

# Final Report

## QUALITY ASSURANCE EXAMINATION

### **South Country Health Alliance**

For the Period: May 1, 2013 to February 29, 2016

Examiners: Elaine Johnson, RN, BS, CPHQ and Kate Eckroth, MPH

Final Issue Date: September 1, 2016

## **Quality Assurance Examination**

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As requested by Minnesota Statute 3.197: This report cost approximately \$125.00 to prepare, including staff time, printing and mailing expenses.

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## Minnesota Department of Health Executive Summary

The Minnesota Department of Health (MDH) conducted a Quality Assurance Examination of South Country Health Alliance (SCHA) to determine whether it is operating in accordance with Minnesota law. Our mission is to protect, maintain and improve the health of all Minnesotans. MDH has found that SCHA is compliant with Minnesota and federal law, except in the areas outlined in the “Deficiencies” and “Mandatory Improvements” sections of this report. Deficiencies are violations of law. “Mandatory Improvements” are required corrections that must be made to non-compliant policies, documents or procedures where evidence of actual compliance is found or where the file sample did not include any instances of the specific issue of concern. The “Recommendations” listed are areas where, although compliant with law, MDH identified improvement opportunities.

### **To address recommendations, SCHA should:**

Consider the NCQA Standard *CR 3A: Verification of Credentials* and also its own practice of verifying employment gaps greater than 3 months, MDH suggests that SCHA update its policy and procedure to indicate that it verifies employment gaps greater than 3 months. SCHA updated *CR-01: Credentialing* policy and procedure with this change just prior to the MDH onsite visit.

Include in its network adequacy summary a more in-depth analysis of its geo mapping results by provider types, identify gaps, and outline any steps taken to remedy those gaps.

### **To address mandatory improvements, SCHA and its delegates must:**

Revise its appeals policy *MHCP-MC Standard Appeal Management Process (CA 07)* to include the provision that if an enrollee appeals a decision from a previous appeal on the same issue, and the MCO decides to hear it, for purposes of the timeframes for resolution, that it will be considered a new appeal. SCHA revised its policy during the course of the MDH examination.

Revise its policy *Continuity of Care/Referral (CM 05)* to include the provision of arranging services for enrollees who are dissatisfied with their primary care provider or need to change due to inappropriate use of services. SCHA revised its policy during the course of the MDH examination.

Revise its policy *Minnesota Health Care Programs-Managed Care Standard Appeal Management Process (CA 07)* to include that the attending health care professional will be informed (along with the enrollee) of any extension the utilization review organization takes and the reasons for the extension.

### **To address deficiencies, SCHA and its delegates must:**

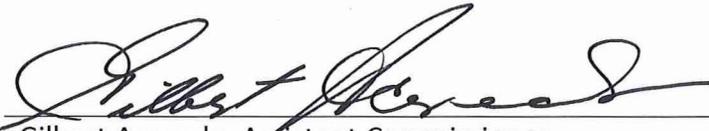
Perform oversight on the credentialing function performed by Perform RX and monitor delegates who perform UM for the use of the most updated, approved appeal rights notice.

Send an acknowledgement letter to the enrollee or provider, acting on behalf of the enrollee, within ten days of receiving a written grievance.

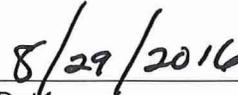
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Include the most current DHS approved enrollee rights with all DTR notices and clinical appeal notices that are wholly or partially unfavorable to the enrollee.

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



Gilbert Acevedo, Assistant Commissioner  
Health Regulation Division



Date

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**1. Introduction**

A. History:

South Country Health Alliance became the first operational multi-county County-Based Purchasing (CBP) health plan in Minnesota on November 1, 2001. As a county-owned health plan, South Country was established to improve coordination of services between Minnesota Health Care Programs and public health and social services, improve access to providers and community resources, and provide stability and support for existing provider networks in rural communities.

The initial service area included Brown, Dodge, Freeborn, Goodhue, Kanabec, Sibley, Steele, Wabasha, and Waseca Counties, nine rural counties located in the southern half of Minnesota. Initial product offerings included only Pre-Paid Medical Assistance (PMAP) and General Assistance Medical Care (GAMC). South Country saw continuous enrollment growth in its first few years, and in 2005 additional products were added to include Minnesota Senior Care Plus (MSC+) and SeniorCare Complete, a Minnesota Senior Health Options (MSHO) Program, and in 2006, Minnesota Care (MNCare) and AbilityCare (a Medicare Advantage Special Needs Program).

South Country expanded its service area for all products except SeniorCare Complete in January 2007 to add five northern Minnesota counties: Cass, Crow Wing, Morrison, Todd, and Wadena Counties. South Country's total enrollment grew to more than 27,000 members. Subsequently, two of the five new counties and one original county withdrew from the Alliance.

Over the past 13 years, South Country has successfully administered five Minnesota Health Care Programs and served 14 counties in Minnesota. Partly due to Medicaid expansion under the Affordable Care Act, South Country has grown to currently serve nearly 36,000 members in twelve counties. The current county owners are Brown, Dodge, Goodhue, Kanabec, Morrison, Sibley, Steele, Todd, Wabasha, Wadena, and Waseca counties. Freeborn County is no longer part of the South Country Joint Powers Agreement, but South Country continues to provide services to seniors and people with disabilities in that county.

B. Membership: SCHA self-reported enrollment as of January 2016 consisted of the following:

<b>Product</b>	<b>Enrollment</b>
<b><i>Fully Insured Commercial</i></b>	
Large Group	NA
Small Employer Group	NA
Individual	NA
<b><i>Minnesota Health Care Programs-Managed Care (MHCP-MC)</i></b>	
Families & Children	28,999
MinnesotaCare	2,548
Minnesota Senior Care (MSC+)	810
Minnesota Senior Health Options (MSHO)	1,603
Special Needs Basic Care (SNBC)	2,402
<b><i>Medicare</i></b>	
Medicare Advantage	NA

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<b>Product</b>	<b>Enrollment</b>
Medicare Cost	NA
<b>Total</b>	<b>36,362</b>

- C. Onsite Examinations Dates: May 16-20, 2016
- D. Examination Period: May 1, 2013 to February 29, 2016  
File Review Period: March 1, 2015 to February 29, 2016  
Opening Date: February 29, 2016
- E. 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.
- F. Performance standard. For each instance of non-compliance with applicable law or rule identified during the quality assurance examination, that covers a three-year audit period, the health plan is cited with a deficiency. A deficiency will not be based solely on one outlier file if MDH had sufficient evidence obtained through: 1) file review; 2) policies and procedures; and 3) interviews, that a plan's overall operation is compliant with an applicable law.

**2. Quality Program Administration**

**Minnesota Rules, Part 4685.1110. Program**

Subp. 1	Written Quality Assurance Plan	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 2	Documentation of Responsibility	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 3	Appointed Entity	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 4	Physician Participation	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 5	Staff Resources	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 6	Delegated Activities	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
Subp. 7	Information System	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 8	Program Evaluation	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 9	Complaints	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 10	Utilization Review	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 11	Provider Selection and Credentialing	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 12	Qualifications	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 13	Medical Records	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

Subp. 3. Minnesota Rules, part 4685.1110, subpart 3, states the quality assurance entity, SCHA’s Quality Assurance Committee will meet with the governing body at least quarterly. Review of the Joint Powers Board minutes indicate excellent reporting to the Board of the quality initiatives.

Subp. 6. Minnesota Rules, part 4685.1110, subpart 6, states the HMO must develop and implement review and reporting requirements to assure that the delegated entity performs all delegated activities. The standards and processes established by the National Committee for Quality Assurance (NCQA) for delegation are considered the community standard and, as such, were used for the purposes of this examination. The following delegated entities and functions were reviewed:

Delegated Entities and Functions									
Entity	UM	UM Appeals	QM	Grievances	Cred	Claims	Network	Care Coord	Customer Service
Clinical Resource Group, Inc.	X				X	X	X		
Mayo Clinic Health Solutions	X		X		X	X	X		
Perform RX	X	X			X	X	X		
Array Services Group									X
DentaQuest	X				X	X	X		
Essentia Health East					X				
Essentia Health West					X				
Sibley County								X	
Steele County								X	

MDH reviewed indicated appropriate oversight by SCHA except in the following areas:

- In SCHA’s oversight of Perform RX in performing the credentialing function, no evidence was submitted showing oversight of pharmacy credentialing processes as spelled out in the delegation agreement.
- SCHA did not provide evidence of adequate oversight of its delegates’ utilization management (UM) appeal rights notice. DHS Contract states plans will utilize the appeal rights notice that is approved by the State. Review of all the delegates’ files that performed UM revealed that the appeal rights notices utilized were outdated as follows:
  - DentaQuest appeals rights were dated 2010 and the DTRs were dated 2011
  - Perform RX appeal rights were dated 2012
  - Health Solutions appeals rights were from 2012 and had the wrong label (labeled as Medicare)

SCHA recognized the use of outdated appeal rights notices on the part of DentaQuest in February 2016 and instituted a change March 11, 2016. However, the issue was not corrected until after the MDH examination was opened. The outdated appeal rights notice utilized by Perform Rx and Mayo Health Solutions were not addressed.

SCHA must perform oversight on the credentialing function performed by Perform RX and monitor delegates who perform utilization management functions for the use of the most updated, approved appeal rights. **(Deficiency #1) [Also see Deficiency #3]**

Subp. 9. Minnesota Rules, part 4685.1110, subpart 9., states the quality program must conduct ongoing evaluation of enrollee complaints related to quality of care. A total of ten quality of care grievance files were reviewed. All files contained investigation of the allegations and appropriate physician review and assignment of severity. SCHA is working towards improving its process to shorten the timeline from receipt of quality of care grievance to completion.

MDH commends SCHA on its tracking and trending of complaints and appeals. SCHA noted an increase in pharmaceutical denials and worked with its pharmacy vendor to modify processes in response to the upward trend issue.

Subp. 11. Minnesota Rules, part 4685.1110, subpart 11., states the plan must have policies and procedures for provider selection, credentialing and recredentialing that, at a minimum, are consistent with community standards. MDH recognizes the community standard to be NCQA.

MDH reviewed a total of 82 credentialing and recredentialing files as indicated in the table below.

Credentialing File Review	
File Source	# Reviewed
Initial	
SCHA Physician	8
Essentia West (4 Physician, 12 Allied)	16
Essentia East (4 Physician, 4 Allied)	8

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SCHA Allied	8
Re-credential	
SCHA	8
Essentia West	8
Essentia East	8
SCHA Allied	8
Organizational (6 Initial, 4 Recred)	10
<b>Total</b>	<b>82</b>

Subp. 11 The NCQA Standard *CR 3A: Verification of Credentials* states that the organization must verify work history of potential applicants and any gaps in employment greater than six months. This standard was not written in any SCHA policy and procedure document. SCHA indicates that it is in their practice to verify employment gaps greater than three months, and this process is included in their instructions on the SCHA Provider Resources page under the “Credentialing” section. SCHA also utilizes the MN Uniform Credentialing application process which ensures that all gaps greater than three months are listed in the application. It was obvious during file review that this standard is being followed. MDH suggests that SCHA include it in their policy and procedure to ensure that any new SCHA staff in training are aware that this is SCHA’s practice. SCHA updated *CR-01: Credentialing* policy and procedure with this change just prior to the MDH onsite visit. **(Recommendation #1)**

MDH commends SCHA for its rigorous process with organizational credentialing in following up on issues identified in the accreditation process. For example, with organizational providers, the organization may be approved with an interim to be scheduled to monitor continued compliance with administrative or professional criteria. The organizational provider receives written notice of the approval and the intent for a scheduled interim review (ad-interim (provisional) status). The use of the ad-interim status was used in cases of new facilities (e.g. operational for only a few months), pending confirmation from DHS or CMS that deficiencies from recent surveys had been remedied, or a desire for the facility to demonstrate no additional regulatory negative action orders for a period of time.

**Minnesota Rules, Part 4685.1115. Activities**

- Subp. 1 Ongoing Quality Evaluation  Met  Not Met
- Subp. 2 Scope  Met  Not Met

**Minnesota Rules, Part 4685.1120. Quality Evaluation Steps**

- Subp. 1 Problem Identification  Met  Not Met
- Subp. 2 Problem Selection  Met  Not Met
- Subp. 3 Corrective Action  Met  Not Met
- Subp. 4 Evaluation of Corrective Action  Met  Not Met

**Minnesota Rules, Part 4685.1125. Focus Study Steps**

- Subp. 1 Focused Studies  Met  Not Met
- Subp. 2 Topic Identification and Selection  Met  Not Met

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**Minnesota Rules, Part 4685.1125. Focus Study Steps**

- |         |                   |   |                                  |
|---------|-------------------|---|----------------------------------|
| Subp. 3 | Study             | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subp. 4 | Corrective Action | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subp. 5 | Other Studies     | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |

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

- |          |                    |   |                                  |
|----------|--------------------|---|----------------------------------|
| Subp. 1  | Written Plan       | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subp. 2  | Work Plan          | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subp. 3. | Amendments to Plan | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |

### 3. Grievance Systems

MDH examined SCHA’s Minnesota Health Care Programs Managed Care Programs-Managed Care (MCHP-MC) grievance system for compliance with the federal law (42 CFR 438, subpart E) and the DHS 2016 Contract, Article 8.

MDH reviewed a total of 23 grievance system files:

Grievance System File Review	
File Source	# Reviewed
Grievances	
Written (All)	3
Oral	15
Non-Clinical Appeals (None)	0
State Fair Hearing	5
Total	23

<b>Section 8.1.</b>	<b>§438.402</b>	<b>General Requirements</b>		
Sec. 8.1.1		Components of Grievance System	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
<b>Section 8.2.</b>	<b>438.408</b>	<b>Internal Grievance Process Requirements</b>		
Sec. 8.2.1.	§438.402 (b)	Filing Requirements	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.2.2.	§438.408 (b)(1)	Timeframe for Resolution of Grievances	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.2.3.	§438.408 (c)	Timeframe for Extension of Resolution of Grievances	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.2.4.	§438.406	Handling of Grievances		
(A)	§438.406 (a)(2)	Written Acknowledgement	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
(B)	§438.416	Log of Grievances	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(C)	§438.402 (b)(3)	Oral or Written Grievances	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(D)	§438.406 (a)(1)	Reasonable Assistance	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(E)	§438.406 (a)(3)(i)	Individual Making Decision	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(F)	§438.406 (a)(3)(ii)	Appropriate Clinical Expertise	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.2.5	§438.408 (d)(1)	Notice of Disposition of a Grievance		
(A)	§438.408 (d)(1)	Oral Grievances	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(B)	§438.408 (d)(1)	Written Grievances	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

§438.406 42 CFR §438.406 (A)(2) (Contract section 8.2.4 (A)), states the MCO must mail a written acknowledgement to the enrollee or provider, acting on behalf of the enrollee, within ten days of receiving the written grievance. In two of the three written grievances, there was no acknowledgement

letter. SCHA must send an acknowledgement letter to the enrollee or provider within ten days of receiving a written grievance. **(Deficiency #2)**

<b>Section 8.3.</b>	<b>§438.404</b>	<b>DTR Notice of Action to Enrollees</b>		
Sec. 8.3.1.		General Requirements	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
Sec. 8.3.2.	§438.404 (c)	Timing of DTR Notice		
(A)	§438.210 (c)	Previously Authorized Services	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(B)	§438.404 (c)(2)	Denials of Payment	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(C)	§438.210 (c)	Standard Authorizations	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(1)		As expeditiously as the enrollee's health condition requires	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(2)		To the attending health care professional and hospital by telephone or fax within one working day after making the determination	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(3)		To the provider, enrollee and hospital, in writing, and must include the process to initiate an appeal, within ten(10) business days following receipt of the request for the service, unless the MCO receives an extension of the resolution period	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(D)	§438.210 (d)(2)(i)	Expedited Authorizations	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(E)	§438.210 (d)(1)	Extensions of Time	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(F)	§438.210 (d)	Delay in Authorizations	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.3.3.	§438.420 (b)	Continuation of Benefits Pending Decision	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

§ 438.210(c). 42 CFR § 438.210(c) (Contract section 8.3.1) The DHS Contract describes what must be included in the DTR notice including the "Your Appeal Rights" section which must be approved by the State (DHS). In 8 of the Mayo Health Solution files, 8 of the Perform Rx files, and 14 DentaQuest files, the appeal rights forms approved by DHS were outdated. SCHA indicated that all 30 of each of the delegate files contained outdated appeal right forms. SCHA must work with the delegates to ensure that the most updated DHS forms are being included with the DTR notice. **(Deficiency #3)**

**[see same Deficiency under 42 CFR 438.408 (d)(2), DHS Contract 8.4.7(A), Minnesota Statute 62M.05, subdivision 3a(d), and 62M.06, subdivision 1]**

<b>Section 8.4.</b>	<b>§438.408</b>	<b>Internal Appeals Process Requirements</b>		
Sec. 8.4.1.	§438.402 (b)	Filing Requirements	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.4.2.	§438.408 (b)(2)	Timeframe for Resolution of Standard Appeals	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.4.3.	§438.408 (b)	Timeframe for Resolution of Expedited Appeals	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

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Section 8.4.	§438.408	Internal Appeals Process Requirements		
(A)	§438.408 (b)(3)	Expedited Resolution of Oral and Written Appeals	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(B)	§438.410 (c)	Expedited Resolution Denied	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(C)	§438.410 (a)	Expedited Appeal by Telephone	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.4.4.	§438.408 (c)	Timeframe for Extension of Resolution of Appeals	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.4.5.	§438.406	Handling of Appeals	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(A)	§438.406 (b)(1)	Oral Inquiries	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(B)	§438.406(a)(2)	Written Acknowledgement	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(C)	§438.406(a)(1)	Reasonable Assistance	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(D)	§438.406(a)(3)	Individual Making Decision	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(E)	§438.406(a)(3)	Appropriate Clinical Expertise [See Minnesota Statutes, sections 62M.06, and subd. 3(f) and 62M.09]	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(F)	§438.406(b)(2)	Opportunity to Present Evidence	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(G)	§438.406 (b)(3)	Opportunity to examine the Case File	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(H)	§438.406 (b)(4)	Parties to the Appeal	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(I)	§438.410 (b)	Prohibition of Punitive Action	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.4.6.		Subsequent Appeals	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
Sec. 8.4.7.	§438.408 (d)(2) and (e)	Notice of Resolution of Appeals	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(A)	§438.408 (d)(2) and (e)	Written Notice Content	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
(B)	§438.210 (c)	Appeals of UM Decisions	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
(C)	§438.210 (c) and .408 (d)(2)(ii)	Telephone Notification of Expedited Appeals [Also see Minnesota Statutes section 62M.06, subd. 2]	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec, 8.4.8.	§438.424	Reversed Appeal Resolutions	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

Sec. 8.4.6. Contract section 8.4.6 states if an enrollee appeals a decision from a previous appeal on the same issue, and the MCO decides to hear it, for purposes of the timeframes for resolution, this would be considered a new appeal. This provision was not included in the in the policy *MHCP-MC Standard Appeal Management Process (CA 07)*. SCHA must include this provision in its appeals policy.

**(Mandatory Improvement #1)** SCHA revised its policy during the course of the MDH examination.

§438.408 (d)(2). 42 CFR §438.408 (d)(2) (Contract section 8.4.7(A)., of the DHS contract states that the notice of resolution for all appeals must include the enrollee’s right to request a State Fair Hearing if the resolution was not wholly or partially favorable to the enrollee. The MCO must include with the

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notice a copy of the State's Notice of Rights. In 3 of the Perform Rx appeal files that were wholly or partially unfavorable to enrollee the appeal rights forms approved by DHS were outdated. SCHA must work with the delegate to ensure that the most updated DHS forms are being utilized. **(Deficiency #3)**

**[see same Deficiency under 42 CFR 438.210(c), DHS Contract 8.3.1, Minnesota Statute 62M.05, subdivision 3a(d), and 62M.06, subdivision 1]**

<b>Section 8.5.</b>	<b>§438.416 (c)</b>	<b>Maintenance of Grievance and Appeal Records</b>	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
<b>Section 8.9.</b>	<b>§438.416 (c)</b>	<b>State Fair Hearings</b>		
Sec. 8.9.2.	§438.408 (f)	Standard Hearing Decisions	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.9.5.	§438.420	Continuation of Benefits Pending Resolution of State Fair Hearing	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Sec. 8.9.6.	§438.424	Compliance with State Fair Hearing Resolution	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

**4. Access and Availability**

**Minnesota Statutes, Section 62D.124. Geographic Accessibility**

Subd. 1.	Primary Care, Mental Health Services, General Hospital Services	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 2.	Other Health Services	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 3.	Exception	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

Subd. 1. Minnesota Statutes, Section 62D.124. outlines the accessibility requirements for primary, mental health, hospital and specialty services to provide timely access within the standards. SCHA submitted geo access mapping that showed accessibility of providers within the statutory parameters. A summary of its access to care is included in the 2015 Quality Evaluation which provides a synopsis of SCHA’s network access and appointment availability including its delegates. However, SCHA could provide a more in-depth analysis of the geo-access maps, identify gaps, if any, in its network and explain why it continued to “expand its contracted provider network” by 10% and in what areas. SCHA should include in its network adequacy summary a more in-depth analysis of its geo mapping results of provider types, identify gaps, and steps taken to remedy those gaps. **(Recommendation #2)**

**Minnesota Rules, Part 4685.1010. Availability and Accessibility**

Subp. 2.	Basic Services	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subp. 5.	Coordination of Care	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
Subp. 6.	Timely Access to Health care Services	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

Subp. 5. Minnesota Rules, subpart 5., states the plan shall arrange for primary care services for those enrollees who are dissatisfied with the selected primary care provider or if a change is necessary due to inappropriate utilization of services according to its policies/procedures. SCHA does not include this provision in its policy *Continuity of Care/Referral (CM 05)*. SCHA must revise its policy to include the provision of arranging services for enrollees who are dissatisfied with their primary care provider or need to change due to inappropriate use of services. **(Mandatory Improvement #2)** SCHA revised its policy during the course of the MDH examination.

**Minnesota Statutes, Section 62Q.55. Emergency Services**

Met  Not Met

**Minnesota Statutes, Section 62Q.121. Licensure of Medical Directors**

Met  Not Met

**Minnesota Statutes, Section 62Q.527. Coverage of Nonformulary Drugs for Mental Illness and Emotional Disturbance**

Subd. 2.	Required Coverage for Anti-psychotic Drugs	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 3.	Continuing Care	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 4.	Exception to formulary	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met



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

Subd. 1.	Written Procedures	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 2.	Concurrent Review	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 3.	Notification of Determination	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 3a.	Standard Review Determination	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(a) Initial determination to certify or not (10 business days)	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(b) Initial determination to certify (telephone notification)	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(c) Initial determination not to certify (notice within 1 working day)	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(d) Initial determination not to certify (notice of right to appeal)	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
Subd. 3b.	Expedited Review Determination	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 4.	Failure to Provide Necessary Information	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 5.	Notifications to Claims Administrator	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

Subd. 3a Minnesota Statute 62M.05, subdivision 3a(d). states that “when an initial determination is made not to certify the written notification must inform the enrollee and the attending health care professional of the right to submit an appeal to the internal appeal process...”. In 8 of the Mayo Health Solution files, 8 of the Perform Rx files, and 14 DentaQuest files, the appeal rights forms approved by DHS were outdated. SCHA indicated that all 30 of each of the delegate files contained outdated appeal right forms. SCHA must work with the delegates to ensure that the most updated DHS forms are being included in the denial notices. **(Deficiency #3)**

**[see same Deficiency under 42 CFR 438.210(c), DHS Contract 8.3.1, 42 CFR 438.408 (d)(2), DHS Contract 8.4.7(A), and 62M.06, subdivision 1]**

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

Subd. 1.	Procedures for Appeal	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
Subd. 2.	Expedited Appeal	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 3.	Standard Appeal		
	(a) Appeal resolution notice timeline	<input type="checkbox"/> Met	<input checked="" type="checkbox"/> Not Met
	(b) Documentation requirements	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(c) Review by a different physician	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(d) Time limit in which to appeal	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(e) Unsuccessful appeal to reverse determination	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(f) Same or similar specialty review	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
	(g) Notice of rights to external; review	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met
Subd. 4.	Notification to Claims Administrator	<input checked="" type="checkbox"/> Met	<input type="checkbox"/> Not Met

Subd. 1. Minnesota Statute 62M.06, subdivision 1a. states that the utilization review organization must have written procedures for appeals of determinations not to certify. In 3 of the 8 Perform Rx files reviewed in which the appeal decision was made not to certify, the appeal rights notices that were approved by DHS were outdated. SCHA must work with the delegates to ensure that the most updated DHS forms are being included in the denial notices. **(Deficiency #3)**

**[see same Deficiency under 42 CFR 438.210(c), DHS Contract 8.3.1, 42 CFR 438.408 (d)(2), DHS Contract 8.4.7(A), and 62M.05, subdivision 3a(d)]**

Subd. 3 Minnesota Statute 62M.06, subdivision 3a. states that “the utilization review organization must inform the enrollee, attending health care professional...in advance of the extension and the reasons for the extension”. In SCHA’s policy and procedure, *CA 07: Minnesota Health Care Programs-Managed Care Standard Appeal Management Process*, there was no mention that the attending health care professional will be informed. Since none of the UM denial files reviewed required an extension, MDH was unable to verify if this was an issue in practice. SCHA must update its policy and procedure to indicate that the attending health care professional will be informed of any extension taken by the utilization review organization. **(Mandatory Improvement #3)**

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

Met       Not Met

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

- |           |  |   |                                  |
|-----------|--|---|----------------------------------|
| Subd. 1.  | Staff Criteria                           | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 2.  | Licensure Requirements                   | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 3.  | Physician Reviewer Involvement           | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 3a  | Mental Health and Substance Abuse Review | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 4.  | Dentist Plan Reviews                     | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 4a. | Chiropractic Reviews                     | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 5.  | Written Clinical Criteria                | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 6.  | Physician Consultants                    | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 7.  | Training for Program Staff               | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |
| Subd. 8.  | Quality Assessment Program               | <input checked="" type="checkbox"/> Met | <input type="checkbox"/> Not Met |

**Minnesota Statutes, Section 62M.11. Complaints to Commerce or Health**

Met       Not Met  
 NA

## 6. Recommendations

1. To better comply with Minnesota Rules, part 4685.1110, subpart 11, MDH suggests that SCHA update its policy and procedure to indicate that it verifies employment gaps greater than 3 months. SCHA revised its policy just prior to the MDH onsite visit.
2. To better comply with Minnesota Statutes, Section 62D.124, SCHA should include in its network adequacy summary a more in-depth analysis of its geo mapping results of provider types, identify gaps, and outline any steps taken to remedy those gaps.

## 7. Mandatory Improvements

1. To comply with DHS Contract Section 8.4.6, SCHA must revise its appeals policy *MHCP-MC Standard Appeal Management Process (CA 07)* to include the provision that if an enrollee appeals a decision from a previous appeal on the same issue, and the MCO decides to hear it, for purposes of the timeframes for resolution, this will be considered a new appeal. SCHA revised its policy during the course of the MDH examination.
2. To comply with Minnesota Rules, subpart 5, SCHA must revise its policy *Continuity of Care/Referral (CM 05)* to include the provision of arranging services for enrollees who are dissatisfied with their primary care provider or need to change due to inappropriate use of services. SCHA revised its policy during the course of the MDH examination.
3. To comply with Minnesota Statute 62M.06, subdivision 3a, SCHA must revise its policy *Minnesota Health Care Programs-Managed Care Standard Appeal Management Process (CA 07)* to include that the attending health care professional will be informed (along with the enrollee) of any extension the utilization review organization takes and the reasons for the extension.

## 8. Deficiencies

1. To comply with Minnesota Rules, part 4685.1110, subpart 6, SCHA must perform oversight on the credentialing function performed by Perform RX and monitor delegates who perform UM for the use of the most updated, approved appeal rights.
2. To comply with 42 CFR §438.406 (A)(2) (Contract section 8.2.4 (A)), SCHA must send an acknowledgement letter to the enrollee or provider, acting on behalf of the enrollee, within ten days of receiving a written grievance.
3. To comply with:
  - 42 CFR §438.210(c) (Contract section 8.3.1)
  - 42 CFR §438.408 (d)(2) (Contract section 8.4.7(A)),
  - Minnesota Statute 62M.05, subdivision 3a(d), and
  - Minnesota Statute 62M.06, subdivision 1a.

SCHA must ensure that all DTR notices and clinical appeals that are wholly or partially unfavorable to the enrollee include the most recently approved DHS appeal rights form.

NON-PUBLIC PRELIMINARY REPORT

Enrollees must have the most current information of their appeal rights including the process for internal appeals and State Fair Hearings.