CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET
Region: 09 San Francisco
MRT Number / Name: M0002 MRT Americhoice
Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Review ID: 8038

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 09/19/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
CAP Released Date: 04/30/2008

Visit Start Date: 06/19/2007
Exit Conference Date: 06/20/2007
Date Report Issued: 08/03/2007
Date Report Due: 08/04/2007
CAP Accepted Date: 12/13/2007
Audit Closed Date: 04/30/2008
Element Projected Completion Date:
MCO Response Due Date: 09/17/2007

Requirement:

Grievance Decision Notification (Timeliness) The MAO must notify the member of its decisions as expeditiously as the case requires based on the member's health status but no later than 30 days after the receipt date of the oral or written grievance. If the compliant involves an MAO's decision to invoke an extension relating to an organization determination or reconsideration, or the compliant involves an MAO's refusal to grant an enrollee's request for an expedited organization determination or expedited reconsideration, the MAO must respond to an enrollee's grievance within 24 hours. Exception: If the member requests an extension, or if the MAO justifies the need for information and documents that the delay is in the interest of the member, the MAO may extend the 30-day timeframe up to an additional 14 days. In this case, the MAO must immediately notify the member in writing of the reasons for the delay.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed 15 grievances out of a universe of 47 (1 case was misclassified as it was an appeal) and found that in 4 of the cases there was no evidence in file to show that APIPA notified the member within 30 days of the receipt date of the grievance.

Corrective Action Required:

APIPA must describe the actions it is taking to ensure that it is meeting the member notification requirements for grievances in accordance with CMS policy and regulations. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: MR09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/02/2007

Element Release Date: 02/11/2008

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Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Good Faith Effort to Provide Written Notice of the Termination of a Contracted Provider - The MAO makes a good faith effort to provide written notice of the termination of a PCP to all members who are patients of that PCP, or for termination of a non-PDP provider to all patients seen on a regular basis, at least 30 days prior to the termination effective date.

Deficiencies:

APIPA was unable to demonstrate that Medicare members are given written notice at least 30 days prior to primary care physician (PCP) terminations. The health plan was unable to submit to CMS a PCP termination letter that was mailed to a Medicare member notifying him/her of their PCP termination. APIPA identified this as a deficiency in an internal audit prior to the CMS audit.

Corrective Action Required:

Describe actions APIPA is taking to ensure meeting the written notice to Medicare members 30 days prior to the termination of his/her PCP in accordance with CMS policy and regulations. The process must include internal health plan audits to ensure compliance with CMS requirements.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

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Visit Start Date: 06/19/2007

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CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Correct Claim Determinations - The MAO must make correct claim determinations, which include developing the claim for additional information when necessary, for: Services obtained from a non-contracting provider when the services were authorized by a contracted provider or the MAO, Ambulance services dispatched through 911, Emergency services, Urgently needed services, Post-stabilization care services; and Renal dialysis services that Medicare members obtain while temporarily out of the service area.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed a sample of 30 denied claims from an initial universe of 12,635. CMS found that in 8 of the cases there were no denial notices in file.

Corrective Action Required:

APIPA must send CMS compliant notices (the standardized Notice of Denial of Payment) to members when it denies claims from non-contracted providers. The description of denied services and the denial reasons used with the notice must be clear and understandable. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)- Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

Element Release Date: 10/16/2007

CAP Released Date: 04/30/2008

Visit Start Date: 06/19/2007

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Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Interest on Clean Claims Paid Late - If the MAO pays clean claims from non-contracting providers in over 30 calendar days, it must pay interest in accordance with § 1816 (c)(2)(B) and § 1842 (c)(2)(B).

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed 1 paid clean claim from a non-contracted provider where interest was paid. The amount of interest paid for this claim was incorrect. The amount of the paid claim was $13,149.00 and the amount of interest paid was $62.83. CMS determined that the correct amount of interest for this claim should have been $70.43. CMS expects plans to pay interest on all clean claims from non-contracted providers that it does not pay within the required 30 days. Interest rates to satisfy the CMS prompt payment requirement change every six months and can be found at the following url www.treasurydirect.gov/govt/rates/tcir/tcir_opdprmt2.htm.

Corrective Action Required:

APIPA must describe the actions it is taking to ensure that interest paid on clean claims from non-contracted providers is in accordance with CMS policy and regulations. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

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Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Claim Denials (Notice Content) - If an MAO denies payment, the written denial notice (CMS-10003-Notice of Denial of Payment (NDP)), or an RO-approved modification of the NDP, must be sent to the member. The written denial must clearly state the service denied and the denial reason.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed a sample of 30 denied claims from an initial universe of 12,635. CMS found that in 8 of the cases there were no denial notices in file.

Corrective Action Required:

APIPA must send CMS compliant notices (the standardized Notice of Denial of Payment) to members when it denies claims from non-contracted providers. The description of denied services and the denial reasons used with the notice must be clear and understandable. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

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Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/05/2007

Element Release Date: 02/11/2008

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Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Standard Pre-Service Denials (Timeliness) - If the MAO makes an adverse standard pre-service organization determination, it must notify the member in writing using the CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, of its decision as expeditiously as the member's health condition requires, but no later than 14 calendar days after receiving the request (or an additional 14 days if an extension is justified).

Deficiencies:

Based on a review of 10 files for adverse standard pre-service organization determinations from a universe of 206, the reviewer found 2 cases non-compliant with the CMS requirement to process pre-service organization determinations within 14 calendar days. Both of the untimely cases were 7 days late.

Corrective Action Required:

Describe actions APIPA is taking to ensure it is meeting the timeliness standards for standard pre-service organization determinations in accordance with CMS policy and regulations. The process must include internal health plan audits to ensure compliance with CMS requirements.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/05/2007

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Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Standard Pre-Service Denials (Notice Content) - If the MAO makes an adverse standard pre-service organization determination, the written CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, must be sent to the member and must clearly state the service denied and denial reason.

Deficiencies:

Based on a review of 10 files for adverse standard pre-service organization determinations from a universe of 206, the reviewer found all 10 Notices of Denial of Medical Coverage (NDMCs) non-compliant because the denial reasons were vague and lacked the CMS required specificity needed to facilitate the Medicare member's understanding of what is being denied and the reason for the denial.

Corrective Action Required:

APIPA must describe the actions it is taking to ensure that the NDMC contains denial reasons that are specific, clear and easily understood by the beneficiary in accordance with CMS policy and regulations. Corrective action must include internal health plan audits to ensure compliance with CMS requirements.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 12/12/2007

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CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Receipt and Documentation of Expedited Organization Determination Requests - The MAO must establish an efficient and convenient means for individuals (including members, their applicable representatives, or their physicians) to submit oral or written requests for expedited organization determinations, document all oral requests in writing, and maintain the documentation in a case file.

Deficiencies:

The CMS reviewer was unable to find evidence that APIPA has a process in place for the receipt and processing of expedited organizations determinations.

Corrective Action Required:

Describe actions APIPA is taking to ensure that it has a process for expedited organization determination requests. The corrective action must include policies and procedures, flow charts, appropriate notices and member notification. The process must include internal health plan oversight audits to ensure compliance with CMS requirements.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

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Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Requests for Expedited Organization Determinations (Timeliness) - The MAO must promptly decide whether to expedite an organization determination based on regulatory requirements. If the MAO decides not to expedite an organization determination, it must automatically transfer the request to the standard timeframe, provide oral notice to the member of the decision not to expedite within 72 hours of receipt of the request for an expedited organization determination, and provide written notice within 3 calendar days of the oral notice. If the MAO makes an expedited organization determination (favorable or adverse), it must notify the member in writing as expeditiously as the member's health requires, but no later than 72 hours after receiving the request (or an additional 14 calendar days if an extension is justified). If the MAO first notifies the member of its expedited determination orally, it must mail written confirmation to the member within 3 calendar days of the oral notification.

Deficiencies:

Based on a review of the 10 files for requests for expedited organization determinations, the reviewer found that 7 (70%) cases were misclassified because they were not expedited organization determinations. CMS has determined that if 30% or greater of the files are misclassified, the sample is deemed inadequate and all the elements associated with the sample are Not Met.

Corrective Action Required:

Submit to CMS a universe for Requests for Expedited Organization Determinations from June 1, 2006 to August 31, 2007. See Appendix 1-Model #5a, Enclosure I from the CMS letter to APIPA dated April 12, 2007 for a universe description.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date:09/19/2007

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CAP Accepted Date:12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Expedited Denials (Notice Content) - If the MAO makes an adverse expedited organization determination, the written CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, must be sent to the member and must clearly state the service denied and denial reason.

Deficiencies:

Based on a review of the 10 files for requests for expedited organization determinations, the reviewer found that 7 (70%) cases were misclassified because they were not expedited organization determinations. CMS has determined that if 30% or greater of the files are misclassified, the sample is deemed inadequate and all the elements associated with the sample are Not Met.

Corrective Action Required:

Submit to CMS a universe for Requests for Expedited Organization Determinations from June 1, 2006 to August 31, 2007. See Appendix 1-Model #5a, Enclosure I from the CMS letter to APIPA dated April 12, 2007 for a universe description.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 12/12/2007

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Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Organization Determination Extensions (Notice Content) - If an extension is granted for an organization determination, the written notice to the member must include the reasons for the delay, and inform the member of the right to file an expedited grievance if he or she disagrees with the decision to grant an extension.

Deficiencies:

The CMS reviewer was unable to find evidence that APIPA has a process in place for the receipt and processing of expedited organizations determinations.

Corrective Action Required:

Describe actions APIPA is taking to ensure that it has a process for expedited organization determination requests. The corrective action must include policies and procedures, flow charts, appropriate notices and member notification. The process must include internal health plan oversight audits to ensure compliance with CMS requirements.

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Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP07

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

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CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Decision Not to Expedite an Organization Determination (Notice Content) - If the MAO decides not to expedite an organization determination, the notice to the member of the decision not to expedite must explain that the MAO will process the request using the 14-day standard timeframe, inform the member of the right to file an expedited grievance if he or she disagrees with the decision not to expedite, inform the member of the right to resubmit a request for an expedited determination with any physician's support, and provide instructions about the MAO grievance process and its timeframes.

Deficiencies:

The CMS reviewer was unable to find evidence that APIPA has a process in place for the receipt and processing of expedited organizations determinations.

Corrective Action Required:

Describe actions APIPA is taking to ensure that it has a process for expedited organization determination requests. The corrective action must include policies and procedures, flow charts, appropriate notices and member notification. The process must include internal health plan oversight audits to ensure compliance with CMS requirements.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP08

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

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CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Correctly Distinguishes Between Organization Determinations and Reconsiderations - The MAO must correctly distinguish between organization determinations and reconsiderations.

Deficiencies:

Based on a review of the 10 files for requests for expedited organization determinations, the reviewer found that 7 (70%) cases were misclassified because they were not expedited organization determinations. CMS has determined that if 30% or greater of the files are misclassified, the sample is deemed inadequate and all the elements associated with the sample are Not Met.

Corrective Action Required:

Submit to CMS a universe for Requests for Expedited Organization Determinations from June 1, 2006 to August 31, 2007. See Appendix 1-Model #5a, Enclosure I from the CMS letter to APIPA dated April 12, 2007 for a universe description.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

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Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Credentialing Requirements for Physicians and Other Health Care Professionals - The MAO must follow a documented process for physicians and other health care professionals regarding initial credentialing and recredentialing.

Deficiencies:

CMS reviewed 20 credentialing files. Four files in the sample were misclassified for the following reasons: one file was a physician assistant (PA), one file was a family nurse practitioner (FNP), one file was a dentist, and one file was a pediatrician. Three of the four misclassified files were related to the APIPA HSD-Table 2 submitted to CMS listing the provider's name and specialty but omitting their professional designation e.g., MD, DO. Of the remaining 16 files, CMS found 15 files non-compliant with CMS requirements for the following reasons: (A) 15 files were missing the Medicare opt out process. (B) 13 files were missing the consideration of quality of care information in the recredentialing process, and (C) 6 files were not recredentialed timely. In one case, the physician was last credentialed on 8/21/01. In a second case, the physician was last credentialed on 9/18/01. In a third case, the physician was last credentialed on 9/23/02. In a fourth case, the physician was credentialed on 10/17/00 and not recredentialed again until 5/05/05. All of these physicians were listed in the HSD-Table 2 submitted to CMS as current APIPA contracted providers. In a fifth case, the provider (podiatrist) signed the attestation reapplication on 11/15/05 and was recredentialed on 5/19/05 (the information was more than 6 months old). In the sixth case, the physician signed the attestation reapplication on 12/28/04 and was recredentialed on 7/01/05 (the information was more than 6 months old).

Corrective Action Required:

APIPA must describe the actions it is taking to ensure that it and its delegated entities credential/recredential contracted providers in accordance with CMS requirements, on a timely basis. Corrective action must include policy and procedure revisions for the health plan as well as its delegated entities. It must include internal health plan audits as well as delegation oversight audits of credentialing files to ensure compliance.

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MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: RC01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

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MCO Response Due Date: 09/17/2007

Requirement:

Favorable Claims Reconsiderations (Timeliness) - If the MAO makes a reconsidered determination on a request for payment that is completely favorable to the member, it must issue written notice of its reconsidered determination to the member and pay the claim no later than 60 calendar days after receiving the reconsideration request.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed a sample of 10 favorable claims reconsiderations from a universe of 86 and found 3 cases non-compliant because APIPA had not notified members of the decisions within 60 days of receipt of the reconsideration.

Corrective Action Required:

APIPA must describe the measures it is taking to ensure that it notifies members of favorable claims reconsideration decisions within CMS required timeframes. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: RC02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

Element Release Date: 10/16/2007

CAP Released Date: 04/30/2008

Visit Start Date: 06/19/2007

Exit Conference Date: 06/20/2007

Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Adverse Claims Reconsiderations (Timeliness) - If the MAO affirms, in whole or in part, its adverse organization determination, or fails to provide the member with a reconsideration determination within 60 days of receipt of the request (which constitutes an affirmation of its adverse organization determination), it must forward the case to CMS' independent review entity no later than 60 calendar days after receiving the reconsideration request. The MAO concurrently notifies the member that it has forwarded the case to CMS' independent review entity.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed 1 unfavorable claims reconsideration case. APIPA had only 1 in its universe. The case file did not include documentation to show that the member was denied the original service. The case file also did not contain notification to the IRE and did not show that the plan had notified the member of its reconsideration decision as required.

Corrective Action Required:

APIPA must describe the measures it is taking to ensure that it notifies members of adverse claims reconsideration decisions within CMS required timeframes. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: RC03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

Element Release Date: 10/16/2007

CAP Released Date: 04/30/2008

Visit Start Date: 06/19/2007

Exit Conference Date: 06/20/2007

Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Effectuation of Third Party Claims Reconsideration Reversals - If the MAO's determination is reversed in whole or in part by the independent review entity, the MAO must pay for the service no later than 30 calendar days from the date it receives the notice reversing the organization determination. The MAO must also inform the independent review entity that the organization has effectuated the decision.If the MAO's determination is reversed in whole or in part by an ALJ, or at a higher level of appeal, the MAO must authorize or provide the service under dispute as expeditiously as the member's health requires, but no later than 60 days from the date it received notice of the reversal.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard for this element. CMS reviewed 1 unfavorable claims reconsideration case. APIPA had only 1 in its universe. The case file did not include documentation to show that the member was denied the original service. The case file also did not contain notification to the IRE and did not show that the plan had notified the member of its reconsideration decision as required.

Corrective Action Required:

APIPA must describe the measures it is taking to ensure that when a determination is reversed by the IRE, that APIPA will pay for the services within CMS required timeframes and notify the IRE that it has effectuated the decision. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: RP01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

Element Release Date: 10/16/2007

CAP Released Date: 04/30/2008

Visit Start Date: 06/19/2007

Exit Conference Date: 06/20/2007

Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Favorable Standard Pre-Service Reconsiderations (Timeliness) - If the MAO makes a fully favorable decision on a standard pre-service reconsideration, it must issue a decision to the member, and authorize or provide the service, as expeditiously as the member's health requires, but no later than 30 calendar days after receiving the reconsideration request (or an additional 14 calendar days if an extension is justified).

Deficiencies:

CMS reviewed 3 requests for favorable standard pre-service reconsiderations, of which 1 case was misclassified. In the misclassified case, no initial pre-service determination had been made. Because more than 30 percent of the cases requested were misclassified, the universe provided by APIPA is not representative of cases that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

APIPA must generate a new universe for WSRP1 (favorable standard pre-service reconsiderations) and submit it to CMS for further action. Since there are potentially so few cases in the original universe to consider, the review period for the new universe is changed to 9/1/2006 through 6/30/2007 for this sample. Please refer to Enclosure IV of the 4/12/2007 letter from CMS confirming the site visit for details about the universe and submission format.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0002, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8038

Region: 09 San Francisco

MRT Number / Name: M0002 MRT Americhoice

Contract Number / Name: H0321 ARIZONA PHYSICIANS IPA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: RP02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 09/19/2007

Element Accepted Date: 10/16/2007

Element Release Date: 10/16/2007

CAP Released Date: 04/30/2008

Visit Start Date: 06/19/2007

Exit Conference Date: 06/20/2007

Date Report Issued: 08/03/2007

Date Report Due: 08/04/2007

CAP Accepted Date: 12/13/2007

Audit Closed Date: 04/30/2008

Element Projected Completion Date:

MCO Response Due Date: 09/17/2007

Requirement:

Adverse Standard Pre-Service Reconsiderations (Timeliness) - If the MAO is unable to make a fully favorable decision on a standard pre-service reconsideration, it must forward the case to CMS' independent review entity as expeditiously as the member's health requires, but no later than 30 calendar days after receiving the reconsideration request (or an additional 14 calendar days if an extension is justified). The MAO must concurrently notify the member of this action.

Deficiencies:

APIPA does not meet the CMS 95% compliance standard. CMS reviewed 1 adverse standard pre-service reconsideration case. APIPA had only 1 in its universe. In this case, APIPA did not forward the case to the IRE within the CMS required timeframe.

Corrective Action Required:

APIPA must describe the actions it is taking to ensure that it 1) forwards adverse standard pre-service reconsiderations to the IRE within the CMS required timeframe when it is unable to fully reverse its own decisions, and 2) notifies effected members concurrently that it is forwarding their case to the IRE for a final reconsideration decision. As part of the required corrective action, APIPA must describe how it plans to implement this requirement as well as its plans for monitoring to ensure ongoing compliance.