DEPARTMENT OF HEALTH

South Country Health Alliance

QUALITY ASSURANCE EXAMINATION

Final Report

For the Period: June 1, 2016 – February 28, 2019
Examiners: Elaine Johnson, RN, BS, CPHQ and Kate Eckroth, MPH
Final Report Issue Date: November 12, 2019

Minnesota Department of Health
Managed Care Systems Section
PO Box 64882
St. Paul, MN 55164-0882
651-201-5100
health.mcs@state.mn.us
www.health.state.mn.us

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

Upon request, this material will be made available in an alternative format such as large print, Braille or audio recording. Printed on recycled paper.

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 to determine whether it is operating in accordance with Minnesota Law and in keeping with our mission "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:

Update its policy to indicate it will track and trend by the required DHS complaint categories and by provider type. SCHA should also track and trend quality of care grievances by the DHS required complaint categories and also by provider type for reporting purposes.

To address mandatory improvements, SCHA and its delegates must:

Include the sources used for verifying licensing restrictions and sanctions in its policy/ procedure.

Establish and include in policy/procedure specific credentialing review criteria as to what the organization's acceptable thresholds for administrative and professional criteria and when a file must go to the Credentialing Committee for review.

Revise its definition of quality of care in its policy to be consistent with the definition in the *2018 Quality Program Evaluation* to ensure consistency in policy and practice.

Revise its policy *Standard Written Authorization Review Organization Determination Decision* (UM05) (former *DTR Policy and Prior Authorization Policy*) to reflect the correct enrollee rights regarding State Fair Hearings.

To address deficiencies, SCHA and its delegates must:

Have an actively involved Credentialing Committee that participates in reviewing and making decisions regarding credentialing of practitioners when credentialing files are not "clean".

Provide one working day notification to the attending provider of the denial determination and must have in place a process for that notification in cases of fax failure and that process should be included in a policy.

Provide notification to the attending health care professional of the decision to deny or limit services.

Send an acknowledgement letter within ten days of receiving a request for appeal.

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.

Diane Rydrych 11/12/19

Diane Rydrych, Director
Health Policy Division

Date

Contents

I. Introduction 6
II. Quality Program Administration 7
Program 7
Activities 11
Quality Evaluation Steps 11
Focused Study Steps 11
Filed Written Plan and Work Plan 12
III. Quality of Care 13
Quality of Care Complaints 13
IV. Grievance System 14
Grievance System 14
General Requirements 14
Internal Grievance Process Requirements 15
DTR Notice of Action to Enrollees 15
Internal Appeals Process Requirements 17
State Fair Hearings 19
V. Access and Availability 20
Geographic Accessibility 20
Essential Community Providers 20
Availability and Accessibility 20
Emergency Services 20
Licensure of Medical Directors 21
Coverage of Nonformulary Drugs for Mental Illness and Emotional Disturbance 21
Coverage for Court-Ordered Mental Health Services 21
Continuity of Care 21
VI. Utilization Review 22
Standards for Utilization Review Performance 22
Procedures for Review Determination 22
Appeals of Determinations Not to Certify 23
Confidentiality 24
Staff and Program Qualifications 24

Complaints to Commerce or Health 24
Prohibition of Inappropriate Incentives 25
VII. Summary of Findings 26
Recommendations 26
Mandatory Improvements 26
Deficiencies 26

I. Introduction

History:
South Country Health Alliance (SCHA) 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. After a few financially challenging years, two of the five new counties and one original county withdrew from the Alliance.

Over the past 13 years, South Country has 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 approximately 38,500 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.

1. Membership: SCHA self-reported Minnesota enrollment as of April 1, 2019 consisted of the following:

Self-Reported Enrollment

Product	Enrollment
Fully Insured Commercial	
Large Group	NA
Small Employer Group	NA
Individual	NA
Minnesota Health Care Programs – Managed Care (MHCP-MC)	

Product	Enrollment
Families & Children	30,064
MinnesotaCare	2,784
Minnesota Senior Care (MSC+)	854
Minnesota Senior Health Options (MSHO)	1,871
Special Needs Basic Care	2,951
Total	**38,524**

2. Onsite Examination Dates: May 20th– 24th, 2019

3. Examination Period: June 1, 2016 to February 28, 2019
   File Review Period: March 1, 2018 to February 28, 2019
   Opening Date: March 15, 2019

4. 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.

5. 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 has sufficient evidence that a plan's overall operation is compliant with an applicable law. Sufficient evidence may be obtained through: 1) file review; 2) policies and procedures; and 3) interviews.

II. Quality Program Administration

Program

Minnesota Rules, Part 4685.1110

Subparts	Subject	Met	Not Met
Subp. 1.	Written Quality Assurance Plan	☒Met	☐ Not Met
Subp. 2.	Documentation of Responsibility	☒Met	☐ Not Met
Subp. 3.	Appointed Entity	☒Met	☐ Not Met
Subp. 4.	Physician Participation	☒Met	☐ Not Met
Subp. 5.	Staff Resources	☒Met	☐ Not Met

Subparts	Subject	Met	Not Met
Subp. 6.	Delegated Activities	☒Met	☐ Not Met
Subp. 7.	Information System	☒Met	☐ Not Met
Subp. 8.	Program Evaluation	☒Met	☐ Not Met
Subp. 9.	Complaints	☐Met	☒ Not Met
Subp. 10.	Utilization Review	☒Met	☐ Not Met
Subp. 11.	Provider Selection and Credentialing	☒Met	☒ Not Met
Subp. 12.	Qualifications	☒Met	☐ Not Met
Subp. 13.	Medical Records	☒Met	☐ Not Met

Finding: Delegated Activities

Subp. 6. Minnesota Rules, part 4685.1110, subpart 6, states the if an HMO delegates performance of quality assurance activities to other entities, 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. Assessment indicated appropriate oversight according to standards.

Delegated Entities and Functions

Entity	UM	QOC	Grievances	Appeals	Cred	Claims	Disease Mgmt	Network	Care Coord
MN Rural Health Co-op (MRHC)					X				
Olmsted County					X				
Perform Rx	X			X	X	X		X	
Delta Dental	X	X	X	X	X	X			
Brown County									X
MN Prairie County Alliance									x

Finding: Quality Program Administration, Complaints

Subp. 9. Minnesota Rules, part 4685.1110, subpart 9, states that "the quality assurance program shall conduct ongoing evaluation of enrollee complaints that are related to quality of care....The data on complaints related to quality of care must be reported to and evaluated by the appointed quality assurance entity..." SCHA is reporting grievances to DHS by type of grievance consistent with the DHS contractual requirements as evident in reporting requirements for DHS, however, during the quarterly Grievance and Appeals committee meetings, they are not being reported nor discussed using these categories. Further, SCHA did not provide any evidence that quality of care grievances are being tracked or reported by

provider type. SCHA's *CA 04 Quality of Care/Quality of Service Management Process* policy and procedure does not indicate that quality of care grievances are tracked and trended by the DHS required categories nor does it state they will be tracked by provider type. SCHA should update its policy to indicate it will track and trend by the required DHS grievance categories and by provider type. SCHA should also track and trend quality of care grievances by the DHS required grievance categories which includes provider type for reporting purposes in committee meetings to ensure adequate interventions and follow up. MDH will follow up at mid-cycle to review any policy and reporting revisions. **(Recommendation #1)**

Finding: Provider Selection and Credentialing

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. The credentialing standards from the *2018 NCQA Standards and Guidelines for the Accreditation of Health Plans* was used for the purposes of this examination.

MDH reviewed policies/procedures and a total of 119 credentialing and recredentialing files as indicated in the table below.

Credentialing File Review

File Source	# Reviewed
Initial - SCHA	
Physicians	11
Allied	8
Initial - MRHC	
Physicians	8
Allied	8
Initial - Olmsted	
Physicians	8
Allied	8
Re-Credential - SCHA	
Physicians	8
Allied	8
Re-Credential - MRHC	
Physicians	8
Allied	8
Re-Credential - Olmsted	
Physicians	8
Allied	8

File Source	# Reviewed
Organizational - SCHA	
Initial	8
Recred	12
Total	119

Finding: Organizational Recredentialing

Credentialing standards require the length of the recredentialing cycle to be within a 36-month time frame. One organizational provider was not recredentialed within the 36-month time frame (37 months).

Finding: Credentialing Verification

NCQA credentialing standards require that the organization must verify state sanctions using a list of sources by provider types. SCHA indicates in its *CR 01 Credentialing* policy/procedure that they will verify licensure restrictions and state sanctions, but does not list the sources that they use. SCHA's credentialing files demonstrate that they are utilizing consistent, specific sources to verify state sanctions in practice. SCHA must include those sources that are used in their policy/procedure. **(Mandatory Improvement #1)**

Finding: Credentialing Committee

NCQA credentialing standards requires that the organization have a designated Credentialing Committee that utilizes a peer-review process to provide advice and expertise for credentialing decisions, reviews credentials for practitioners who do not meet established thresholds, and ensures that files that meet established criteria are reviewed and approved by the a medical director. The *CR 01 Credentialing* policy/procedure describes SCHA's Credentialing Committee and the responsibilities for reviewing credentialing applications. During onsite review and discussions, SCHA indicated that their Medical Director reviews all credentialing applications when the file is not "clean" and the credentialing committee is not utilized for review of practitioners who do not meet thresholds in the application. SCHA must have an actively involved Credentialing Committee that participates in reviewing and making decisions regarding credentialing of practitioners when credentialing files are not "clean"[1]. **(Deficiency #1).** Furthermore, SCHA must establish and include in policy/procedure specific criteria as to what the organization's acceptable thresholds for administrative and professional criteria and when a file must go to the Credentialing Committee for review. **(Mandatory Improvement #2)**

[1] Per NCQA, "clean" means the file meets the organizations credentialing criteria.

Activities

Minnesota Rules, Part 4685.1115

Subparts	Subject	Met	Not Met
Subp. 1.	Ongoing Quality Evaluation	☒Met	☐ Not Met
Subp. 2.	Scope	☒Met	☐ Not Met

Quality Evaluation Steps

Minnesota Rules, Part 4685.1120

Subparts	Subject	Met	Not Met
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

Focused Study Steps

Minnesota Rules, Part 4685.1125

Subparts	Subject	Met	Not Met
Subp. 1.	Focused Studies	☒Met	☐ Not Met
Subp. 2.	Topic Identification and Selections	☒Met	☐ Not Met
Subp. 3.	Study	☒Met	☐ Not Met
Subp. 4.	Corrective Action	☒Met	☐ Not Met
Subp. 5.	Other Studies	☒Met	☐ Not Met

Filed Written Plan and Work Plan

Minnesota Rules, Part 4685.1130

Subparts	Subject	Met	Not Met
Subp. 1.	Written Plan	☒Met	☐ Not Met
Subp. 2.	Work Plan	☒Met	☐ Not Met
Subp. 3.	Amendments to Plan	☒Met	☐ Not Met

Finding: Filed Written Quality Assurance Plan

Subp. 1 and 3. Minnesota Rules, part 4685.1130, subpart 1 and 3, states the plan will file its written quality assurance plan with MDH with any modifications to assure compliance with all components of Minnesota Rules, 4685.1110, subparts 1 through 13. MDH reviewed *South Country Health Alliance 2019 Quality Program Description* (presented to Joint Powers Board 5.5.19). MDH found the submitted written quality plan to meet the requirements of law.

III. Quality of Care

MDH reviewed a total of 3 quality of care grievance files.

Quality of Care File Review

File Source	# Reviewed
Quality of Care	
MHCP Grievances	3
Total	3

Quality of Care Complaints

Minnesota Statutes, Section 62D.115

Subparts	Subject	Met	Not Met	N/A
Subd. 1.	Definition	☐Met	☐ Not Met	☒
Subd. 2.	Quality of Care Investigations	☐Met	☐ Not Met	☒

Finding: Quality of Care Complaints Definition

[See DHS Contract 8.1.1., Mandatory Improvement #4]

Finding: Quality of Care Complaints Investigations

[See Minnesota Rules 4685.1110, subpart 9, Mandatory Improvement #1]

IV. Grievance System

Grievance System

MDH examined SCHA's Minnesota Health Care Programs Managed Care Programs – Managed Care (MHCP-MC) grievance system for compliance with the federal law (42 CFR 438, subpart F) and the DHS 2019 Contract, Article 8.

MDH reviewed a total of 36 grievance system files.

Grievance System File Review

File Source	# Reviewed
Grievances	
SCHA Written	0
SCHA Oral	30
Non-Clinical Appeals	1
State Fair Hearing	5
Total	***36***

General Requirements

DHS Contract, Section 8.1

Section	42 CFR	Subject	Met	Not Met
Section 8.1.	§438.402	General Requirements		
Sec. 8.1.1.		Components of Grievance System	☐Met	☒ Not Met

Finding: Components of Grievance System, Quality of Care Complaints Definition

Sec 8.1.1 42 CFR §438.402 (DHS Contract section 8.1.1), requires the MCO to have a Grievance and Appeal system in place which must be followed by the MCO. In SCHA's *CA 04 Quality of Care/Quality of Service Management Process* policy and procedure, SCHA defines quality of care grievances. However, in SCHA's *2018 Quality Program Evaluation,* Quality of Care grievances is consistent with the Minnesota Statute 62D.115 definition yet differs from the definition in the aforementioned policy and procedure. SCHA must revise its definition of quality of care in its policy to be consistent with their *2018 Quality Program Evaluation* to ensure consistency in policy and practice. **(Mandatory Improvement #3)**

Internal Grievance Process Requirements

DHS Contract, Section 8.2

Section	42 CFR	Subject	Met	Not Met
Section 8.2.	§438.408	Internal Grievance Process Requirements		
Section 8.2.1.	§438.402 (c)	Filing Requirements	☒Met	☐ Not Met
Section 8.2.2.	§438.408 (b)(1), (d)(1)	Timeframe for Resolution of Grievances	☒Met	☐ Not Met
Section 8.2.3.	§438.408 (c)	Timeframe for Extension of Resolution of Grievances	☒Met	☐ Not Met
Section 8.2.4.	§438.406	Handling of Grievances		
8.2.4.1	§438.406 (b)(1)	Written Acknowledgement	☒Met	☐ Not Met
8.2.4.2	§438.416	Log of Grievances	☒Met	☐ Not Met
8.2.4.3	§438.402 (c)(3)	Oral or Written Grievances	☒Met	☐ Not Met
8.2.4.4	§438.406 (a)	Reasonable Assistance	☒Met	☐ Not Met
8.2.4.5	§438.406 (b)(2)(i)	Individual Making Decision	☒Met	☐ Not Met
8.2.4.6	§438.406 (b)(2)(ii)	Appropriate Clinical Expertise	☒Met	☐ Not Met
Section 8.2.5.	§438.408 (d)(1)	Notice of Disposition of a Grievance		
8.2.5.1	§438.404 (b) §438.406 (a)	Oral Grievances	☒Met	☐ Not Met
8.2.5.2	§438.404 (a), (b)	Written Grievances	☒Met	☐ Not Met

Denial, Termination, Reduction (DTR) Notice of Action to Enrollees

DHS Contract, Section 8.3

Section	42 CFR	Subject	Met	Not Met
Section 8.3.	§438.10 §438.404	DTR Notice of Action to Enrollees	☒Met	☐ Not Met
Section 8.3.1.	§438.10(c), (d) §438.402(c) §438.404(b)	General Requirements	☒Met	☐ Not Met
Section 8.3.2	§438.402 (c), §438.404 (b)	Content of DTR Notice of Action	☐Met	☒ Not Met
8.3.2.1	§438.404	Notice to Provider	☒Met	☐ Not Met

Section	42 CFR	Subject	Met	Not Met
Section 8.3.3.	§438.404 (c)	Timing of DTR Notice		
8.3.3.1	§431.211	Previously Authorized Services	☒Met	☐ Not Met
8.3.3.2	§438.404 (c)(2)	Denials of Payment	☒Met	☐ Not Met
8.3.3.3	§438.210 (c)(d)	Standard Authorizations		
(1)		As expeditiously as the enrollee's health condition requires	☒Met	☐ Not Met
(2)		To the attending health care professional and hospital by telephone or fax within one working day after making the determination	☐Met	☒ 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	☐Met	☒ Not Met
8.3.3.4	§438.210 (d)(2)(i)	Expedited Authorizations	☒Met	☐ Not Met
8.3.3.5	§438.210 (d)(1)	Extensions of Time	☒Met	☐ Not Met
8.3.3.6	§438.210(d)(3) and 42 USC 1396r-8(d)(5)	Covered Outpatient Drug Decisions	☒Met	☐ Not Met
8.3.3.7	§438.210 (d)(1)	Delay in Authorizations	☒Met	☐ Not Met

Finding: Content of DTR Notice of Action

Sec. 8.3.2. 42 CFR §438.402 (c) and §438.404 (b) (DHS contract section 8.3.2), lists the requirements of the content of the DTR Notice of Action, which must include the enrollee's right to file a request for a State Fair Hearing after first exhausting the MCO's Appeal procedures, or up to 120 days after the MCO's determination of the Appeal. SCHA's policy *Standard Written Authorization Review Organization Determination Decision (UM05) (*former *DTR Policy and Prior Authorization Policy)* has incorrect language regarding the right to file a request for State Fair Hearing. SCHA must revise its policy to reflect the correct enrollee rights regarding State Fair Hearings. **(Mandatory Improvement #4)**

Finding: One Working Day Notification of Determination

Sec. 8.3.3.3(2). 42 CFR §438.210 (c)(d) (DHS Contract section 8.3.3.3(2)), states that the MCO must provide telephone or fax notification within one working day after making the determination to deny services to the attending Provider. SCHA uses a fax notification system. In three files in which the fax failed there was no one working day notification to the Provider. SCHA must provide one working day notification to the attending provider of the denial determination. SCHA must also have in place a process for that notification in cases of fax failure and that process should be included in a policy. **(Deficiency #2)**

[Also Minnesota Statutes section 62M.05, subdivision 3a(c)]

Finding: Written Notification of Determination

Sec. 8.3.3.3(3). 42 CFR §438.210 (c)(d) (DHS Contract section 8.3.3.3(3)) states that for standard authorization decisions that deny or limit services, the MCO must provide notice of the denial to the attending health care professional as well as the enrollee and hospital, as applicable. In two files involving durable medical equipment (DME), notice was not provided to the attending health care professional. **(Deficiency #3)**
[Also refers to Minnesota Statutes, section 62M.05, subdivision 3a(c)]

Internal Appeals Process Requirements

DHS Contract, Section 8.4

Section	42 CFR	Subject	Met	Not Met
Section 8.4.	§438.404	Internal Appeals Process Requirements		
Sec. 8.4.1.	§438.402 (b)	One Level Appeal	☒Met	☐ Not Met
Sec. 8.4.2.	§438.408 (b)	Filing Requirements	☒Met	☐ Not Met
Sec. 8.4.3.	§438.408	Timeframe for Resolution of Appeals		
8.4.3.1	§438.408 (b)(2)	Standard Appeals	☒Met	☐ Not Met
8.4.3.2	§438.408 (b)(3)	Expedited Appeals	☒Met	☐ Not Met
8.4.3.3	§438.408 (c)(3)	Deemed Exhaustion	☒Met	☐ Not Met
Sec. 8.4.4.	§438.408 (c)	Timeframe for Extension of Resolution of Appeals	☒Met	☐ Not Met
Sec. 8.4.5.	§438.406	Handling of Appeals		
8.4.5.1	§438.406 (b)(3)	Oral Inquiries	☒Met	☐ Not Met
8.4.5.2	§438.406 (b)(1)	Written Acknowledgment	☐Met	☒ Not Met
8.4.5.3	§438.406 (a)	Reasonable Assistance	☒Met	☐ Not Met
8.4.5.4	§438.406 (b)(2)	Individual Making Decision	☒Met	☐ Not Met
8.4.5.5	§438.406 (b)(2)	Appropriate Clinical Expertise (See Minnesota Statutes, sections 62M.06, and subd. 3(f) and 62M.09	☒Met	☐ Not Met
8.4.5.6	§438.406 (b)(4)	Opportunity to Present Evidence	☒Met	☐ Not Met
8.4.5.7	§438.406 (b)(5)	Opportunity to Examine the Care File	☒Met	☐ Not Met
8.4.5.8	§438.406 (b)(6)	Parties to the Appeal	☒Met	☐ Not Met
8.4.5.9	§438.410 (b)	Prohibition of Punitive Action Subsequent Appeals	☒Met	☐ Not Met
Sec. 8.4.6.		Subsequent Appeals	☒Met	☐ Not Met
Sec. 8.4.7.	§438.408 (d)(2)	Notice of Resolution of Appeals		
8.4.7.1	§438.408 (d)(2)	Written Notice Content	☒Met	☐ Not Met
8.4.7.2	§438.210 (c)	Appeals of UM Decisions	☒Met	☐ Not Met

Section	42 CFR	Subject	Met	Not Met
8.4.7.3	§438.410 (c) and .408 (d)(2)(ii)	Telephone Notification of Expedited Appeals (Also see Minnesota Statutes section 62M.06, subd.2)	☒Met	☐ Not Met
8.4.7.4	§438.408 (e)(2)	Content of Upheld Appeal Decision Resolution	☒Met	☐ Not Met
Sec. 8.4.8.	§438.424	Reversed Appeal Resolutions	☒Met	☐ Not Met
Sec. 8.5.	§438.420 (b)	Continuation of Benefits Pending Appeal or State Fair Hearing	☒Met	☐ Not Met

Finding: Standard Appeals

Sec. 8.4.3.1 42 CFR §438.408 (b)(2) (DHS Contract section 8.4.3.1), states that The MCO must resolve each Appeal as expeditiously as the enrollee's health requires, not to exceed 30 days after receipt of the Appeal. File review revealed one file that exceeded 30 days (61 days). **[Also applies to Minnesota Statutes, section 62M.06, subdivision 3(b)]**

Finding: Written Acknowledgement

Sec. 8.4.5.2. 42 CFR §438.406 (b)(1) (DHS Contract section 8.4.5.2), states the MCO must send a written acknowledgment within ten days of receiving the request for an appeal. Review of appeals files resulted in four files with the acknowledgement letter exceeding ten days and one file had no acknowledgement letter. SCHA must send an acknowledgement letter within ten days of receiving the request. **(Deficiency #4)** In discussions with SCHA staff regarding the issue, one of the contributing factors for the deficiency was related to shortage of staff able to process appeals. SCHA stated there were plans to hire a staff person able to handle overflow appeals.

Finding: Content of Upheld Appeal Decision Notification

Sec. 8.4.7.4. 42 CFR §438.408 (e)(2) (DHS Contract section 8.4.7.4), states that if an enrollee or provider is unsuccessful in an appeal of the UM determination, the notification must contain the qualifications of the reviewer. In one file where the case went for same/similar specialty review, the qualifications of the reviewer were not included in the notification. **[Also applies to Minnesota Statutes, section 62M.06, sub 3(e)]**

Maintenance of Grievance and Appeal Records

DHS Contract, Section 8.6

Section	42 CFR	Subject	Met	Not Met
Section 8.6.	§438.416 (c)	Maintenance of Grievance and Appeal Records	☒Met	☐ Not Met

State Fair Hearings

DHS Contract, Section 8.8

Section	42 CFR	Subject	Met	Not Met
Section 8.8.	§438.416 (c)	State Fair Hearings		
Sec. 8.8.2.	§438.408 (f)	Standard Hearing Decisions	☒Met	☐ Not Met
Sec. 8.8.5.	§438.424	Compliance with State Fair Hearing Resolution	☒Met	☐ Not Met

V. Access and Availability

Geographic Accessibility

Minnesota Statutes, Section 62D.124

Subdivision	Subject	Met	Not Met
Subd. 1.	Primary Care, Mental Health Services, General Hospital Services	☒Met	☐ Not Met
Subd. 2.	Other Health Services	☒Met	☐ Not Met
Subd. 3.	Exception	☒Met	☐ Not Met

Essential Community Providers

Minnesota Statutes, Section 62Q.19

Subdivision	Subject	Met	Not Met
Subd. 3.	Contract with Essential Community Providers	☒Met	☐ Not Met

Availability and Accessibility

Minnesota Rules, Part 4685.1010

Subparts	Subject	Met	Not Met
Subp. 2.	Basic Services	☒Met	☐ Not Met
Subp. 5.	Coordination of Care	☒Met	☐ Not Met
Subp. 6.	Timely Access to Health Care Services	☒Met	☐ Not Met

Emergency Services

Minnesota Statutes, Section 62Q.55

Subdivision	Subject	Met	Not Met
Subd. 1.	Access to Emergency Services	☒Met	☐ Not Met
Subd. 2.	Emergency Medical Condition	☒Met	☐ Not Met

Licensure of Medical Directors

Minnesota Statutes, Section 62Q.121

Section	Subject	Met	Not Met
62Q.121.	Licensure of Medical Directors	☒Met	☐ Not Met

Coverage of Nonformulary Drugs for Mental Illness and Emotional Disturbance

Minnesota Statutes, Section 62Q.527.

Subdivision	Subject	Met	Not Met
Subd. 2.	Required Coverage for Anti-psychotic Drugs	☒Met	☐ Not Met
Subd. 3.	Continuing Care	☒Met	☐ Not Met
Subd. 4.	Exception to Formulary	☒Met	☐ Not Met

Coverage for Court-Ordered Mental Health Services

Minnesota Statutes, Section 62Q.535

Subdivision	Subject	Met	Not Met
Subd. 2.	Coverage required	☒Met	☐ Not Met

Continuity of Care

Minnesota Statutes, Section 62Q.56

Subdivision	Subject	Met	Not Met	N/A
Subd. 1.	Change in health care provider, general notification	☒Met	☐ Not Met	☐
Subd. 1a.	Change in health care provider, termination not for cause	☒Met	☐ Not Met	☐
Subd. 1b.	Change in health care provider, termination for cause	☒Met	☐ Not Met	☐
Subd. 2.	Change in health plans (applies to group, continuation and conversion coverage)	☐Met	☐ Not Met	☒ N/A

VI. Utilization Review

Consistent with Minnesota Statutes chapter 62M, MDH examined SCHA's utilization review (UR) system reviewing 76 utilization review files.

UR System File Review

File Source	# Reviewed
UM Denial Files	
MHCP-MC	
SCHA	30
Perform Rx	8
Subtotal	*38*
Clinical Appeal Files	
SCHA	30
Perform Rx	8
Subtotal	38
Total	76

Standards for Utilization Review Performance

Minnesota Statutes, Section 62M.04

Subdivision	Subject	Met	Not Met
Subd. 1.	Responsibility on Obtaining Certification	☒Met	☐ Not Met
Subd. 2.	Information upon which Utilization Review is Conducted	☒Met	☐ Not Met

Procedures for Review Determination

Minnesota Statutes, Section 62M.05

Subdivision	Subject	Met	Not Met
Subd. 1.	Written Procedures	☒Met	☐ Not Met
Subd. 2.	Concurrent Review	☒Met	☐ Not Met

Subdivision	Subject	Met	Not Met
Subd. 3.	Notification of Determination	☒Met	☐ Not Met
Subd. 3a.	Standard Review Determination		
(a)	Initial determination to certify or not (10 business days)	☒Met	☐ Not Met
(b)	Initial determination to certify (telephone notification)	☒Met	☐ Not Met
(c)	Initial determination not to certify (notice within 1 working day)	☐Met	☒ Not Met
(d)	Initial determination not to certify (notice of right to appeal)	☒Met	☐ Not Met
Subd. 3b.	Expedited Review Determination	☒Met	☐ Not Met
Subd. 4.	Failure to Provide Necessary Information	☒Met	☐ Not Met
Subd. 5.	Notifications to Claims Administrator	☒Met	☐ Not Met

Finding: Initial Determination not to Certify One Working Day Telephone Notice and Written Notification to Attending Health Care Professional

Subd. 3a(c) Minnesota Statutes, section 62M.05, subdivision 3a(c) **[see Deficiencies #2 and #3 under Grievance section]**

Appeals of Determinations Not to Certify

Minnesota Statutes, Section 62M.06

Subdivision	Subject	Met	Not Met
Subd. 1.	Procedures for Appeal	☒Met	☐ Not Met
Subd. 2.	Expedited Appeal	☒Met	☐ Not Met
Subd. 3.	Standard Appeal		
(a)	Procedures for appeals	☒Met	☐ Not Met
(b)	Appeal resolution notice timeline	☒Met	☐ Not Met
(c)	Documentation requirements	☒Met	☐ Not Met
(d)	Review by a different physician	☒Met	☐ Not Met
(e)	Time limit in which to appeal	☒Met	☐ Not Met
(f)	Unsuccessful appeal to reverse determination	☒Met	☐ Not Met
(g)	Same or similar specialty review	☒Met	☐ Not Met
(h)	Notice of rights to external review	☒Met	☐ Not Met
Subd. 4.	Notifications to Claims Administrator	☒Met	☐ Not Met

Confidentiality

Minnesota Statutes, Section 62M.08

Subdivision	Subject	Met	Not Met
Subd. 1.	Written Procedures to Ensure Confidentiality	☒Met	☐ Not Met

Staff and Program Qualifications

Minnesota Statutes, Section 62M.09

Subdivision	Subject	Met	Not Met
Subd. 1.	Staff Criteria	☒Met	☐ Not Met
Subd. 2.	Licensure Requirements	☒Met	☐ Not Met
Subd. 3.	Physician Reviewer Involvement	☒Met	☐ Not Met
Subd. 3a.	Mental Health and Substance Abuse Review	☒Met	☐ Not Met
Subd. 4.	Dentist Plan Reviews	☒Met	☐ Not Met
Subd. 4a.	Chiropractic Reviews	☒Met	☐ Not Met
Subd. 5.	Written Clinical Criteria	☒Met	☐ Not Met
Subd. 6.	Physician Consultants	☒Met	☐ Not Met
Subd. 7.	Training for Program Staff	☒Met	☐ Not Met
Subd. 8.	Quality Assessment Program	☒Met	☐ Not Met

Complaints to Commerce or Health

Minnesota Statutes, Section 62M.11

Section	Subject	Met	Not Met	NA
62M.11.	Complaints to Commerce or Health	☐Met	☐ Not Met	☒ NA

Prohibition of Inappropriate Incentives

Minnesota Statutes, Section 62M.12

Section	Subject	Met	Not Met
62M.12.	Prohibition of Inappropriate Incentives	☒Met	☐ Not Met

VII. Summary of Findings

Recommendations

1. To better comply with Minnesota Rules, part 4685.1110, subpart 9, SCHA should update its policy to indicate they will track and trend by the required DHS complaint categories and by provider type. SCHA should also track and trend quality of care grievances by the DHS required complaint categories and also by provider type for reporting purposes.

Mandatory Improvements

1. To comply with Minnesota Rules, part 4685.1110, subpart 11, SCHA must include the sources used for verifying licensing restrictions and sanctions in its policy and procedure.

2. To comply with Minnesota Rules, part 4685.1110, subpart 11, SCHA must establish and include in policy/procedure specific credentialing review criteria as to the organization's acceptable thresholds for administrative and professional criteria and when a file must go to the Credentialing Committee for review.

3. To comply with DHS Contract 8.1.1, SCHA must revise its definition of quality of care in its policy to be consistent with its definition contained in the *2018 Quality Program Evaluation* to ensure accuracy and consistency in policy and practice.

4. To comply with 42 CFR §438.402 (c) and §438.404 (b) (DHS contract section 8.3.2), SCHA must revise its policy *Standard Written Authorization Review Organization Determination Decision* (UM05) (former *DTR Policy and Prior Authorization Policy*) to reflect the correct enrollee rights regarding State Fair Hearings.

Deficiencies

1. To comply with Minnesota Rules, part 4685.1110, subpart 11, SCHA must have an actively involved Credentialing Committee that participates in reviewing and making decisions regarding credentialing of practitioners when credentialing files are not "clean".

2. To comply with 42 CFR §438.210 (c)(d) (DHS Contract section 8.3.3.3(2)) and Minnesota Statutes section 62M.05, subdivision 3a(c), SCHA must provide one working day notification to the attending provider of the denial determination and must have in place a process for that notification in cases of fax failure and that process should be included in a policy.

3. To comply with 42 CFR §438.210 (c)(d) (DHS Contract section 8.3.3.3(3)) and Minnesota Statutes, section 62M.05, subdivision 3a(c) SCHA must provide notification to the attending health care professional of the decision to deny or limit services.

4. To comply with 42 CFR §438.406 (b)(1) (DHS Contract section 8.4.5.2), SCHA must send an acknowledgement letter within ten days of receiving a request for appeal.