CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: AA01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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Visit Start Date: 10/29/2007
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CAP Accepted Date:07/01/2008
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Element Projected Completion Date:07/31/2008
MCO Response Due Date: 03/28/2008

Requirement:

Adequate and Appropriate Provider Network - The MAO maintains and monitors a network of appropriate providers that is sufficient to provide adequate access to and availability of covered services.

Deficiencies:

CMS reviewed HSD tables, the Provider Directory and Credentialing files, and conducted staff and provider interviews to determine if Horizon Healthcare of New Jersey maintains and monitors a network of appropriate providers that is sufficient to provide adequate access to and availability of covered services. The HSD 1 and 2 tables included numerous providers that were not appropriate to a Medicare population including, but not limited to, pediatricians and numerous pediatric subspecialties, infertility and reproductive providers, maternal and fetal medicine and family therapists. Nurse Practitioners were listed separately instead of under mid-level practitioners as per HSD instructions and a category of Nurse was inappropriately included on the tables. Providers credentialed by the delegated entities were displayed on separate HSD 2 Tables instead of merged into a single table as per instructions. HSD 3 included non-Medicare providers and providers inappropriate to a Medicare network such as Children's Hospitals, non-FDA approved mammography providers in addition to misclassified providers such a Detoxification facility with a provider type of Psychiatric Hospital. Several non-Medicare certified providers were included in the Provider Directory. In one case, a HHA was listed as providing services in Ocean County, yet the provider stated they do not service that county. Because of the preponderance of inappropriate providers, inaccurate information and failure by the Plan to use the required HSD format, the CMS reviewer was unable to assess network sufficiency. Since the network included inappropriate and non-Medicare providers coupled with the inability to assess network sufficiency, the element is Not Met.

Corrective Action Required:

Horizon must resubmit HSD 1, 2 3 and 4 Tables in both hard copy and electronic versions according to the published format and instructions and only after non-Medicare and inappropriate providers are removed. Horizon must also assure that providers listed on HSD 3 are appropriately classified and, in the case of HHAs, listed only in those counties where they are licensed to provide services. Once the HSD tables are corrected, the Provider Directory must be revised to reflect the Medicare Advantage network accurately. Submit a timeline for the correction of the hard copy and online versions. CMS will determine network sufficiency once the corrected HSD tables are received.

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Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Visit Start Date: 10/29/2007
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:07/31/2008
MCO Response Due Date: 03/28/2008

Requirement:

PCP Panel Established and Maintained - The MAO establishes, maintains, and monitors a panel of primary care providers from which the member may select a personal primary care provider.

Deficiencies:

CMS reviewed Horizon's Managed Care Network Office Manual, Provider Directory, Evidence of Coverage and member letters, and conducted staff interviews to determine if there was a process for assigning a PCP to a member who does not select a PCP, when the MAO requires its members to obtain a referral before receiving specialist services. Horizon's HMO requires referrals to see network specialists. According to staff interviews, Horizon generates a letter requesting the member to select a PCP. When a member fails to respond naming their choice of PCP, Horizon does not assign a PCP. When Horizon's system shows that a member visits a PCP, the system then automatically assigns that physician to the member. Since Horizon does not have a process for assigning a PCP to those members who do not select a PCP, the element is Not Met.

Corrective Action Required:

Horizon needs to put a process in place for assigning a PCP when a member fails to select their PCP. Submit the process to CMS upon completion.

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Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Review Status: Confirmed
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Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:11/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Member Health Record Uses Established StandardsAll MAOs that offer CCPs must ensure that each provider furnishing services to members maintains member health records in accordance with standards established by the MAO, which take into account professional standards.

Deficiencies:

CMS reviewed Horizon Healthcare's policies, procedures, provider audit results and the Managed Care Network Office Manual to determine whether the plan has monitoring procedures for assessing and improving content, legibility, organization, and completeness of member's records and has policies for health record content that include the following: - Identifying information of the member - Identification of all providers participating in the members's care and information on services furnished by these providers - A problem list that includes significant illnesses and medical and psychological conditions - Presenting complaints, diagnoses and treatment plans - Prescribed medications, including dosages and dates of initial or refill prescriptions - Information on allergies and adverse reactions (or a notation that the patient has no known allergies or history of adverse reactions) - Information on advance directives - Past medical history, physical examinations, necessary treatment, and possible risk factors for the member relevant to the particular treatment. Horizon has policies and procedures that address medical record content in addition to assuring provider records are legible as part of the audit process for provider medical records. The Managed Care Network Office Manual states treatment records shall reflect treatment ordered, including specific dosages, quantities and strength of medications including refills if prescribed, administered or dispensed and recommended follow up. Horizon's current policies and audit tool do not require the following: - Identification of all providers participating in the member's care and information on services furnished by these providers - Inclusion of significant illnesses and medical and psychological conditions on the problem list, presenting complaints, diagnoses and treatment plans - Prescribed medications including dosages and dates of initial or refill prescriptions, a notation that the patient has no known allergies or history of adverse reactions when appropriate - Physical examinations, necessary treatment, and possible risk factors for the member relevant to the particular treatment. While the monitoring procedure addresses the legibility of medical records, it does not include procedures for improving content, organization, and completeness of member's records.

Corrective Action Required:

Horizon needs to revise their policy and procedure for Medical Record Documentation Standards to include the areas indicated above in order to be compliant with CMS requirements. In addition, the Audit procedures and tools need to include these areas. Horizon needs to advise providers of the revised standards and audit procedures. Furnish CMS with a copy of the revised policies, procedures, audit tool and provider notification.

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Compliant Disenrollment Process - The MAO disenrolls Medicare members, when appropriate, upon receipt of a request for disenrollment. The MAO annotates its own system and the CMS system with the correct disenrollment effective date.

Deficiencies:

Element DN01 measures the degree of compliance with appropriate disenrollment of members upon receipt of a disenrollment request with related documentation. Out of 30 cases 5 were misclassified and 15 were incorrect. Many records were missing complete documentation therefore Horizon does not meet the standard for this element.

Corrective Action Required:

Horizon must develop a corrective action plan which should include at a minimum the following: 1. Develop and enhance policies and procedures related to the processing of disenrollments. 2. Implement a internal quality audit process which addresses disenrollment processing. 3. Assure processes are in place so that documentation regarding disenrollment processing is available for all members processed. 4. Assure that all staff involved in disenrollment processing are trained in proper procedures. Provide documentation to the regional office that all training has occurred.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: DN02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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Element Release Date: 06/30/2008
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Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
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Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Voluntary Disenrollment (Timeliness) - The MAO sends the disenrollment notice to the member within timeframes specified by CMS.

Deficiencies:

For element DN02 the compliance standard for MAO sending the disenrollment notice to the member within timeframes specified by CMS is not met. From a sample of 54 cases, the plan did not sent out 15 disenrollments timely.

Corrective Action Required:

Horizon must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of mailing out the disenrollment notices timely. 2. Provide training to all staff involved in processing disenrollment notices to assure understanding of process and CMS requirements. 4. Establish an internal quality audit process to assure compliance.

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Auditing Review Results (Initial Report)-Public Website Version

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Voluntary Disenrollment (Notice Content) - The MAO sends the disenrollment notice to the member in a format specified by CMS, providing the correct effective date of disenrollment.

Deficiencies:

For element DN03 the compliance standard for correct enrollment election is not met. From a sample of 54 cases, the MAO did not send 17 disenrollment notices to the members in a format specified by CMS and providing the correct effective date of disenrollment

Corrective Action Required:

Horizon must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of sending disenrollment notices to the members in a format specified by CMS and providing the correct effective date of disenrollment 2. Provide training to all staff involved in processing and sending disenrollment notices to members in the correct format with the correct effective dates. 3. Establish an internal quality audit process to assure compliance for this element.

CMS Medicare Managed Care Auditing Report

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Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

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CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Refund of Premium - The MAO must refund all amounts incorrectly collected from its Medicare members or from others on their behalf.

Deficiencies:

For element DN04 the compliance standard for the MAO refunding all amounts incorrectly collected from its Medicare members or from others on their behalf is not met. From a sample of 15 cases the MAO failed to send out the proper refund for 12 cases.

Corrective Action Required:

Horizon must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of refunding all amounts incorrectly collected from its Medicare members or from others on their behalf. 2. Provide training to all staff involved in processing premium refunds as per CMS' requirements. 3. Establish an internal quality audit process to assure compliance.

CMS Medicare Managed Care Auditing Report

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CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:05/08/2008
MCO Response Due Date: 03/28/2008

Requirement:

Involuntary Disenrollment for Non-Payment of Premium (Optional) - The MAO may involuntarily disenroll Medicare members who fail to pay monthly basic or supplementary premiums only after demonstrating to CMS that the MAO has made reasonable efforts to collect the unpaid premium amount, including notifying the individual that the premiums are delinquent, providing the individual with a grace period to pay past premiums due, and advising the individual that failure to pay will result in termination. The MAO may only disenroll the Medicare member when the MAO has not received payment within a grace period of a minimum of 1 calendar month that begins on the first day of the month for which the premium was not paid. The effective date of disenrollment is the first day of the month after the period ends.

Deficiencies:

Horizon¿s policy and procedures state if a member fails to pay his or her premiums, Horizon will terminate the member¿s coverage in accordance with CMS guidelines. However, Horizon¿s inability to provide a universe of individuals terminated due to non-payment of premiums for the review period, and information received from staff during interviews indicate that this action is not being performed. Consequently, CMS auditors could not evaluate Horizon¿s ability to process disenrollments based upon non-payment of premiums.

Corrective Action Required:

If Horizon decides to terminate a member due to non-payment of premium must ensure that its policy and procedures reflect this information. In addition Horizon must provide refresher training to all applicable staff to ensure that policy and procedures are followed in accordance with CMS guidelines.

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Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Review Type: Routine
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Involuntary Disenrollment for Move Out of Service Area - The MAO must disenroll Medicare members who permanently leave the approved plan service area, or who reside outside the approved plan service area for more than six (6) months, unless they move into an approved plan continuation area and the member has elected the continuation of enrollment option. Member notice is required prior to transmission of the disenrollment to CMS.

Deficiencies:

For element DN06 the compliance standard for The MAO disenrolling Medicare members who permanently leave the approved plan service area, or who reside outside the approved plan service area for more than six (6) months, unless they move into an approved plan continuation area and the member has elected the continuation of enrollment option. Member notice is required prior to transmission of the disenrollment to CMS is not met. From a sample of 10 cases, 8 were incorrect specifically for this element.

Corrective Action Required:

The MAO must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of disenrolling Medicare members who permanently leave the approved plan service area, or who reside outside the approved plan service area for more than six (6) months. 2. Provide training to all staff involved in processing disenrollments to assure compliance of CMS requirements. 3. Establish an internal quality audit process to assure compliance.

CMS Medicare Managed Care Auditing Report

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Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Compliant Retroactive Disenrollment Requests - The MAO correctly submits requests to the CMS Regional Office, or Program Safeguard Contractor, for retroactive disenrollments in instances where, due to CMS error, there was never a legally valid enrollment or a valid request for disenrollment was properly made but not processed or acted upon. Supporting information is included in accordance with CMS policy.

Deficiencies:

Based upon our review of Horizon's submissions to CMS through the monthly transmission process, Regional Office and Integriguard requests for the review period it is our finding that Horizon has failed to submit valid transactions for processing. For the monthly payment processing periods of January, February and March of 2007, Horizon submitted over a thousand invalid enrollment/disenrollment transactions to CMS for processing. As a result the Medicare beneficiaries annotated on those transactions lost other medical and/or prescription drug coverage and experienced undue hardship.

Corrective Action Required:

Horizon must ensure that all transactions submitted to CMS or its delegates are valid and that the Plan possesses all necessary documentation to support such submissions.

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Review Type: Routine
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Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
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MCO Response Due Date: 03/28/2008

Requirement:

Correct Enrollment Election - Elections must be completed by the beneficiary or representative.

Deficiencies:

For element ER01 the compliance standard for correct enrollment election is not met. From a sample of 30 records, 9 were incorrect specifically for this element. The following issues were noted: 1. Records missing enrollment form: 9 2. Records missing a page from enrollment form: 1 3. Records missing complete documentation (enrollment form, TRR, confirmation letter): 1 4. Records missing TRR: 16 5. Records missing confirmation letter: 19 6. Records with discrepancy in either date stamp, plan effective date or date in confirmation letter: 2 It was also noted that there is no specific policy in plan documentation provided which addresses correct ennrollment election procedures. The only documentation provided on site was a sample of a blank enrollment form.

Corrective Action Required:

Horizon must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of correct enrollment election with operational accountabilities in appropriate functional areas. 2. Provide training to all staff involved in processing enrollment elections to assure understanding of process and CMS requirements. 3. Assure that record keeping procedures are sound so that complete documentation for any member's enrollment record is retrievable. 4. Establish an internal quality audit process to assure compliance. 5. Provide documentation to the Regional Office that systems have been reviewed and improved and that training has occurred.

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

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Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
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Requirement:

Enrollment Election Receipt - Dated Elections (and required documentation) are dated as of the date they are received by the MAO in a manner acceptable to CMS.

Deficiencies:

For element ER02, the compliance standard for dating enrollment elections received is not met following a review of documentation provided. Of the 30 records reviewed, 21 were determined to be incorrect for this element. Observations noted include: 1. Records missing enrollment form: 9 2. Records missing a page from enrollment form: 1 3. Records missing complete documentation (enrollment form, TRR, confirmation letter): 1 4. Records missing TRR: 16 5. Records missing confirmation letter: 19 6. Records with discrepancy in either date stamp, plan effective date or date in confirmation letter: 2 Documentation provided by Horizon on site included a policy titled Enrollment Election Receipt and Submission, which addresses date stamping and timeframes.

Corrective Action Required:

Horizon must develop corrective action which at a minimum includes the following elements: 1. Review existing policy with relevant staff involved in application processing to assure that all are trained and understand procedures. 2. Develop internal quality audit process to assure prospectively and retrospectively that enrolllment elections received are date stamped with 100% compliance. 3. Develop and implement immediate measures to assure integrity of archived documents and the ability to retrieve them. 4. Provide documentation to the Regional Office that training and corrective actions have been implemented and are ongoing.

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Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

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Requirement:

Enrollment Effective Date (Timeliness) - The MAO enrolls Medicare beneficiaries with a correct effective date and type based on the appropriate election period.

Deficiencies:

For element ER03, review of documentation provided indicates that the compliance standard is not met. This element looks at whether the MAO enrolls Medicare beneficiaries with a correct effective date based on the appropriate election period. Out of 30 records, 17 were incorrect. In many cases there was missing or incomplete data to make a determination of correctness. The following issues were identified: 1. Records missing enrollment form: 9 2. Records missing a page from enrollment form: 1 3. Records missing complete documentation (enrollment form, TRR, confirmation letter): 1 4. Records missing TRR: 16 5. Records missing confirmation letter: 19 6. Records with discrepancy in either date stamp, plan effective date or date in confirmation letter: 2

Corrective Action Required:

Horizon must develop and implement a corrective action plan to resolve deficiencies that prevent a determination that members are enrolled with the correct effective date based on the appropriate election period. This corrective action must include at a minimum the following elements: 1. Develop and/or enhance policies and procedures that address the issue of correct enrollment effective dates with operational accountabilities in appropriate functional areas. 2. Provide training to all staff involved in processing enrollment to assure understanding of process and CMS requirements regarding effective dates and enrollment periods. 3. Assure that record keeping procedures are sound so that complete documentation for any member's enrollment record is retrievable. 4. Establish an internal quality audit process to assure compliance. 5. Provide documentation to the Regional Office that systems have been reviewed and improved and that training has occurred.

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MCO Response Due Date: 03/28/2008

Requirement:

Enrollment Election Completion Process - The MAO must correctly identify incomplete enrollment elections and follow CMS requirements for requesting information from the beneficiaries to make the elections complete.

Deficiencies:

Element ER04 requires Horizon to meet a compliance standard in which incomplete enrolllment elections are identified and that CMS requirements are met for requesting information from beneficiaries to make the enrollment elections complete. Horizon has an appropriate policy in place titled Enrollment Application Processing Procedures, however out of 15 cases reviewed in WS-ER2, 3 did not have evidence that the beneficiary was contacted to request information to complete the election. In WS-ER1 another 3 cases did not have evidence of request for information to complete enrollment. Also, in WS-ER1 the following deficiencies were noted in a sample of 30 cases: 1. Records missing enrollment form: 9 2. Records missing a page from enrollment form: 1 3. Records missing complete documentation (enrollment form, TRR, confirmation letter): 1 4. Records missing TRR: 16 5. Records missing confirmation letter: 19 6. Records with discrepancy in either date stamp, plan effective date or date in confirmation letter: 2 For these reasons, the compliance standard for element ER04 is not met.

Corrective Action Required:

Horizon must implement corrective action to assure compliance which includes at least the following elements: 1. Review existing polices and procedures to assure specific language targets compliance with this standard and that appropriate accountabilities are in place. If necessary develop and implement new policies and procedures which address the standard more directly. 2. Develop and implement internal quality audit procedures to be performed at least on a quarterly basis to assure compliance with this standard. Any adverse findings should be documented and corrective action implemented. Results of quarterly audits are to be submitted to the Regional Office. 3. Conduct and document training for all staff with accountability for identifying and following up with incomplete enrollment elections. Provide documentation of such training to the Regional Office. 4. Assure that record keeping procedures are sound so that complete documentation for any member's enrollment record is retrievable.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ER05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/17/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Enrollment Acknowledgement (Timeliness) - The MAO notifies the beneficiary of receipt of the enrollment election within timeframes specified by CMS.

Deficiencies:

Element ER05 measures the degree of compliance of timeliness in notifying beneficiaries of receipt of enrollment election. From a sample of 30 records, 17 were incorrect in regard to timely notice of receipt. The following issues were noted in the sample reviewed per WS-ER1: 1. Records missing enrollment form: 9 2. Records missing a page from enrollment form: 1 3. Records missing complete documentation (enrollment form, TRR, confirmation letter): 1 4. Records missing TRR: 16 5. Records missing confirmation letter: 19 6. Records with discrepancy in either date stamp, plan effective date or date in confirmation letter: 2 Horizon does not meet the compliance standard for element ER05.

Corrective Action Required:

While Horizon has a policy titled Enrollment Application Processing, which specifies that enrollment confirmation letters are sent, in many cases there was no way to confirm this due to a high degree of poor records maintenance. Horizon must develop and implement a corrective action plan to address the deficiencies noted in this finding, in particular: 1. Adopt measures to assure that all documentation of all enrollment records is retained and accessible. 2. Establish and maintain an internal quality assurance mechanism that asseses the degree of compliance with this standard and assures that internal controls are working. 3. Be able to demonstrate that upon identification of instances of non-compliance, corrective action has been taken to bring into compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ER06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/17/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Enrollment Acknowledgement (Notice Content) - The written acknowledgement notice, sent in response to the beneficiary's enrollment election, meets CMS requirements and specifies the correct effective date of enrollment.

Deficiencies:

Element Er06 measures the degree of compliance with content requirements in enrollment acknowledgement letters, including correct effective date of enrollment. Of the 30 records reviewed for this element, 17 were incorrect. Since documentation was missing in many of the records, it was impossible to determine whether letters were sent or if content, including correct effective date was appropriate. The following issues were identified in the sample reviewed from WS-ER1: 1. Records missing enrollment form: 9 2. Records missing a page from enrollment form: 1 3. Records missing complete documentation (enrollment form, TRR, confirmation letter): 1 4. Records missing TRR: 16 5. Records missing confirmation letter: 19 6. Records with discrepancy in either date stamp, plan effective date or date in confirmation letter: 2 For the reasons cited above, Horizon does not meet the compliance standard for element ER06.

Corrective Action Required:

Horizon must make every effort to improve the degree of compliance measured by element ER06 and must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which specifically addresses the issue of enrollment acknowledgment letter content. 2. Provide training to all staff involved in processing enrollment elections to assure understanding of process and CMS requirements. 3. Assure that record keeping procedures are sound so that complete documentation for any member's enrollment record is retrievable. 4. Establish an internal quality audit process to assure compliance. 5. Provide documentation to the Regional Office that systems have been reviewed and improved and that training has occurred.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ER09
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/30/2008
Element Release Date: 04/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Final Notice of Enrollment/CMS Rejection (Timeliness) - When the MAO receives information from CMS, it promptly (within timeframes specified by CMS) notifies beneficiaries in writing of CMS's acceptance or rejection of enrollment.

Deficiencies:

For element ER09 the compliance standard for the MAO receiving information from CMS, it promptly (within timeframes specified by CMS) notifies beneficiaries in writing of CMS' acceptance or rejection of enrollment. is not met. From a sample of 44 cases, for 28 cases the MAO did not notify beneficiaries in writing of CMS' acceptance or rejection of the enrollment.

Corrective Action Required:

The MAO must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of the MAO receiving information from CMS, and promptly (within timeframes specified by CMS) notifies beneficiaries in writing of CMS's acceptance or rejection of enrollment. 2. Provide training to all staff involved in receiving the information and notifying members within specific timeframes specified by CMS. 3. Establish an internal quality audit process to assure compliance

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ER10
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/30/2008
Element Release Date: 04/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Final Notice of Enrollment/CMS Rejection (Notice Content) - The final notice of enrollment sent to the beneficiary, which describes CMS' acceptance or rejection of enrollment, meets CMS requirements.

Deficiencies:

For element ER10 the compliance standard for final notice of enrollment sent to the beneficiary, which describes CMS' acceptance or rejection of enrollment, meets CMS requirements is not met. From a sample of 42 cases, 27 were incorrect specifically for this element.

Corrective Action Required:

The MAO must develop and implement a corrective action plan to resolve deficiencies which includes at a minimum the following elements: 1. Develop and implement a policy and procedure which addresses the issue of sending final notice of enrollment to the beneficiary, which describes CMS' acceptance or rejection of enrollment and meets CMS requirements. 2. Provide training to all staff involved in processing enrollment and sending out the notices as per CMS requirements. 3.Establish an internal quality audit process to assure compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ER11
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/28/2008
Element Release Date: 04/28/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Submission of Enrollment Transactions to CMS - The MAO follows CMS guidelines for submitting enrollment transactions to CMS.

Deficiencies:

WS ER3 column 5 is met, however, based upon our review of Horizon's submissions to CMS through the monthly transmission process, Regional Office and Integriguard requests for the review period it is our finding that Horizon has failed to submit valid transactions for processing. For the monthly payment processing periods of January, February and March of 2007, Horizon submitted over a thousand invalid enrollment/disenrollment transactions to CMS for processing. As a result the Medicare beneficiaries annotated on those transactions lost other medical and/or prescription drug coverage and experienced undue hardship.

Corrective Action Required:

Horizon must ensure that all transactions submitted to CMS or its delegates are valid and that the Plan possesses all necessary documentation to support such submissions.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 03/28/2008
Element Accepted Date: 04/03/2008
Element Release Date: 06/30/2008
CAP Released Date: 07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date: 07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date: 12/31/2008
MCO Response Due Date: 03/28/2008

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:

In two (2) out of 12 cases the Horizon failed to issue a decision notification to members.

Corrective Action Required:

Horizon must conduct training of appropriate staff to ensure required grievance notifications are sent to members when appropriate. Horizon must submit documentation to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. In addition, Horizon must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/03/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Grievance Decision Notification (Notice Content) The MAO must inform the member of the disposition of the grievance. For quality of care issues, the MAO must also include a description of the member's right to file a written compliant with the QIO.

Deficiencies:

In two (2) out of 12 cases Horizon failed to provide the members a notificication of the Plan's decision.

Corrective Action Required:

Horizon must conduct training of appropriate staff to ensure required grievance notifications are sent to members when appropriate. Also these notices must have the required language. Horizon must submit documentation to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Also Horizon must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/03/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Method of Grievance Decision Notification The MAO just respond to written grievances in writing. The MAO must respond to oral grievances either orally or in writing, unless the member requests a written response. The MAO must respond to all grievances related to quality of care in writing, regardless of how the grievance was submitted.

Deficiencies:

Horizon does not meet the CMS 95% compliance standard. In two (2) out of 12 cases reviewed, Horizon failed to provide the meber with a notfication of the Plan's decision.

Corrective Action Required:

Horizon must conduct training of appropriate staff to ensure required grievance notifications are sent to members when appropriate. Horizon must submit documentation to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Also Horizon must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

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Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/17/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

Marketing Materials: Enrollment and Understanding of Plan Rules - The MAO establishes and maintains a system for confirming that enrolled members are enrolled in an MA plan and that they understand the rules applicable under the plan.

Deficiencies:

Element MR05 addresses member understanding of plan rules. Documentation provided on site by Horizon included a copy of a member survey and complaint tracking reports. There was no documentary evidence of marketing audits, welcome calls, verification scripts or results of a member survey. There was also no evidence of a policy which addresses member understanding of plan rules. Horizon does not meet the compliance standard for this element.

Corrective Action Required:

Horizon must develop and implement a policy that specifically addresses member understanding of plan rules. In addition internal quality improvement audits should address compliance with all aspects of this element.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/17/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:03/20/2008
MCO Response Due Date: 03/28/2008

Requirement:

Appropriate Notice Given to Members Before Plan Rule Change - If the MAO intends to change its rules for an MA plan, it must give notice to all members at least 30 days before the intended effective date of the change.

Deficiencies:

Element MR06 addresses the requirement for notifying members of plan rule changes at least 30 days before the change goes into effect. Documentation supporting this element provided on site by Horizon included a copy of ANOC and a note in the binder that there were no changes from 2006 to 2007. By definition, the Annual Notice of Change is issued annually, not necessarily 30 days before implementing changes during the year. There was no documentary evidence of a policy or other guidance. Horizon does not meet the compliance standard for this element.

Corrective Action Required:

Horizon must develop and implement a policy and procedure that addresses compliance with this element that assures members receive timely notice in the event of plan rule changes above and beyond issuing the ANOC. In addition, internal audit procedures must demonstrate periodic compliance assessment for this element. The title of the person charged with internal audit for this element must be provided.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/28/2008
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CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

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:

One (1) out of 30 cases declared misclassified. Of the remaining 29 cases in all cases Horizon failed to secure additional information and develop cases accordingly. In addition in one (1) case Horizon inappropriately denied emergency ambulance services dispatched through 911. In two (2) out of 30 cases declared misclassified. Of the remaining 28 cases in all cases delegated entity failed to secure additional information and develop cases accordingly. In 18 of the 28 delegated entity failed to capture the date claim was received. In one (1) case delegated entity inappropriately denied an emergency State committed admission for lack of referral.

Corrective Action Required:

In accordance with Medicare Guidelines, Horizon and/or its delegated entity must make correct claim determinations for services obtained from non-contracting providers. The organization must also make at minimum, one attempt to obtain additional information from non-contracted providers when necessary, especially in situations where member liability exists, prior to denying the claim. This may be in the form of a phone call, fax, letter, etc. In the event the organization is unable to secure the necessary information from the provider, within the 30/60 day timeframe, it may utilize the 14 day extension provision with proper documentation.

CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/28/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

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:

Element OC03 asseses the timely payment of non-par provider clean claims. Of 17 total records reviewed, 16 were for clean claims. Of 16 clean claims, 15 were not paid within 30 days and nine (9) were not paid within 60 days. Horizon's delegated entity does not meet the compliance standard for this element.

Corrective Action Required:

Horizon must develop and implement an ongoing internal quality audit process that assures 100% compliance with the requirements of this element in order to demonstrate that 95% of non-par provider clean claims are paid within 30 days of receipt. Horizon must submit quarterly results of these audits to the regional office until two consecutive quarters report 100% compliance. Horizon must ensure that its delegated entity adheres to these requirements.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 06/19/2008
Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:11/01/2008
MCO Response Due Date: 03/28/2008

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:

Element OC04 assesses if the correct interest was paid on clean claims paid late from non-par providers. Of the two (2) clean cases not processed timely in both cases Horizon failed to pay the proper interest payment. Of the 14 clean cases not processed timely, in 11 cases Horizon's delegated entity failed to pay the proper interest payment. A total of 13 cases out of 16 were not processed correctly.

Corrective Action Required:

Horizon must develop and implement an ongoing internal quality audit process that assures 100% compliance with the requirements of this element in order to demonstrate that 100% of non-par provider clean claims paid late include the correct interest payment both internally and with their delegated entities. Horizon must submit quarterly results of these audits to the regional office until two consecutive quarters report 100% compliance.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/30/2008
MCO Response Due Date: 03/28/2008

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:

This element is measured by worksheets OC1, item # 11, and OC2 item #5. Horizon failed to process seven (7) out of 30 cases within 60 days. Horizon's delegated entity failed to process 28 out of 44 cases within 60 days.

Corrective Action Required:

In accordance with Medicare Guidelines, Horizon and/or its delegated entity must make correct claim determinations for services obtained from non-contracting providers. The organization must also make at minimum, one attempt to obtain additional information from non-contracted providers when necessary, especially in situations where member liability exists, prior to denying the claim. This may be in the form of a phone call, fax, letter, etc. In the event the organization is unable to secure the necessary information from the provider, within the 30/60 day timeframe, it may utilize the 14 day extension provision with proper documentation.

CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:12/31/2008
MCO Response Due Date: 03/28/2008

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:

In 29 out of 29 cases Horizon failed to issue to the members a denial notice that provided a description of the services being denied. In 27 out of 28 cases delegated entity failed to issue to the members a denial notice that provided appeal rights and the services being denied.

Corrective Action Required:

If Horizon or it's designee decides to deny, discontinue, or reduce service or payments, in whole or in part, then it must give the enrollee a written notice of its determination. If the enrollee has a representative, the representative must be sent a copy of the notice. The plan must use Medicare approved notice language as specified in Appendix 1 of Chapter 13 of the Medicare Managed Care Manual. The Standard denial notice must provide the specific reason for the denial and takes into account any the enrollee's presenting medical condition, disabilities, and special language requirements, if any.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/28/2008
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CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
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Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/27/2008
MCO Response Due Date: 03/28/2008

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:

Horizon failed to process six (6) out of 10 cases reviewed timely.

Corrective Action Required:

Horizon must develop and implement policies and procedures that assure pre service requests are appropriately processed within required timeframes. Horizon must ensure that manual and automated systems are functioning to assure CMS requirements are met. Horizon must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
Element Accepted Date: 04/03/2008
Element Release Date: 04/03/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:06/27/2008
MCO Response Due Date: 03/28/2008

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:

CMS requires that verbal or written notification be given to members. In all of the cases that were viewed there was no evidence members received either type of notification. Therefore the requirement was not met.

Corrective Action Required:

Horizon must develop and implement policies and procedures regarding notification to members. In addition, Horizon must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Horizon must also confirm that its delegated also implements said process.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR03
Review Type: Routine
Review Status: Confirmed
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Element Release Date: 06/30/2008
CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
Exit Conference Date: 11/16/2007
Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:12/31/2008
MCO Response Due Date: 03/28/2008

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 policies, procedures and provider files and conducted staff interviews to determine whether CHP followed a documented process for the credentialing and recredentialing of physicians and other health care professionals. CMS requested a sample of 20 files and one delegated entity did not produce a substitute file by the conclusion of the audit. Review of a sample of 19 files from a universe of 26,490 revealed the following: - One file contained an incomplete application, including a five-year work history. - Recredentialing was not done for one provider. Although the provider did not return the recredentialing application or respond to follow-ups, based on the Credentialing and Recredentialing Policy Horizon should have terminated the provider from the network by the February 28, 2007. - License verification: Two files did not contain primary source verification of the providers¿ New Jersey license. The delegated entity performing the recredentialing verified only the Pennsylvania licenses. - The NPDB was not checked at the time of recredentialing in three files. Two of these files are delegated entity files. - Seven of eighteen recredentialing files contained no quality information. Hospital reappointment information provided by delegated entities was used in lieu of Horizon Health Plan quality information. In addition, Horizon did not present these seven providers before the Credentialing Committee. Both of these practices are in violation of Horizon Healthcare¿s Credentialing and Recredentialing Policy. - The OIG Sanction List was not checked at the time of recredentialing in two files. - The Medicare Opt-Out List was not checked at the time of recredentialing in two delegated entity files. Since the standard for compliance is less than three defectives (errors) for a sample of nineteen with a universe of 26,490, the element is "Not Met".

Corrective Action Required:

Horizon Healthcare of New Jersey must submit a plan outlining how they will assure that providers credentialed and recredentialed by delegated entities meet CMS and Horizon requirements. Include a timeline for ensuring that all credentialing and recredentialing files completed by delegated entities are compliant. Corrective action needs to include how Horizon will ensure that all recredentialing is done in a timely manner or that providers are terminated from the network as per policy. Include a timeline for assuring that all network providers are currently recredentialed. Also, indicate how Horizon will assure that all credentialing and recredentialing criteria are met for the current their network. The plan needs to include the Quality initiatives to for assuring continued compliance and the person responsible.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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CAP Released Date:07/01/2008

Visit Start Date: 10/29/2007
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:08/08/2008
MCO Response Due Date: 03/28/2008

Requirement:

Credentialing Requirements for FacilitiesThe MAO must have written policies and procedures for selection and evaluation of providers and follow a documented process for facilities regarding initial credentialing and recredentialing.

Deficiencies:

CMS reviewed policies, procedures and a sample of ancillary facility credentialing files, and staff interviews to determine whether Horizon Healthcare of New Jersey has a documented process for selecting and evaluating providers, to ascertain whether the M+CO has established standards for the credentialing and recredentialing of facilities that are not reviewed and approved by an accrediting body, and to verify that the documented process for credentialing and recredentialing facilities is followed. Review of a sample of ten ancillary provider files from a universe of 1,029 showed the following: - One hospital file selected as part of the sample contained recredentialing information from a Home Care /Hospice and Skilled Nursing Facility associated with the sample hospital. No recredentialing information was provided prior to the conclusion of the on-site audit. - Two Home Health Agencies (HHAs) were credentialed or recredentialed as providers in the Medicare Advantage network. The providers had no Medicare numbers as required by Horizon policy and the files showed both HHAs were are Medicaid only. - One Comprehensive Outpatient Rehabilitation Provider (CORF) had an incomplete application. - The sampled CORF and one Clinical Laboratory had no Medicare number as required by Horizon policy. - Of the nine recredentialing files reviewed, none contained quality information. Horizon¿s policies for hospitals and ancillary providers. Although file review shows Horizon does credential Clinical Laboratories, the Credentialing/Recredentialing Policy for Ancillary Providers does not include either Clinical Laboratories or Mobile X Ray providers. Since Horizon failed to provide a file for the sampled hospital and to follow their documented process for the credentialing and recredentialing of hospitals and ancillary providers, the element is Not Met.

Corrective Action Required:

Horizon Healthcare of New Jersey must submit a plan outlining how they will assure that ancillary providers meet Horizon¿s credentialing and recredentialing requirements. Include a timeline for ensuring that all ancillary credentialing and recredentialing files are complete and include only Medicare certified providers. The plan needs to include the Quality initiatives for assuring continued compliance and the person responsible. Revise the Credentialing/Recredentialing Policy for Ancillary Providers to include Clinical Laboratories and Mobile X Ray providers. Submit the revised policy to CMS when completed.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR06
Review Type: Routine
Review Status: Confirmed
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:07/31/2008
MCO Response Due Date: 03/28/2008

Requirement:

Discrimination Against Health Care Professionals ProhibitedAn MAO may not discriminate, in terms of participation, reimbursement, or indemnification, against any health care professional who is acting within the scope of his/her license.

Deficiencies:

CMS reviewed policies, procedures and written notices to providers to determine whether Horizon Healthcare discriminates against any health care professional in terms of participation, reimbursement, or indemnification; professionals who serve high-risk populations or who specialize in the treatment of costly conditions; and provides written notice to providers of the reason that it is declining to accept that provider or group of providers. Horizon Healthcare¿s credentialing policy and procedure failed to address non-discrimination against any health care professional in terms of participation, reimbursement, or indemnification or health professionals who serve high-risk populations or who specialize in the treatment of costly conditions. Since Horizon Healthcare¿s policy failed to include the anti-discrimination language pertaining to terms of participation, reimbursement, or indemnification, professionals who serve high-risk populations or who specialize in the treatment of costly conditions as specified in Element PR06, the element is ¿Not Met¿.

Corrective Action Required:

Corrective Action Required: Horizon Healthcare needs to modify their policy to include the missing language and notify their providers of the change. Submit a copy of the revised policy and a copy of the notification sent to the providers to CMS.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:11/30/2008
MCO Response Due Date: 03/28/2008

Requirement:

No Prohibition on Health Care Professional Advice to PatientsAn MAO may not prohibit a health care professional from advising or advocating on behalf of a patient.

Deficiencies:

Horizon Healthcare provided the Managed Care Network Office Manual for CMS review to determine whether the plan meets the requirement prohibiting a health care professional from advising or advocating on behalf of a patient and allows health care providers to give the following information: -The members¿ health status, medical care or treatment options (including alternative treatments that may be self-administered), including the provision of sufficient information to the individual to provide an opportunity to decide among all relevant treatment options. - The risks benefits and consequences of treatment or non-treatment, and - The opportunity for the member to refuse treatment and to express preferences about future treatment decisions. The Managed Care Network Office Manual did not address language pertaining to alternative treatments that may be self administered, including the provision of sufficient information to the individual to provide an opportunity to decide among all relevant treatment options; the benefits and consequences of treatment or non-treatment, or the opportunity for the member to refuse treatment and to express preferences about future treatment decisions.

Corrective Action Required:

Horizon Healthcare needs to develop a vehicle to advise providers and members that providers are permitted to give information about alternative treatments that may be self administered, including the provision of sufficient information to the individual to provide an opportunity to decide among all relevant treatment options, the benefits and consequences of treatment or non-treatment, and allow the opportunity for the member to refuse treatment and to express preferences about future treatment decisions. Horizon needs to include the missing language in the Managed Care Network Office Manual when it is reprinted. Submit a copy of the provider and member notification to CMS and indicate when the Managed Care Network Office Manual will be updated.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 9777

Region: 02 New York

Contract Number / Name: H3154 HORIZON HEALTHCARE OF NEW JERSEY, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:03/28/2008
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Visit Start Date: 10/29/2007
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Date Report Issued: 02/12/2008
Date Report Due: 12/31/2007
CAP Accepted Date:07/01/2008
Audit Closed Date: 07/01/2008
Element Projected Completion Date:12/31/2008
MCO Response Due Date: 03/28/2008

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:

In two (2) out of the nine (9) cases the Horizon failed to process the reconsiderations timely and did not send the cases to the IRE as required. In one (1) case Horizon failed to notify the beneficiary timely. A total of three (3) cases not processed correctly.

Corrective Action Required:

Horizon must ensure that if it affirms, in whole or in part, its adverse organization determination (i.e., continues to deny payment in whole or in part), it must prepare a written explanation and send the complete case file to the independent review entity contracted by CMS. This must be completed no later than 60 calendar days from the date it receives the request for reconsideration. Horizon must make reasonable and diligent efforts to gather and forward information to the independent review entity. Horizon must also notify the enrollee that the case has been forwarded to the independent review entity. If CMS determines that Horizon has a pattern of not making a reasonable and diligent effort to gather and forward information to the independent review entity, Horizon will be considered in breach of its Medicare contract.