CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET
Region: 08 Denver

Review ID: 8757

MRT Number / Name: M0025 MRT Molina
Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/01/2007
Element Accepted Date: 01/29/2008
Element Release Date: 01/30/2008
CAP Released Date:

Visit Start Date: 07/16/2007
Exit Conference Date: 08/03/2007
Date Report Issued: 09/17/2007
Date Report Due: 09/17/2007
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date: 01/29/2008
MCO Response Due Date: 11/01/2007

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:

This element for Correct Claims Determinations is not met. The sample consisted of 40 denied claims - 27 in the original sample and an additional 13 denied claims from Michigan. The accuracy for this element was 70%. The claims were numbered 1-27 for the original sample and 1-13 for the Michigan claims. The findings were as follows: #15 - Claim denied as a non-covered benefit but there was a Skilled Nursing Facility visit billed for home health so it could have been covered except there was no prior authorization. Should have denied for no prior authorization. #18, 20 and 21 - Claim denied as not covered but labs billed are not part of the composite rate and should be paid separately. Benefit Policy Manual, Chapter 11, Section 30.2. #19 - Lab denied as non-covered but is covered. National Coverage Decisions, Chapter 1, Section 190.18. #22 - Claim for drug should have been delegated to Molina's Part D claims processor and not denied. Manually processed. #23-26 and Michigan claims #9 and 12 - Denied as no prior authorization but providers were Molina providers who either referred the member, performed the services or was where the service was performed.

Corrective Action Required:

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

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Element Projected Completion Date: 01/29/2008

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC01

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

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Findings: NOT MET

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Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

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Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

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:

A total of 30 claims were reviewed to determine reasonable reimbursement for covered services. The claims were numbered 1-30 from the sample spreadsheet. Five out of the 30 claims were found to be inaccurate resulting in this element being 83% accurate. The following findings were identified: #22 - Part A deductible was incorrectly withheld on an outpatient claim. #22, 23, 28 and 30 - The copay was withheld but not reflected on the remittance advice. #24 - Plan paid the 2006 fee schedule amount for a 2007 claim.

Corrective Action Required:

1. All outpatient claims should be paid in accordance with Medicare guidelines. The Part A deductible should only be applied to inpatient claims and should not be applied to outpatient claims. The Medicare Advantage Organization (MAO) must develop and implement procedures that will ensure the accuracy of the payment for all outpatient claims as well as the accuracy of any copayment amounts or deductibles that are withheld. 2. Remittance advices for some States show the copayment amount that was withheld for the claim. However, there were remittance advices that did not reflect any copayment amount withheld even though there was a copayment amount that was withheld. It is recommended that the MAO should standardize all remittance advices to reflect the same data elements to ensure consistency in provider notifications. 3. The MAO should implement a process of updating payment amounts to ensure that claims are always paid based on the correct fee schedule amount for any given year.

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Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

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:

A total of 30 claims were reviewed to determine reasonable reimbursement for covered services. The claims were numbered 1-30 from the sample spreadsheet. Five out of the 30 claims were found to be inaccurate resulting in this element being 83% accurate. The following findings were identified: #22 - Part A deductible was incorrectly withheld on an outpatient claim. #22, 23, 28 and 30 - The copay was withheld but not reflected on the remittance advice. #24 - Plan paid the 2006 fee schedule amount for a 2007 claim.

Corrective Action Required:

1. All outpatient claims should be paid in accordance with Medicare guidelines. The Part A deductible should only be applied to inpatient claims and should not be applied to outpatient claims. The Medicare Advantage Organization (MAO) must develop and implement procedures that will ensure the accuracy of the payment for all outpatient claims as well as the accuracy of any copayment amounts or deductibles that are withheld. 2. Remittance advices for some States show the copayment amount that was withheld for the claim. However, there were remittance advices that did not reflect any copayment amount withheld even though there was a copayment amount that was withheld. It is recommended that the MAO should standardize all remittance advices to reflect the same data elements to ensure consistency in provider notifications. 3. The MAO should implement a process of updating payment amounts to ensure that claims are always paid based on the correct fee schedule amount for any given year.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date:

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

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:

A total of 30 claims were reviewed to determine if timely payment was made for non-contracted provider clean claims. Of the 30 claims reviewed, 7 claims were not paid within 30 days. This resulted in this element being 77% accurate. It was also noted that 14 out of the 30 claims, or 47%, were identified where the julian date contained in the control ID did not match the date the claim was logged into the system. In most cases, except if the claim was received on the weekend, the difference was by one day between the julian date (which was later) and the log date (which was earlier). It was explained that the claim was logged in the system when received but then later assigned a control number and that was the reason for the discrepancy.

Corrective Action Required:

Molina must ensure that non-contracting providers' clean claims are paid timely. 95% of clean claims are required to be paid within 30 days of receipt. Molina must submit a corrective action plan (CAP) that will ensure that it processes non-participating providers' claims on a timely basis. The plan must include how it will monitor that non-participating provider claims are paid timely. Molina must conduct training of appropriate staff on the payment of 95 percent of "clean" claims from non-contracting providers within 30 calendar days of receipt. For the CAP to be released, Molina must demonstrate that at least 95% of the non-participating provider claims are paid within 30 days for 2 consecutive quarters. Molina must establish a policy and procedure (P and P) to ensure that claims are logged into the system with an accurate receipt date and that the log date and control date are the same. Molina should conduct training of appropriate staff on the revised P and P and submit documentation to the regional office that details the nature of this training, include the materials used in the training, the individuals conducting the training, and the individuals being trained. Molina must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance. During the review of the sample claims for this element, it became apparent that Molina has inconsistent methods for handling claims processing. One example is that checks to providers are mailed the day after the claim is adjudicated in Utah, yet three days later for another state. Although some differnces are inevitable due to Medicaid differences in each state, it is highly recommended that Molina standardize as many claims processes as possible. Therefore, CMS recommends that as many claim processes as possible be standardized to follow the processes established for the state of Utah.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date:

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Visit Start Date: 07/16/2007

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Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date:

CAP Released Date:

Visit Start Date: 07/16/2007

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Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

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Deficiencies:

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date:

CAP Released Date:

Visit Start Date: 07/16/2007

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Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

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:

A total of 30 claims were reviewed to determine if timely payment was made for non-contracted provider clean claims. Of the 30 claims reviewed, 7 claims were not paid within 30 days. This resulted in this element being 77% accurate. It was also noted that 14 out of the 30 claims, or 47%, were identified where the julian date contained in the control ID did not match the date the claim was logged into the system. In most cases, except if the claim was received on the weekend, the difference was by one day between the julian date (which was later) and the log date (which was earlier). It was explained that the claim was logged in the system when received but then later assigned a control number and that was the reason for the discrepancy.

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Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date:

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

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:

A total of 30 claims were reviewed to determine if timely payment was made for non-contracted provider clean claims. Of the 30 claims reviewed, 7 claims were not paid within 30 days. This resulted in this element being 77% accurate. It was also noted that 14 out of the 30 claims, or 47%, were identified where the julian date contained in the control ID did not match the date the claim was logged into the system. In most cases, except if the claim was received on the weekend, the difference was by one day between the julian date (which was later) and the log date (which was earlier). It was explained that the claim was logged in the system when received but then later assigned a control number and that was the reason for the discrepancy.

Corrective Action Required:

Molina must ensure that non-contracting providers' clean claims are paid timely. 95% of clean claims are required to be paid within 30 days of receipt. Molina must submit a corrective action plan (CAP) that will ensure that it processes non-participating providers' claims on a timely basis. The plan must include how it will monitor that non-participating provider claims are paid timely. Molina must conduct training of appropriate staff on the payment of 95 percent of "clean" claims from non-contracting providers within 30 calendar days of receipt. For the CAP to be released, Molina must demonstrate that at least 95% of the non-participating provider claims are paid within 30 days for 2 consecutive quarters. Molina must establish a policy and procedure (P and P) to ensure that claims are logged into the system with an accurate receipt date and that the log date and control date are the same. Molina should conduct training of appropriate staff on the revised P and P and submit documentation to the regional office that details the nature of this training, include the materials used in the training, the individuals conducting the training, and the individuals being trained. Molina must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance. During the review of the sample claims for this element, it became apparent that Molina has inconsistent methods for handling claims processing. One example is that checks to providers are mailed the day after the claim is adjudicated in Utah, yet three days later for another state. Although some differnces are inevitable due to Medicaid differences in each state, it is highly recommended that Molina standardize as many claims processes as possible. Therefore, CMS recommends that as many claim processes as possible be standardized to follow the processes established for the state of Utah.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

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

Deficiencies:

This element was reviewed to determine if interest on clean claims from non-contracting providers was paid correctly if the claim was paid after 30 days. A total of 30 Claims were reviewed to determine if they were paid within 30 days. There were 7 claims that were not paid within the required 30 day timeframe. Five out the seven claims had correct interest payments. However, two out of the 7 claims did not have correct interest amounts calculated and paid. One claim was only a few pennies less than the correct interest payment amount. The other claim showed no interest paid when interest should have been paid. This resulted in this element being 71% accurate.

Corrective Action Required:

Because the one claim was only pennies less on the interest amount, the Medicare Advantage Organization (MAO) does not need to adjust this claim to pay the correct interest. However, on the claim where interest was not paid, the MAO should adjust the claim to pay interest. Documentation of this action must be provided to CMS. The MAO must monitor their claims payment processes to ensure that all clean claims are processed within required time frames. The MAO must routinely perform internal audits to ensure future compliance in this area. An outline of the audit process and the results of the audits must be provided to CMS on a quaterly basis until further notice. The first report must be submitted to the Regional Office by December 31, 2007.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

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Requirement:

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

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Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC04

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 01/01/2008

MCO Response Due Date: 11/01/2007

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:

This element was reviewed to determine if the plan is timely adjudicating non clean claims (over 60 days). The universe for this element consisted of the 30 paid claims, and the original 27 denied claims and the added 13 Michigan claims totalling 70 claims. Of the 70 claims, 11 were adjudicated after 60 days. This resulted in this element being 84% accurate.

Corrective Action Required:

The Medicare Advantage Organization (MAO) must revise its policies and procedures to ensure that non-clean claims are processed timely. Conduct training of appropriate staff on the revised Policy and Procedure and submit documentation to the Regional Office that details the nature of this training, include 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

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

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Exit Conference Date: 08/03/2007

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Element Projected Completion Date: 01/01/2008

MCO Response Due Date: 11/01/2007

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

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Element Projected Completion Date: 01/01/2008

MCO Response Due Date: 11/01/2007

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

Visit Start Date: 07/16/2007

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CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 01/01/2008

MCO Response Due Date: 11/01/2007

Requirement:

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

Deficiencies:

A total of 40 claims were reviewed to determine if the notice content was accurate for denied claims. Of the 40 claims reviewed, no notice was sent for 32 claims and an incorrect notice was sent for 8 claims. This resulted in this element being 0% accurate.

Corrective Action Required:

Molina must establish policies and procedures (P and P) to ensure that a denial notice is issued each time a claim is denied. Molina must conduct training of appropriate staff on the revised P and P and submit documentation to the regional office that details the nature of this training, include the materials used in the training, the individuals conducting the training, and the individuals being trained. Molina should conduct an internal audit each month of denied claims. This audit should evaluate whether claims are being properly denied, processed timely, and whether denial notices with proper denial language are being issued. Please submit a summary report once a quarter beginning December 31, 2007, to the Regional Office of your monthly findings until further notified. The summary report should include the title of the auditor, the audit methodology, and the results of the audit.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

CAP Released Date:

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CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

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CMS Medicare Managed Care Auditing Report

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 01/30/2008

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CMS Medicare Managed Care Auditing Report

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OC06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

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CMS Medicare Managed Care Auditing Report

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/30/2008

Element Release Date:

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 01/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

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

Deficiencies:

This element was to review the Adverse Standard Pre-Service Organization Determinations (notice content). 2 notices were non-approved OMB forms where the signature line was altered. One incorrect notice was sent, it was not the approved notice. This element was 67% met.

Corrective Action Required:

If Molina makes an adverse standard pre-service organization determination, the written CMS-10003-NDMC (Notice of Denial of Medical Coverage), or a Regional Office-approved modification of the NDMC, must be sent to the member and must clearly state the service denied and denial reason. Molina must submit a corrective action plan, describing the actions they will take to assure that they are using the CMS approved NDMC. Provide a timeline when the CMS approved NDMC will be fully adopted.

CMS Medicare Managed Care Auditing Report

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/30/2008

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

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Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/30/2008

Element Release Date:

CAP Released Date:

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MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP02

Review Type: Routine

Review Status: Confirmed

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Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP02

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 07/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

OPTIONAL: Favorable Standard Pre-Service Approvals (Timeliness) - If the MAO makes a favorable standard pre-service organization determination, it must notify the member of its determination 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:

The method of evaluation for this element involves reviewing a sample of member initiated requests for service. Molina was unable to provide a universe of member initiated requests for services. When CMS inquired as to why such a universe did not exist, it was explained that when a member calls to request a service, the member is asked to contact their provider and the provider will submit a request for prior authorization. The provider will then supply all of the medical records, etc. necessary for Molina to make the determination whether to approve the request for the service. CMS believes that when Molina receives such a request from the member, Molina should contact the provider to inform the provider to submit the necessary prior authorization forms, medical records, etc. This burden should not be put on the Medicare member. Therefore, this element is not met.

Corrective Action Required:

Molina must develop policies and procedures (P and P) so that when a member requests a service that requires prior authorization, whether in writing or via the telephone, the provider should be contacted by Molina and directed to submit the pre-authorization request. Molina will also need to document the member and provider requests and track whether or not the provider has followed through on Molina's request. This change in Molina's approach to prior authorizations will also require modification of Molina's provider manual and other provider instructions regarding prior authorizations. Molina should conduct training of appropriate staff on the new P and P. Molina will also need to conduct training of its contracted providers in order for them to understand the new process. Molina must submit a corrective action plan (CAP) for this element that includes the new P and P and details of the training it plans to conduct on those P and Ps.

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

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Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 07/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

OPTIONAL: Favorable Standard Pre-Service Approvals (Timeliness) - If the MAO makes a favorable standard pre-service organization determination, it must notify the member of its determination 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:

The method of evaluation for this element involves reviewing a sample of member initiated requests for service. Molina was unable to provide a universe of member initiated requests for services. When CMS inquired as to why such a universe did not exist, it was explained that when a member calls to request a service, the member is asked to contact their provider and the provider will submit a request for prior authorization. The provider will then supply all of the medical records, etc. necessary for Molina to make the determination whether to approve the request for the service. CMS believes that when Molina receives such a request from the member, Molina should contact the provider to inform the provider to submit the necessary prior authorization forms, medical records, etc. This burden should not be put on the Medicare member. Therefore, this element is not met.

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

CAP Released Date:

Visit Start Date: 07/16/2007

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Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 07/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

OPTIONAL: Favorable Standard Pre-Service Approvals (Timeliness) - If the MAO makes a favorable standard pre-service organization determination, it must notify the member of its determination 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:

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

CAP Released Date:

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Element Projected Completion Date: 07/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

OPTIONAL: Favorable Standard Pre-Service Approvals (Timeliness) - If the MAO makes a favorable standard pre-service organization determination, it must notify the member of its determination 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).

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: OP09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 01/29/2008

Element Release Date: 07/02/2008

CAP Released Date:

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Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 07/31/2008

MCO Response Due Date: 11/01/2007

Requirement:

OPTIONAL: Favorable Standard Pre-Service Approvals (Timeliness) - If the MAO makes a favorable standard pre-service organization determination, it must notify the member of its determination 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).

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 11/26/2007

Element Release Date: 07/02/2008

CAP Released Date:

Visit Start Date: 07/16/2007

Exit Conference Date: 08/03/2007

Date Report Issued: 09/17/2007

Date Report Due: 09/17/2007

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/01/2008

MCO Response Due Date: 11/01/2007

Requirement:

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

Deficiencies:

Incomplete records was the major flaw and specific reason why this element does not meet requirements. Fifteen out of 16 records contained in WS-PR1, were incomplete or did not contain required information thereby not meeting the compliance standard. Medicare/Medicaid sanctions requirement and Medicare Opt Out List information was not contained in all but 2 records. National Practice Data Bank was missing in 6 of 16 records.

Corrective Action Required:

Create and standardize a documented process for all 5 states to ensure all regions are completing initial credentialing and recredentialing, and compiling information in the same manner. Create a checklist for compiling documentation that must be included in the credentialling file and then centralize the documentation for easier access. Rules in the Standard Operating Procedure are very clear of what must be contained in the credentialling file and how information should be obtained. Document the new process in Policy and Procedures to indicate there is a standardized and centralized documentation process for meeting provider credentialing requirements and submit for CMS review.

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MRT Number: M0025, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5628 MOLINA HEALTHCARE OF UTAH, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 11/26/2007

Element Release Date: 07/02/2008

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Element Projected Completion Date: 03/01/2008

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Corrective Action Required:

Create and standardize a documented process for all 5 states to ensure all regions are completing initial credentialing and recredentialing, and compiling information in the same manner. Create a checklist for compiling documentation that must be included in the credentialling file and then centralize the documentation for easier access. Rules in the Standard Operating Procedure are very clear of what must be contained in the credentialling file and how information should be obtained. Document the new process in Policy and Procedures to indicate there is a standardized and centralized documentation process for meeting provider credentialing requirements and submit for CMS review.

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

Element Accepted Date: 11/26/2007

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Audit Closed Date:

Element Projected Completion Date: 03/01/2008

MCO Response Due Date: 11/01/2007

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Corrective Action Required:

Create and standardize a documented process for all 5 states to ensure all regions are completing initial credentialing and recredentialing, and compiling information in the same manner. Create a checklist for compiling documentation that must be included in the credentialling file and then centralize the documentation for easier access. Rules in the Standard Operating Procedure are very clear of what must be contained in the credentialling file and how information should be obtained. Document the new process in Policy and Procedures to indicate there is a standardized and centralized documentation process for meeting provider credentialing requirements and submit for CMS review.

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR03

Review Type: Routine

Review Status: Confirmed

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR03

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5926 MOLINA HEALTHCARE OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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Element Release Date: 07/02/2008

CAP Released Date:

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CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 03/01/2008

MCO Response Due Date: 11/01/2007

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:

Documentation or samples for facility credentialing requirements was not available. Policy MA-PRV-01, Pages 13-15 indicates there is a file for each facility with accreditation information.

Corrective Action Required:

Create and standardize a process for each state that is similar to the documentation process that is currently being used in Utah to ensure that facilities in all 5 states are being credentialed and monitored unilaterally. Incorporate the new policy and procedure into MA-PRV-01 to ensure continuity and submit for CMS review. Recommend centralized documentation for all 5 states.

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Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5823 MOLINA HEALTHCARE OF WASHINGTON, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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Findings: NOT MET

Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5588 MOLINA HEALTHCARE OF NEVADA, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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Review ID: 8757

Region: 08 Denver

MRT Number / Name: M0025 MRT Molina

Contract Number / Name: H5810 MOLINA HEALTHCARE OF CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4

Auditing Element: PR05

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date: 12/01/2007

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MCO Response Due Date: 11/01/2007

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:

Documentation or samples for facility credentialing requirements was not available. Policy MA-PRV-01, Pages 13-15 indicates there is a file for each facility with accreditation information.

Corrective Action Required:

Create and standardize a process for each state that is similar to the documentation process that is currently being used in Utah to ensure that facilities in all 5 states are being credentialed and monitored unilaterally. Incorporate the new policy and procedure into MA-PRV-01 to ensure continuity and submit for CMS review. Recommend centralized documentation for all 5 states.