CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0013, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 10037

Region: 05 Chicago

MRT Number / Name: M0013 MRT Wellpoint

Contract Number / Name: H0540 UNICARE LIFE AND HEALTH INS. COMPANY

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC01

Review Type: Ad-Hoc Compliance Event

Review Status: Confirmed

MCO Response Received Date: 11/16/2007

Element Accepted Date: 04/10/2008

Element Release Date:

CAP Released Date:

Visit Start Date: 10/18/2007

Exit Conference Date: 10/18/2007

Date Report Issued: 11/01/2007

Date Report Due: 12/02/2007

CAP Accepted Date: 04/10/2008

Audit Closed Date:

Element Projected Completion Date: 09/15/2008

MCO Response Due Date: 12/16/2007

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:

In February 2007, Wellpoint informed CMS that a backlog of approximately 354,000 claims exists for its PFFS contract. This backlog was a result of their vendor's performance as well as Wellpoint transitioning the claims processing function from their vendor to their own in-house processing center in December 2006. The backlog consisted of clean, unclean, duplicate, and resubmitted claims that were incorrectly paid by the outsourced vendor. At that time, Wellpoint was unable to differentiate between clean and non-clean claims. Fifty-two percent of the claims were more than 30 days old. Furthermore, the claims backlog also affected Wellpoint's call center operations. At that time, the call center was experiencing a 27 minute average speed of answer for their members and 16 minute average speed of answer for their providers. The percentage of calls abandoned was 65% for members and 50% for providers. As a result, Wellpoint was required to submit bi-weekly reports to CMS that demonstrated their progress toward resolving these issues. However, CMS' review of the bi-weekly reports and the documentation submitted for these deficiencies indicate that Wellpoint did not correct the deficiencies within the timeframes specified in the CAP. Initially, Wellpoint proposed a May 15, 2007 resolution date but were unable to meet that date because they identified 64,000 providers that were not loaded in their databases. A revised resolution date of July 31, 2007 was submitted. On August 1, 2007, Wellpoint claimed to have met the target date and the CAP was accepted. Consequently, Wellpoint disclosed to CMS on August 21, 2007 that an additional 40,987 claims were discovered and a recovery strategy was being developed. On October 3, 2007, Wellpoint notified CMS that an audit revealed the pending claim volume to be 129,000 as opposed to 93,720 that had been reported on the September 7, 2007 bi-weekly report. This represents a failure of the original CAP.

Corrective Action Required:

Wellpoint must provide CMS with a new plan of correction that will ensure that claims determinations are made correctly and timely, claims paid accurately, and interest is included when appropriate. Wellpoint must also develop a contingency plan for handling a large volume of claims as well as unexpected systems problems in order to prevent future occurrences of claims backlogs. Furthermore, Wellpoint must continue to submit bi-weekly reports to CMS that detail current number of outstanding claims broken down by age, number of clean and non-clean claims as well as the number of claims on which interest was paid. These reports should uploaded into the HPMS via the CAP Monitoring module. Wellpoint must submit a comprehensive plan of correction that will adequately address the dissatisfaction of the provider community both through provider relations and customer service. CMS understands that the dissatisfaction will subside once the claims problems are resolved. However Wellpoint must institute a diligent process for satisfying provider complaints as well as handling increasing call volumes. Lastly, Wellpoint must continue to submit bi-weekly reports to CMS that detail call volume for both members and providers, number of calls answered, percentage of calls answered, total number of abandoned calls, number of calls answered in 30 seconds, AHT, and ASA. Wellpoint must update CMS on any changes (positive or negative) to their plan of correction.

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Review ID: 10037

Region: 05 Chicago

MRT Number / Name: M0013 MRT Wellpoint

Contract Number / Name: H0540 UNICARE LIFE AND HEALTH INS. COMPANY

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC02

Review Type: Ad-Hoc Compliance Event

Review Status: Confirmed

MCO Response Received Date: 11/16/2007

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Visit Start Date: 10/18/2007

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Date Report Issued: 11/01/2007

Date Report Due: 12/02/2007

CAP Accepted Date: 04/10/2008

Audit Closed Date:

Element Projected Completion Date: 09/15/2008

MCO Response Due Date: 12/16/2007

Requirement:

Reasonable Reimbursement for Covered Services - The MAO must provide reasonable reimbursement 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, Renal dialysis services that Medicare members obtain while temporarily out of the service area, and Services for which coverage has been denied by the MAO but found to be services the member was entitled to upon appeal.

Deficiencies:

In February 2007, Wellpoint informed CMS that a backlog of approximately 354,000 claims exists for its PFFS contract. This backlog was a result of their vendor's performance as well as Wellpoint transitioning the claims processing function from their vendor to their own in-house processing center in December 2006. The backlog consisted of clean, unclean, duplicate, and resubmitted claims that were incorrectly paid by the outsourced vendor. At that time, Wellpoint was unable to differentiate between clean and non-clean claims. Fifty-two percent of the claims were more than 30 days old. Furthermore, the claims backlog also affected Wellpoint's call center operations. At that time, the call center was experiencing a 27 minute average speed of answer for their members and 16 minute average speed of answer for their providers. The percentage of calls abandoned was 65% for members and 50% for providers. As a result, Wellpoint was required to submit bi-weekly reports to CMS that demonstrated their progress toward resolving these issues. However, CMS' review of the bi-weekly reports and the documentation submitted for these deficiencies indicate that Wellpoint did not correct the deficiencies within the timeframes specified in the CAP. Initially, Wellpoint proposed a May 15, 2007 resolution date but were unable to meet that date because they identified 64,000 providers that were not loaded in their databases. A revised resolution date of July 31, 2007 was submitted. On August 1, 2007, Wellpoint claimed to have met the target date and the CAP was accepted. Consequently, Wellpoint disclosed to CMS on August 21, 2007 that an additional 40,987 claims were discovered and a recovery strategy was being developed. On October 3, 2007, Wellpoint notified CMS that an audit revealed the pending claim volume to be 129,000 as opposed to 93,720 that had been reported on the September 7, 2007 bi-weekly report. This represents a failure of the original CAP.

Corrective Action Required:

Wellpoint must provide CMS with a new plan of correction that will ensure that claims determinations are made correctly and timely, claims paid accurately, and interest is included when appropriate. Wellpoint must also develop a contingency plan for handling a large volume of claims as well as unexpected systems problems in order to prevent future occurrences of claims backlogs. Furthermore, Wellpoint must continue to submit bi-weekly reports to CMS that detail current number of outstanding claims broken down by age, number of clean and non-clean claims as well as the number of claims on which interest was paid. These reports should uploaded into the HPMS via the CAP Monitoring module. Wellpoint must submit a comprehensive plan of correction that will adequately address the dissatisfaction of the provider community both through provider relations and customer service. CMS understands that the dissatisfaction will subside once the claims problems are resolved. However Wellpoint must institute a diligent process for satisfying provider complaints as well as handling increasing call volumes. Lastly, Wellpoint must continue to submit bi-weekly reports to CMS that detail call volume for both members and providers, number of calls answered, percentage of calls answered, total number of abandoned calls, number of calls answered in 30 seconds, AHT, and ASA. Wellpoint must update CMS on any changes (positive or negative) to their plan of correction.

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Review ID: 10037

Region: 05 Chicago

MRT Number / Name: M0013 MRT Wellpoint

Contract Number / Name: H0540 UNICARE LIFE AND HEALTH INS. COMPANY

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC03

Review Type: Ad-Hoc Compliance Event

Review Status: Confirmed

MCO Response Received Date: 11/16/2007

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Date Report Due: 12/02/2007

CAP Accepted Date: 04/10/2008

Audit Closed Date:

Element Projected Completion Date: 09/15/2008

MCO Response Due Date: 12/16/2007

Requirement:

Timely Payment of Non-Contracting Provider Clean Claims - The MAO must pay 95 percent of "clean" claims from non-contracting providers within 30 calendar days of receipt.

Deficiencies:

In February 2007, Wellpoint informed CMS that a backlog of approximately 354,000 claims exists for its PFFS contract. This backlog was a result of their vendor's performance as well as Wellpoint transitioning the claims processing function from their vendor to their own in-house processing center in December 2006. The backlog consisted of clean, unclean, duplicate, and resubmitted claims that were incorrectly paid by the outsourced vendor. At that time, Wellpoint was unable to differentiate between clean and non-clean claims. Fifty-two percent of the claims were more than 30 days old. Furthermore, the claims backlog also affected Wellpoint's call center operations. At that time, the call center was experiencing a 27 minute average speed of answer for their members and 16 minute average speed of answer for their providers. The percentage of calls abandoned was 65% for members and 50% for providers. As a result, Wellpoint was required to submit bi-weekly reports to CMS that demonstrated their progress toward resolving these issues. However, CMS' review of the bi-weekly reports and the documentation submitted for these deficiencies indicate that Wellpoint did not correct the deficiencies within the timeframes specified in the CAP. Initially, Wellpoint proposed a May 15, 2007 resolution date but were unable to meet that date because they identified 64,000 providers that were not loaded in their databases. A revised resolution date of July 31, 2007 was submitted. On August 1, 2007, Wellpoint claimed to have met the target date and the CAP was accepted. Consequently, Wellpoint disclosed to CMS on August 21, 2007 that an additional 40,987 claims were discovered and a recovery strategy was being developed. On October 3, 2007, Wellpoint notified CMS that an audit revealed the pending claim volume to be 129,000 as opposed to 93,720 that had been reported on the September 7, 2007 bi-weekly report. This represents a failure of the original CAP.

Corrective Action Required:

Wellpoint must provide CMS with a new plan of correction that will ensure that claims determinations are made correctly and timely, claims paid accurately, and interest is included when appropriate. Wellpoint must also develop a contingency plan for handling a large volume of claims as well as unexpected systems problems in order to prevent future occurrences of claims backlogs. Furthermore, Wellpoint must continue to submit bi-weekly reports to CMS that detail current number of outstanding claims broken down by age, number of clean and non-clean claims as well as the number of claims on which interest was paid. These reports should uploaded into the HPMS via the CAP Monitoring module. Wellpoint must submit a comprehensive plan of correction that will adequately address the dissatisfaction of the provider community both through provider relations and customer service. CMS understands that the dissatisfaction will subside once the claims problems are resolved. However Wellpoint must institute a diligent process for satisfying provider complaints as well as handling increasing call volumes. Lastly, Wellpoint must continue to submit bi-weekly reports to CMS that detail call volume for both members and providers, number of calls answered, percentage of calls answered, total number of abandoned calls, number of calls answered in 30 seconds, AHT, and ASA. Wellpoint must update CMS on any changes (positive or negative) to their plan of correction.

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Region: 05 Chicago

MRT Number / Name: M0013 MRT Wellpoint

Contract Number / Name: H0540 UNICARE LIFE AND HEALTH INS. COMPANY

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC05

Review Type: Ad-Hoc Compliance Event

Review Status: Confirmed

MCO Response Received Date: 11/16/2007

Element Accepted Date: 04/10/2008

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Date Report Due: 12/02/2007

CAP Accepted Date: 04/10/2008

Audit Closed Date:

Element Projected Completion Date: 09/15/2008

MCO Response Due Date: 12/16/2007

Requirement:

Timely Adjudication of Non-Clean Claims - The MAO must pay or deny all non-contracted claims that do not meet the definition of "clean claims" within 60 calendar days of receipt.

Deficiencies:

In February 2007, Wellpoint informed CMS that a backlog of approximately 354,000 claims exists for its PFFS contract. This backlog was a result of their vendor's performance as well as Wellpoint transitioning the claims processing function from their vendor to their own in-house processing center in December 2006. The backlog consisted of clean, unclean, duplicate, and resubmitted claims that were incorrectly paid by the outsourced vendor. At that time, Wellpoint was unable to differentiate between clean and non-clean claims. Fifty-two percent of the claims were more than 30 days old. Furthermore, the claims backlog also affected Wellpoint's call center operations. At that time, the call center was experiencing a 27 minute average speed of answer for their members and 16 minute average speed of answer for their providers. The percentage of calls abandoned was 65% for members and 50% for providers. As a result, Wellpoint was required to submit bi-weekly reports to CMS that demonstrated their progress toward resolving these issues. However, CMS' review of the bi-weekly reports and the documentation submitted for these deficiencies indicate that Wellpoint did not correct the deficiencies within the timeframes specified in the CAP. Initially, Wellpoint proposed a May 15, 2007 resolution date but were unable to meet that date because they identified 64,000 providers that were not loaded in their databases. A revised resolution date of July 31, 2007 was submitted. On August 1, 2007, Wellpoint claimed to have met the target date and the CAP was accepted. Consequently, Wellpoint disclosed to CMS on August 21, 2007 that an additional 40,987 claims were discovered and a recovery strategy was being developed. On October 3, 2007, Wellpoint notified CMS that an audit revealed the pending claim volume to be 129,000 as opposed to 93,720 that had been reported on the September 7, 2007 bi-weekly report. This represents a failure of the original CAP.

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