State of Louisiana Department of Health

2022 Healthy Louisiana EQRO Compliance Audit
Healthy Blue of Louisiana
Period of Review: January 1, 2021 – December 31, 2021

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FINAL

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Introduction and Audit Overview

Introduction

The Balanced Budget Act of 1997 established that state agencies contracting with Medicaid managed care organizations (MCOs) provide for an annual external, independent review of the quality outcomes, timeliness of, and access to the services included in the contract between the state agency and the MCO. Subpart E – External Quality Review of 42 Code of Federal Regulations (CFR) sets forth the requirements for annual external quality review (EQR) of contracted MCOs. Further, 42 CFR 438.350 requires states to contract with an external quality review organization (EQRO) to perform an annual EQR for each contracted MCO. States must further ensure that the EQRO has sufficient information to carry out the EQR, that the information be obtained from EQR-related activities, and that the information provided to the EQRO be obtained through methods consistent with the protocols established by the Centers for Medicare and Medicaid Services (CMS).

To meet these federal requirements, the Louisiana Department of Health (LDH) has contracted with IPRO, an EQRO, to conduct annual compliance audits every 3 years. The 2022 annual compliance audit was a full audit of the MCO's compliance with contractual requirements during the period of January 1, 2021 through December 31, 2021.

This report presents IPRO's findings of the 2022 annual compliance audit for Healthy Blue of Louisiana (HBL).

Audit Overview

The purpose of the audit was to assess HBL's compliance with federal and state regulations regarding access to care; structure and operations; grievance policies; provider network relations and network adequacy; quality measurement; fraud, waste and abuse; and utilization management (UM).

The audit included an evaluation of HBL's policies, procedures, files, and other materials corresponding to the following 12 contractual domains:

	CFR	Domain
1.	438.206	Availability of Services
2.	438.207	Assurances of Adequate Capacity and Services
3.	438.208	Coordination and Continuity of Care
4.	438.210	Coverage and Authorization of Services – UM
5.	438.214	Provider Selection
6.	438.224	Enrollee Rights and Protection
7.	438.228	Grievance and Appeal Systems
8.	438.230	Subcontractual Relationships
9.	438.236	Practice Guidelines
10.	438.242	Health Information Services
11.	438.330	Quality Assessment and Performance Improvement Program (QAPI)
12.	438.608	Fraud, Waste and Abuse

The file review component assessed HBL's implementation of policies and its operational compliance with regulations related to Grievance and Appeal Systems, Coordination and Continuity of Care (physical and behavioral health), Coverage and Authorization of Services – UM, Provider Selection, and Fraud, Waste and Abuse.

Sample sizes for each file review type are presented in **Table 1**.

Table 1: File Review Sample Sizes

File Type	Sample Size
Appeals	20
Credentialing/Recredentialing	10
Member grievances	10
Utilization management denials	10

The period of review was January 1, 2021 through December 31, 2021. All documents and case files reviewed were active during this time period.

For this audit, determinations of "met," "partially met," and "not met" were used for each element under review. A not applicable (N/A) was used if the requirement was not applicable to the MCO. The definition of each of the review determinations is presented in **Table 2**.

Table 2: Review Determination Definitions

Review Determination	Definition
Met	The MCO is compliant with the standard.
Partially met	The MCO is compliant with most of the requirements of the standard, but has minor deficiencies.
Not met	The MCO is not in compliance with the standard.
Not applicable	The requirement was not applicable to the MCO.

MCO: managed care organization.

The 2022 annual compliance audit consisted of three phases: 1) pre-onsite documentation review, 2) remote interviews, and 3) post-interview report preparation.

Pre-onsite Documentation Review

To ensure a complete and meaningful assessment of HBL's policies and procedures, IPRO prepared five review tools to reflect the areas for audit. These five tools were submitted to LDH for approval at the outset of the audit process. The tools included the review elements drawn from the state and federal regulations. Based upon LDH's suggestions, some tools were revised and issued as final. These final tools were submitted to HBL in advance of the remote audit.

Once LDH approved the methodology, IPRO sent HBL a packet that included the review tools, along with a request for documentation and a guide to help HBL staff understand the documentation that was required. The guide also included instructions for submitting the requested information using IPRO's secure File Transfer Protocol (FTP) site.

To facilitate the review process, IPRO provided HBL with examples of documents that HBL could furnish to validate its compliance with the regulations. Instructions regarding the file review component of the audit were also provided, along with a request for the universe of cases for each file review area under review. From the universe of cases, IPRO selected a sample for each area, which was reviewed remotely.

Prior to the review, HBL submitted written policies, procedures and other relevant documentation to support its adherence to state and federal requirements. HBL was given a period of approximately 4 weeks to submit documentation to IPRO. To further assist HBL staff in understanding the requirements of the audit process, IPRO convened a conference call for all MCOs undergoing the review, with LDH staff in attendance. During the conference call, IPRO detailed the steps in the review process, the audit timeline, and answered any questions posed by HBL staff.

After HBL submitted the required documentation, a team of IPRO reviewers was convened to review HBL's policies, procedures, and materials, and to assess HBL's concordance with the state's contract requirements. This review was documented using audit tools IPRO developed to capture the review elements and record the findings. These review tools with IPRO's initial findings were used to guide the remote video interviews.

Remote Interviews

The remote interviews for all the MCOs were conducted between July 25 and August 3, 2022. Interviews discussed elements in each of the review tools that were considered less than fully compliant based upon initial review. Interviews were used to further explore the written documentation and to allow HBL to provide additional documentation, if available. HBL staff was given 2 days from the close of the onsite review to provide any further documentation.

Post-onsite Report Preparation

Following the remote interviews, draft reports were prepared. These draft reports included an initial review determination for each element reviewed, and either evidence that HBL was compliant with the standard or a rationale for why HBL was not compliant and what evidence was lacking. For each element that was deemed not fully compliant, IPRO provided a recommendation for HBL to consider in order for them to attain full compliance.

Each draft report underwent a second level of review by IPRO staff members who were not involved in the first level of review. Once completed, the draft reports were shared with LDH staff for review. Upon LDH approval, the draft reports were sent to HBL with a request to provide responses for all elements that were determined to be less than fully compliant. HBL was given 9 days to respond to the issues noted on the draft reports.

After receiving HBL's response, IPRO re-reviewed each element for which HBL provided a response. As necessary, review scores were updated based on the response from HBL.

MCO Summary of Findings

Summary of Findings

Table 3 provides a summary of the audit results by audit domain. Detailed findings for each of the elements that were less than "fully compliant" follow within this section of the report.

Table 3: Audit Results by Domain

Audit Domain	Total Elements	Met	Partially Met	Not Met	N/A	Score[1]
Availability of Services	132	128	1	0	3	99.6%
Assurances of Adequate Capacity and Services	48	48	0	0	0	100%
Coordination and Continuity of Care	83	83	0	0	0	100%
Coverage and Authorization of Services – UM	65	65	0	0	0	100%
Provider Selection	24	22	1	0	1	97.8%
Enrollee Rights and Protection	107	105	2	0	0	99.1%
Grievance and Appeal Systems	71	69	1	0	1	99.3%
Subcontractual Relationships	8	8	0	0	0	100%
Practice Guidelines	27	27	0	0	0	100%
Health Information Services	8	8	0	0	0	100%
Quality Assessment and Performance Improvement	109	109	0	0	0	100%
Fraud, Waste and Abuse	**132**	130	0	0	2	100.0%
Total	**814**	**802**	**5**	**0**	**7**	**99.7%**

[1] Each met element receives 1 point, each partially met element receives 1/2 point, and each not met element receives zero points. Not Applicable N/A elements are removed from the denominator. Score is equal to the sum of all points earned/applicable elements.
UM: utilization management.

As presented in **Table 3**, 814 elements were reviewed for compliance. Of the 814 elements, 802 were determined to fully meet the regulations, while 5 partially met the regulations, 0 did not meet the regulations, and 7 were determined to be N/A. The overall compliance score is 99.7%.

From each of the 12 detailed reports, IPRO extracted those elements for which the requirement was less than fully met. This information was compiled into a summary report to facilitate corrective action. **Table 4** presents this summary report and includes details about each element reviewed, the final review determination, HBL's initial response, and, when possible, suggestions to achieve full compliance.

It is the expectation of LDH that HBL submits a corrective action plan (CAP) for all elements determined to be less than fully compliant. LDH will officially request a CAP for any item it deems necessary.

Each of the 12 review tools and review determinations for each of the elements can be found in the ZIP file below.

Healthy Blue 2022
Compliance Final Find

Table 4:Deficient 2022 Audit Elements

LA Citation	State Contract Requirements	Plan Documentation	Review Determination	File Review Results	Comments	MCO Comments
CFR 438.206 Availability of Services						
7.16.1.6	The MCO shall comply with the provisions of 42 CFR §438.102(a)(1)(ii) concerning the integrity of professional advice to members, including interference with provider's advice to members and information disclosure requirements related to physician incentive plans.	Provider Manual P. 26 Sec 2.23	Partially Met		This requirement was not found in any policies This requirement is addressed in the Provider Manual. **Recommendation:** Required language should be added to relevant policies	The health plan agrees with the assessment. Based on the recommendation, health plan will add the required information to the relevant policy.
CFR 438.214 Provider Selection						
7.6.3.2 7.14.1	The MCO shall establish and follow a documented process for credentialing and re-credentialing of network providers [42 CFR §438.12(a)(2). The MCO must have a written credentialing and re-credentialing process that complies with 42 CFR §438.12, §438.206, §438.214, §438.224, §438.230 and NCQA health plan Accreditation Standards for the review, credentialing and re-credentialing of licensed, independent providers and provider groups with whom it contracts or employs and with whom it does not contract but with whom it has an independent relationship. An independent relationship exists when the MCO selects and directs its members to see a specific provider or group of	7.14.1_Cred Pol_4.0.1v8_011521_BH EDU Criteria_ Entire Policy 7.14.1_Cred Pol_5v7_011521_Initial App_ Entire Policy 7.14.1_Cred Pol_6v6_011521_Verification of Data Elements_Entire Policy 7.14.1_Cred Pol_12v6_011521_Ongoing Sanction Monitoring_Entire Policy 7.14.1_Cred Pol_9v8_011521_Recred_Entire Policy 7.14.1_ LA_State_Specific_Cred_Policy.2021v7_Page 1 7.14.1 _Cred Pol_2v10_011521_Provider Scope_Page 1	Partially Met	Four (4) of five (5) initial credentialing files met the NCQA health plan accreditation standards. One (1) credentialing file failed to meet NCQA's provisional Timeliness Standard. Five (5) of five (5) re-credentialing files met the NCQA health plan accreditation standards	This requirement is addressed in Healthy Blue's Additional State Specific Regulatory or Contractual Requirements for: Louisiana credentialing policy. **Recommendation** The entity should ensure that the organization's time frame for notifying applicants of initial credentialing decisions does not exceed 60 calendar days from the Credentialing Committee's decision.	After researching, it was found that the letter was not mailed timely due to a technical issue. This issue has been addressed. -

LA Citation	State Contract Requirements	Plan Documentation	Review Determination	File Review Results	Comments	MCO Comments
	providers. These procedures shall be submitted to LDH within sixty (60) calendar days after contract amendment, when a change is made, and annually thereafter by contract year.					
CFR 438.224 Enrollee Rights and Protection						
12.14.4.3	Identification of any restrictions on the enrollee's freedom of choice among network providers; and	10 LA Medicaid Physical and BH Provider Directory 1221.pdf Page 9	Partially Met		This requirement is partially addressed by the provider directories. **Recommendation** The entity should incorporate this requirement into a provider directory policy or a broader member materials policy.	Health Plan agrees with the determination. Provider Directory Louisiana Update P&P will be updated to reflect these requirements - see attached draft, pages 12
12.14.4.4	Identification of hours of operation including identification of providers with non-traditional hours (Before 8 a.m. or after 5 p.m. or any weekend hours).	10 LA Medicaid Physical and BH Provider Directory 1221.pdf Page 18 Provider Directories (P&)0. Page 2-3	Partially Met		This requirement is partially addressed by the provider directories. **Recommendation** The entity should incorporate this requirement into a provider directory policy or a broader member materials policy.	Provider Directory Louisiana Update P&P will be updated to reflect these requirements - see attached draft, pages 12 and 13
CFR 438.228 Grievance and Appeal Systems						
13.10.0	Reports of grievances and resolutions shall be submitted to DHH as specified in Section 13.4 and of this RFP. The MCO shall not modify the grievance procedure without the prior written approval of DHH.		Partially Met		This requirement is addressed in the case files; however, there is no policy for this requirement. **Recommendation** The entity should include this requirement to the Member Appeal policy or	Agree with the IPRO findings

LA Citation	State Contract Requirements	Plan Documentation	Review Determination	File Review Results	Comments	MCO Comments
					another policy or procedure.	