>
</tr>
<tr>
<td>3</td>
<td>Corrective Action</td>
<td>☑️</td>
<td>☐️</td>
<td>☒</td>
</tr>
<tr>
<td>4</td>
<td>Evaluation of Corrective Action</td>
<td>☑️</td>
<td>☐️</td>
<td>☒</td>
</tr>
</tbody>
</table>

Final Issue Date: September 14, 2006
Minnesota Rules, Part 4685.1125. Focused Study Steps

<table>
<thead>
<tr>
<th>Subp.</th>
<th>Name</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Focused Studies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Topic Identification and Selection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Study</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Corrective Action</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Other Studies</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Minnesota Rules, Part 4685.1130. Filed Written Plan and Work Plan

<table>
<thead>
<tr>
<th>Subp.</th>
<th>Name</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Written Plan</td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Work Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HealthPartners Quality Improvement Program Description (April 2005) was last submitted to MDH and approved in January 2006.

III. Complaint and Grievance Systems

<table>
<thead>
<tr>
<th>Description</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaint Files</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appeal Files</td>
<td>43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>83</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Minnesota Statutes, Section 62Q.69. Complaint Resolution

<table>
<thead>
<tr>
<th>Subd.</th>
<th>Name</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establishment</td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Procedures for filing a complaint</td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Notification of Complaint Decisions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Pursuant to Minnesota Statutes, section 62Q.69, subdivision 3(b), when the plan’s decision is partially or wholly adverse to the complainant, the notice must inform the complainant of the right to appeal the decision to the plan’s internal appeal process. Although the plan’s policies and procedures were adequate, there was one file in which the notification of decision did not include the appropriate notice of the right to an internal appeal. (Deficiency #2.)

Minnesota Statutes, Section 62Q.70. Appeal of the Complaint Decision

<table>
<thead>
<tr>
<th>Subd.</th>
<th>Name</th>
<th>Yes</th>
<th>No</th>
<th>NCQA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Establishment</td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Procedures for Filing an Appeal</td>
<td>✗</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Notification of Appeal Decisions</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Pursuant to Minnesota Statutes, section 62Q.70, subdivision 3(b), when the plan’s decision on appeal is partially or wholly adverse to the complainant, the notice must inform the complainant of the right to submit the appeal decision to the external review process. Although the plan’s policies and procedures were adequate, there were two files in which the plan’s notification of decision on appeal did not contain notification of the external review process. (Deficiency #3.)

**Minnesota Statutes, Section 62Q.71. Notice to Enrollees**

☒ yes  ☐ no

**Minnesota Rules, Part 4685.1900. Records of Complaints**

<table>
<thead>
<tr>
<th>Subp.</th>
<th>Requirement</th>
<th>☒ yes</th>
<th>☐ no</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Record Requirements</td>
<td>☒ yes</td>
<td>☐ no</td>
</tr>
<tr>
<td>2.</td>
<td>Log of Complaints</td>
<td>☒ yes</td>
<td>☐ no</td>
</tr>
</tbody>
</table>

**Minnesota Statutes, Section 62Q.73. External Review of Adverse Determinations**

<table>
<thead>
<tr>
<th>Subd.</th>
<th>Requirement</th>
<th>☒ yes</th>
<th>☐ no</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Exception</td>
<td>☒ yes</td>
<td>☐ no</td>
</tr>
<tr>
<td>3.</td>
<td>Right to external review</td>
<td>☒ yes</td>
<td>☐ no</td>
</tr>
</tbody>
</table>

**Grievance System**

MDH did not examine HealthPartners’ public program products for compliance with Minnesota Statutes, sections 62Q.69 through .73 governing complaints and appeals. MDH examined HealthPartners’ public program grievance system for compliance with the federal BBA law (42 CFR 438, subpart F) and the DHS 2005 Model Contract, Article 8.

MDH reviewed grievance system files as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grievance Files (BBA regulated)</td>
<td>24</td>
</tr>
<tr>
<td>Appeal Files (BBA regulated)</td>
<td>55</td>
</tr>
<tr>
<td>State Fair Hearing</td>
<td>6</td>
</tr>
<tr>
<td>Complaints (category specific to HealthPartners)</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
</tr>
</tbody>
</table>

**Section 8.1. §438.402 General Requirements**

<table>
<thead>
<tr>
<th>Section 8.1.</th>
<th>§438.402(a)</th>
<th>Components of Grievance System</th>
<th>☒ yes</th>
<th>☐ no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 8.1.2</td>
<td>§438.408(a)</td>
<td>Timeframes for Disposition</td>
<td>☒ yes</td>
<td>☐ no</td>
</tr>
</tbody>
</table>
Section 8.2. §438.404 DTR Notice of Action to Enrollees

Section 8.2.1. General requirements  yes  no

Section 8.2.2. §438.404 (c) Timing of DTR Notice
A. §438.404 (c)(1) Previously Authorized Services  yes  no
B. §438.404 (c)(2) Denials of Payment  yes  no
C. §438.210 (d)(1) Standard Authorizations  yes  no
D. §438.210 (d)(1) Extensions of Time  yes  no
E. §438.210 (d)(1) Delay in Authorizations  yes  no
F. §438.210 (d)(2) Expedited Authorizations  yes  no

Section 8.2.3. §438.420 Continuation of Benefits Pending Decision  yes  no

DHS Contract, section 8.2.2.A; 42 CFR 438.404 (c)(1), requires that, for previously authorized services, the MCO must mail the DTR at least ten days before the date of the proposed Action in accordance with 42 CFR 438.404(c)(1). MDH reviewed HealthPartners policy and procedure, UM 05 “Notice of Determination.” The document does not address ongoing services or 10-day continuation of services. MDH reviewed files related to home health care, including personal care assistant services, and all documented 10-day continuation of services to be reduced or terminated. (Recommendation #4)

Section 8.3. §438.408 Internal Grievance Process Requirements

Section 8.3.1. §438.402(b) Filing Requirements  yes  no

Section 8.3.2. §438.408 (b) Timeframe for Resolution of Grievances  yes  no

Section 8.3.3. §438.408 (c) Timeframe for Extension of Resolution of Grievances  yes  no

Section 8.3.4. §438.406 Handling of Grievances
A. §438.406 (a)(2) Written Acknowledgement  yes  no
B. §438.416 Log of Grievances  yes  no
C. §438.402 (b)(3) Oral or Written Grievances  yes  no
D. §438.406 (a)(1) Reasonable Assistance  yes  no
E. §438.406 (a)(3)(i) Individual Making Decision  yes  no
F. §438.406 (a)(3)(ii) Appropriate Clinical Expertise
   [See Minnesota Statutes, section 62M.06, subd. 3(f)]

Section 8.4. §438.408 Internal Appeals Process Requirements

Section 8.4.1. §438.408 (b)(1) Filing Requirements  yes  no

Section 8.4.2. §438.408 (b)(2) Timeframe for Resolution of Standard Appeals  yes  no

Section 8.4.3. §438.408 (b)(3) Timeframe for Resolution of Expedited Appeals  yes  no
A. §438.408 (d)(2)(ii) Expeditious Resolution and oral notice  yes  no
B. §438.410 (b) Punitive Action Prohibited  yes  no
C. §438.410 (c) Denial of Request for Expedited Appeal  yes  no
Section 8.4.4. §438.408(c) Timeframe for Extension of Resolution of Appeals

Section 8.4.5. §438.406 Handling of Appeals
   A. §438.406 (b)(1) Oral Inquiries
   B. §438.406 (a)(2) Written Acknowledgement
   C. §438.406 (a)(1) Reasonable Assistance
   E. §438.406 (a)(3)(ii) Appropriate Clinical Expertise
      [See Minnesota Statutes, section 62M.09]
   F. §438.406(b)(2) Opportunity to Present Evidence
   G. §438.406(b)(3) Opportunity to Examine the Case File
   H. §438.406(b)(4) Parties to the Appeal

Section 8.4.7. §438.408 (d)(2) Notice of Resolution of Appeals

Section 8.4.8. §438.424 Reversed Appeal Resolutions

Section 8.4.9. §438.420(d) Upheld Appeal Resolutions

Section 8.5. §438.416 Maintenance of Grievance and Appeal Records

Section 8.7. §438.408 (f) State Fair Hearings
   A. §438.408 (f) Standard Hearing Decisions
   B. §438.420 Continuation of Benefits Pending Resolution of State Fair Hearing
   C. §438.424 Compliance with State Fair Hearing Resolution

Section 8.8. MR §§9505.2160 to .2245 Sanctions for Enrollee Misconduct
   A. Notice to Enrollees
   B. Enrollee’s Right to Appeal

Section 8.10. MR §9500.1462 Second Opinions
   (also MS §62D.103)

Minnesota Rules, Part 4685.1900. Records of Complaints
   A. Record Requirements
   B. Log of Complaints

Final Issue Date: September 14, 2006
IV. Access and Availability

**Minnesota Statutes, Section 62D.124. Geographic Accessibility**
Subd. 1. Primary Care; Mental Health Services; General Hospital Services  
[ ] yes [ ] no
Subd. 2. Other Health Services  
[ ] yes [ ] no
Subd. 3. Exception  
[ ] yes [ ] no

**Minnesota Rules, Part 4685.1010. Availability and Accessibility**
Subp. 2. Basic Services  
[ ] yes [ ] no
Subp. 5. Coordination of Care  
[ ] yes [ ] no
Subp. 6. Timely Access to Health Care Services  
[ ] yes [ ] no

**Minnesota Statutes, Section 62Q.55. Emergency Services**  
[ ] yes [ ] no

**Minnesota Statutes, Section 62Q.121. Licensure of Medical Directors**  
[ ] yes [ ] no

**Minnesota Statutes, Section 62Q.14. Open Access to Family Planning.**  
[ ] yes [ ] no

**Minnesota Statutes, Section 62A.15. General Services (Equal Access to Chiropractic, Optometric, and Nursing Services)**
Subd. 2. Chiropractic Services  
[ ] yes [ ] no
Subd. 3. Optometric Services  
[ ] yes [ ] no
Subd. 3a. Nursing Services  
[ ] yes [ ] no

**Minnesota Statutes, Section 62Q.52. Direct Access to Obstetric and Gynecologic Services**  
[ ] yes [ ] no
Minnesota Statutes, Section 62Q.527. Coverage of Nonformulary Drugs for Mental Illness and Emotional Disturbance

Subd. 2. Required Coverage for Anti-psychotic Drugs  yes  no
Subd. 3. Continuing Care  yes  no
Subd. 4. Exception to formulary  yes  no

Minnesota Statutes, Section 62Q.535. Coverage for Court-Ordered Mental Health Services

Subd. 1. Mental health services  yes  no
Subd. 2. Coverage required  yes  no

Minnesota Statutes, Section 62Q.56. Continuity of Care

Subd. 1. Change in health care provider; general notification  yes  no
Subd. 1a. Change in health care provider; termination not for cause  yes  no
Subd. 1b. Change in health care provider; termination for cause  yes  no
Subd. 2. Change in health plans  yes  no
Subd. 2a. Limitations  yes  no
Subd. 2b. Request for authorization  yes  no
Subd. 3. Disclosures  yes  no

Minnesota Statutes, Section 62Q.58. Access to Specialty Care

Subd. 1. Standing Referral  yes  no
Subd. 1a. Mandatory Standing Referral  yes  no
Subd. 2. Coordination of Services  yes  no
Subd. 3. Disclosure  yes  no
Subd. 4. Referral  yes  no

Minnesota Rules, Part 4685.0700. Comprehensive Health Maintenance Services

Subp. 3. Permissible limitations  yes  no
Subp. 4. Permissible exclusions  yes  no
V. Utilization Review

MDH reviewed a total of 154 utilization review files:

<table>
<thead>
<tr>
<th>Initial Denials</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>45</td>
</tr>
<tr>
<td>Public Program</td>
<td>53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appeal Files *</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>56</td>
</tr>
</tbody>
</table>

| Total                 | 154     |

*Utilization management appeal files for public program enrollees were reviewed as appeal files under the public program grievance system.

Minnesota Statutes, Section 62M.04. Standards for Utilization Review Performance

<table>
<thead>
<tr>
<th>Subd. 1. Responsibility on Obtaining Certification</th>
<th>yes/no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subd. 2. Information upon which Utilization Review is Conducted</td>
<td>yes/no</td>
</tr>
<tr>
<td>Subd. 3. Data Elements</td>
<td>yes/no</td>
</tr>
<tr>
<td>Subd. 4. Additional Information</td>
<td>yes/no</td>
</tr>
<tr>
<td>Subd. 5. Sharing of Information</td>
<td>yes/no</td>
</tr>
</tbody>
</table>

Minnesota Statutes, Section 62M.05. Procedures for Review Determination

| Subd. 1. Written Procedures | yes/no |
| Subd. 2. Concurrent Review | yes/no | NCQA |
| Subd. 3. Notification of Determinations | yes/no |
| Subd. 3a. Standard Review Determination (a) Initial determination to certify (10 business days) | yes/no | NCQA |
| Subd. 3a. Standard Review Determination (b) Initial determination to certify (telephone notification) | yes/no |
| Subd. 3a. Standard Review Determination (c) Initial determination not to certify | yes/no |
| Subd. 3a. Standard Review Determination (d) Initial determination not to certify (notice of rights to internal appeal) | yes/no | NCQA |
| Subd. 3b. Expedited Review Determination | yes/no | NCQA |
| Subd. 4. Failure to Provide Necessary Information | yes/no |
| Subd. 5. Notifications to Claims Administrator | yes/no |

Subd. 3a (c). Minnesota Statutes, section 62M.05, subdivision 3a (c), requires that, when the initial determination is made not to certify, the plan must notify the provider by telephone within one working day. MDH reviewed 15 initially denied behavioral health files. One file reviewed in 2004 did not document oral or facsimile notice to the provider. Minutes of a February 2005 QUC meeting documented that internal action was taken on this problem. MDH commends
HealthPartners for identifying and resolving this problem through its ongoing quality improvement process. (Deficiency #4)

**Minnesota Statutes, Section 62M.06. Appeals of Determinations not to Certify**

Subd. 1. Procedures for Appeal ☒yes ☐no
Subd. 2. Expedited Appeal ☒yes ☐no
Subd. 3. Standard Appeal
   (a) Appeal resolution notice timeline ☒yes ☐no
   (b) Documentation requirements ☒yes ☐no
   (c) Review by a different physician ☐yes ☒no ☒NCQA
   (d) Time limit in which to appeal ☒yes ☐no
   (e) Unsuccessful appeal to reverse determination ☐yes ☒no ☒NCQA
   (f) Same or similar specialty review ☒yes ☐no ☒NCQA
   (g) Notice of rights to External Review ☐yes ☒no ☒NCQA
Subd. 4. Notifications to Claims Administrator ☒yes ☐no

**Subd. 3 (a).** Minnesota Statutes, section 62M.06, subdivision 3 (a), states that, if the plan cannot make a determination within 30 days due to circumstances outside its control, the plan may take up to 14 additional days to notify the enrollee and provider. Policy and procedure UM 07 and attachments indicate that a plan may solicit an extension, however the policy does not indicate that the extension may not exceed 14 calendar days. File review did not include any instance when HealthPartners requested an extension beyond 14 days. (Recommendation #5)

**Subd. 3 (g).** Minnesota Statutes, section 62M.06, subdivision 3 (g), states that, if the initial determination is not reversed on appeal, the plan must include in its notification the right to submit the appeal to the external review process. This requirement is also stated in the NCQA guidelines, UM8-B. Although MDH accepts the NCQA 100 percent assessment for this element, three cases in the files reviewed were actually member complaints requiring a medical determination and were appropriately resolved as required by Minnesota Statutes, sections 62Q.68 and .69. However, MDH found one file (commercial product) where the initial utilization determination was not reversed on appeal and the appeal notification letter did not include the right to external review. (Deficiency #5)

**Minnesota Statutes, Section 62M.08. Confidentiality**

☐yes ☐no ☒NCQA

**Minnesota Statutes, Section 62M.09. Staff and Program Qualifications**

Subd. 1. Staff Criteria ☒yes ☐no ☒NCQA
Subd. 2. Licensure Requirement ☒yes ☐no ☒NCQA
Subd. 3. Physician Reviewer Involvement ☒yes ☐no ☒NCQA
Subd. 3a. Mental Health and Substance Abuse Review  ✗yes  ☐no  ☒NCQA
Subd. 4. Dentist Plan Reviews  ✗yes  ☐no  ✗NCQA
Subd. 4a. Chiropractic Reviews  ☐yes  ✗no  □NCQA
Subd. 5. Written Clinical Criteria  ☐yes  ✗no  □NCQA
Subd. 6. Physician Consultants  ☐yes  ✗no  □NCQA
Subd. 7. Training for Program Staff  ☐yes  ✗no  □NCQA
Subd. 8. Quality Assessment Program  ☐yes  ✗no  □NCQA

Subd. 3a. Minnesota Statutes, section 62M.09, subdivision 3a, states that a peer of the treating mental health or substance abuse provider or a physician must review requests for outpatient services in which the utilization review organization has concluded that a determination not to certify a mental health or substance abuse service for clinical reasons is appropriate, provided that any final determination not to certify treatment is made by a psychiatrist certified by the American Board of Psychiatry and Neurology and appropriately licensed in this state. MDH reviewed 26 files denying the initial request for mental health/substance abuse services (public program and commercial products). All files initially denied were reviewed by an appropriate peer and by a psychiatrist. MDH also reviewed 21 files (commercial products) appealing the initial denial of mental health/substance abuse services. The appeal determination process was consistent with HealthPartners’ interpretation of this statute, as described with its policy and procedure. However, the HealthPartners process is not in accord with the MDH interpretation that a psychiatrist must perform the final determination to deny an appeal of mental health/substance abuse services. In ten appeal files the denial was upheld by a licensed psychologist, but not by a psychiatrist. (Deficiency #6)

Subd. 4a. Minnesota Statutes, section 62M.09, subdivision 4a, states that a chiropractor must review all cases in which the HMO has concluded that a determination not to certify a chiropractic service or procedure for clinical reasons is appropriate and an appeal has been made. This requirement is also stated in the NCQA standards (2004 – 2005), UM8-B. MDH accepts the NCQA assessment for this element. However, MDH reviewed one chiropractic appeal file (out of five) in which the appeal was denied by the Medical Director rather than a chiropractor. Interviews with staff indicated the appeal process for chiropractic appeals was changed in 2004 such that all appeals now go to CCMI for review. MDH commends HealthPartners for identifying and resolving this issue through its internal quality improvement process. (Deficiency #7)

Minnesota Statutes, Section 62M.10. Accessibility and on-site Review Procedures
| Subd. 1. | Toll-free Number | ☐yes  ✗no  □NCQA |
| Subd. 2. | Reviews during Normal Business Hours | ☐yes  ✗no  □NCQA |
| Subd. 7. | Availability of Criteria | ✗yes  ☐no |

Minnesota Statutes, Section 62M.11. Complaints to Commerce or Health
☐yes  ✗no
VI. Recommendations

1. To better comply with Minnesota Rules, part 4685.1110, subpart 6, MDH recommends that HealthPartners maintain documentation showing substantive evaluation through review and analysis of the regular reports of all of its delegates for all delegated functions.

2. To better comply with Minnesota Rules, part 4685.1110, subpart 6, MDH recommends that HealthPartners require the same standards for the assessment and annual reporting of its delegates’ networks that it has for its HealthPartners’ network.

3. To better comply with Minnesota Rules, part 4685.1110, subpart 9, MDH recommends that HealthPartners consistently provide documentation in the quality of care file when it forwards a complaint/grievance related to quality of care to the provider(s) who is the subject matter of the complaint.

4. To better comply with the DHS Contract, section 8.2.2.A; 42 CFR 438.404 (c)(1), MDH recommends that HealthPartners revise its policy and procedure for public programs to ensure that enrollees receiving previously authorized services that are reduced or terminated, are sent a DTR at least 10 days prior to the reduction or termination.

5. To better comply with Minnesota Statutes, section 62M.06, subdivision 3 (a), HealthPartners should revise its policy and procedure UM 07 and attachments to indicate that an extension to an appeal investigation may not exceed 14 calendar days.

VII. Deficiencies

1. To comply with Minnesota Rules, part 4685.1110, subpart 6, HealthPartners must include in its contractual arrangements for delegated functions its requirements for regular reporting and the process by which HealthPartners will evaluate the contracted entities’ performance of those delegated functions.

2. To comply with Minnesota Statutes, section 62Q.69, subdivision 3 (b), HealthPartners must include the right to internal appeal in its notification of complaint decision when the plan’s decision is partially or wholly adverse to the complainant.

3. To comply with Minnesota Statutes, section 62Q.70, subdivision 3 (b), HealthPartners must include the right to external review in its notification of appeal decision when the plan’s decision is partially or wholly adverse to the complainant.
4. To comply with Minnesota Statutes, section 62M.05, subdivision 3a (c), HealthPartners must notify the provider by telephone (or facsimile) within one working day of its initial determination not to certify a request for behavioral health services.

5. To comply with Minnesota Statutes, section 62M.06, subdivision 3 (g), HealthPartners must include the right to external review in its notification that the initial determination is not reversed on appeal.

6. To comply with Minnesota Statutes, section 62M.09, subdivision 3a, HealthPartners must ensure that a psychiatrist reviews the final determination to deny appeals regarding mental health or substance abuse services for clinical reasons.

7. To comply with Minnesota Statutes, section 62M.09, subdivision 4a, HealthPartners must ensure that a chiropractor reviews all cases in which the HMO has concluded that a determination not to certify a chiropractic service or procedure for clinical reasons is appropriate and an appeal has been made.