# *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:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** GV01
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
**Element Accepted Date:** 08/31/2007
**Element Release Date:** 10/31/2007
**CAP Released Date:** 12/20/2007

**Visit Start Date:** 6/11/2007
**Exit Conference Date:** 06/14/2007
**Date Report Issued:** 07/13/2007
**Date Report Due:** 07/29/2007
**CAP Accepted Date:** 09/06/2007
**Audit Closed Date:** 12/20/2007
**Element Projected Completion Date:** 12/31/2007
**MCO Response Due Date:** 08/27/2007

**Requirement:**

Organization Determinations and Reconsiderations Not Categorized as Grievances - The MAO must correctly distinguish between organization determinations, reconsiderations, and grievances and process them through the appropriate mechanisms.

**Deficiencies:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited 8 cases from a universe of 8 and found 4 cases that were not correctly categorized. BCN Advantage must correctly distinguish between grievances and appeals and process them through the appropriate mechanisms. Three of the four cases should have been categorized as appeals since the cases involved payment for SNF or out-of-network services. The fourth case should also have been categorized as an appeal because the issue was with the type of medical procedure performed--screening (no co-pay) versus diagnostic (co-pay).

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the identification of grievances. Specifically, BCN Advantage should ensure that staff understand the proper distinction between grievances and appeals and the appropriate categorization of both. BCN Advantage should submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage should conduct an internal audit of the grievances received each month. This audit should evaluate whether the grievances were appropriately catogorized and processed timely. BCN Advantage should submit a summary report once a quarter to the Regional Office of its monthly findings until further notice. In addition, BCN Advantage must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** GV03
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
**Element Accepted Date:** 08/31/2007
**Element Release Date:** 10/31/2007
**CAP Released Date:** 12/20/2007

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**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:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited 8 from a universe 8 and found 1 case that was not processed timely. BCN Advantage 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.

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the timely processing of grievances. BCN Advantage should submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. In addition, BCN Advantage must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OC01
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
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**MCO Response Due Date:** 08/27/2007

**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:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited the following delegated entity cases and found that the following cases were misclassified: 1 Northwood case from a universe of 130 25 JVHL cases from a universe of 2920 1 VOBH case from a universe of 110

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on making correct claim determinations, which includes 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. BCN Advantage should submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Findings:** NOT MET

**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OC03
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
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**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:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited 2 VOBH cases from a universe of 137 and found 1 case where the claim was not paid within 30 days. BCN Advantage must pay 95 percent of "clean" claims from non-contracting providers within 30 calendar days of receipt.

**Corrective Action Required:**

BCN Advantage 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. BCN Advantage should submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Findings:** NOT MET

**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OC05
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
**Element Accepted Date:** 08/31/2007
**Element Release Date:** 12/20/2007
**CAP Released Date:** 12/20/2007

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**MCO Response Due Date:** 08/27/2007

**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:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited the following delegated entity cases and found that the following cases were misclassified: 1 Northwood case from a universe of 130 25 JVHL cases from a universe of 2920 1 VOBH case from a universe of 110

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the timely adjudication of non-clean claims, including the payment for, or denial of, all non-contracted claims that do not meet the definition of "clean claims" within 60 calendar days of receipt. BCN Advantage should submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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## 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:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OC06
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
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**Audit Closed Date:** 12/20/2007
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**MCO Response Due Date:** 08/27/2007

**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:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited the following delegated entity cases and found that the following cases were misclassified: 1 Northwood case from a universe of 130 25 JVHL cases from a universe of 2920 1 VOBH case from a universe of 110

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the handling of cases where BCN Advantage denies payment. This must include the provision of a written denial notice (CMS-10003-Notice of Denial of Payment (NDP), or an RO-approved modification of the NDP, to the member. The written denial must clearly state the service denied and the denial reason. BCN Advantage should submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Findings:** NOT MET

**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OP01
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
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**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:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited 10 cases from a universe of 78 and found 4 cases that were not processed timely. When making an adverse standard pre-service organization determination, BCN Advantage must notify its members in writing as expeditiously as the member's health condition requires, but no later than 14 calendar days after receiving the request.

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the handling of standard pre-service denials and submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. In addition, BCN Advantage must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** PR06
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
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**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:**

BCN Advantage's policies and procedures do not contain a provision with sufficient detail regarding the provider antidiscrimination rules at 42 CFR Part 422.205.

**Corrective Action Required:**

BCN Advantage should update its existing policy CR 3030 to incorporate the regulatory requirements at 42 CFR Part 422.205. Specifically, BCN Advantage should include the provision that an MA organization cannot discriminate in terms of participation, reimbursement, or indemnification, against any health care professional who is acting within the scope of his or her licensure or certification under State law, solely on the basis of the license or certification.

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**Findings:** NOT MET

**Review ID:** 7265

**Region:** 05 Chicago

**Contract Number / Name:** H5883 BLUE CARE NETWORK OF MICHIGAN

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** RP02
**Review Type:** Routine
**Review Status:** Confirmed
**MCO Response Received Date:** 08/27/2007
**Element Accepted Date:** 08/30/2007
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**Requirement:**

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

**Deficiencies:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited 3 cases from a universe of 3 and found that 1 case was misclassified and 2 cases were not processed timely. If BCN Advantage is unable to make a fully favorable decision on a standard pre-service reconsideration, it must forward the case to CMS' independent review entity as expeditiously as the member's health requires, but no later than 30 calendar days after receiving the reconsideration request

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the timely processing of unfavorable standard pre-service reconsiderations and submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. In addition, BCN Advantage must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** RP03
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**Requirement:**

Effectuation of Third Party Standard Pre-Service Reconsideration Reversals - If the MAO's determination is reversed in whole or in part by the independent review entity, the MAO must authorize the service within 72 hours from the date it receives the notice reversing the determination, or provide the service as quickly as the member's health requires (but no later than 14 calendar days from that date). The MAO must also inform the independent review entity that the organization has effectuated the decision.If the MAO's determination is reversed in whole or in part by an ALJ, or at a higher level of appeal, the MAO must authorize or provide the service under dispute as expeditiously as the member's health requires, but no later than 60 days from the date it received notice of the reversal.

**Deficiencies:**

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited 2 cases from a universe of 2 and found that 1 case was misclassified. If BCN Advantage's determination is reversed in whole or in part by the independent review entity, BCN Advantage must authorize the service within 72 hours from the date it receives the notice reversing the determination, or provide the service as quickly as the member's health requires, but no later than 14 calendar days from that date.

**Corrective Action Required:**

BCN Advantage must conduct training of appropriate staff on the identification of and effectuation of third party standard pre-service reconsideration reversals and submit documentation to the Regional Office that details the nature of the training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. In addition, BCN Advantage must establish a mechanism for ongoing monitoring of this area to ensure continued compliance.