



Legislative Report

Health Plan Company Audits Annual Report

Health Care Administration

December 2018

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Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is under \$5,000.

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I. Legislation

MINN. STAT. 62Q.37 subd. 7 (2015)

Subd. 7. **Human services**

(a) The commissioner of human services shall implement this section in a manner that is consistent with applicable federal laws and regulations and that avoids the duplication of review activities performed by a nationally recognized independent organization.

(b) By December 31 of each year, the commissioner shall submit to the legislature a written report identifying the number of audits performed by a nationally recognized independent organization that were accepted, partially accepted, or rejected by the commissioner under this section. The commissioner shall provide the rationale for partial acceptance or rejection. If the rationale for the partial acceptance or rejection was based on the commissioner's determination that the standards used in the audit were not equivalent to state law, regulation, or contract requirement, the report must document the variances between the audit standards and the applicable state requirements.

II. Introduction

This report is submitted to the Minnesota Legislature pursuant to Minnesota Statutes 2013, 62Q.37 subd. 7.

The Minnesota Department of Health (MDH) licenses all managed care organizations (MCOs) in the state. As part of that licensing review, MDH may audit plans once every three years. Under contract to the Department of Human Services (DHS), MDH also reviews DHS’ managed care contracts for Minnesota Health Care Programs (MHCP) to see that they meet the federal standards under the Balanced Budget Act of 1997 (BBA).

DHS determines that MCOs are in compliance with particular federal BBA standards if the plans have met the similar National Committee for Quality Assurance (NCQA) standards. Each year DHS reports the number of NCQA audits that were accepted, partially accepted or rejected.

DHS’ review and application of the NCQA accreditation standards are part of DHS’ quality strategy and are posted each year on DHS’ website.

Table 1 outlines the results of MDH audits of health plans in Minnesota and their status in terms of performance on NCQA criteria.

Table 1

Health Plan	Date of Last Review	Date of Next Review	Date of Expiration	Status
Blue Plus	8/29/2017	8/18/2020	11/13/2020	Commendable
Hennepin Healthcare	N/A	N/A	N/A	N/A
HealthPartners	1/24/2017	1/21/2020	4/17/2020	Excellent
Itasca Medical Care	N/A	N/A	N/A	N/A
Medica	10/11/2016	10/29/2019	1/27/2020	Accredited
PrimeWest Health	8/31/2018	10/9/2018	1/19/2019	Commendable
South Country Health Alliance	N/A	N/A	N/A	N/A
UCare	6/20/2017	6/16/2020	9/12/2020	Accredited

Current as of December 5, 2018

III. NCQA Standards Compared to Federal and State Requirements

Each year DHS considers new or updated NCQA standards, comparing them with federal and state requirements for all MCOs under contract with DHS.

DHS reviews and assesses accreditation and Medicaid standards and applicable federal and state requirements on an ongoing basis to determine any needed changes to this list. The following table shows which parts of the most recent NCQA standards satisfy which parts of federal BBA regulations.

BBA Regulation	NCQA Standard“100% Compliance” ¹
Utilization Review and Over/Under Utilization of Services 42 CFR 438.240 (b)(3)	UM 1-4, UM 10- 15
Health Information Systems 42 CFR 438.242	Annual NCQA Certified HEDIS Compliance Audit ¹
Quality Assessment and Performance Improvement Program 42 CFR 438.240 (e)(1-2)	QI 1, Element B
Clinical Practice Guidelines 42 CFR 438.236 (b-d)	QI 9, Elements A
Case Management and Care Coordination 42 CFR 438.208 (b)(1-3)	QI 4 Element B, QI 5, QI 7
Access and Availability of Care and Services 42 CFR 438.206	QI 4, QI 5, RR 3 Element B, RR 4 Elements A - E, MED 1

¹ 2015 NCQA Standards and Guidelines for Accreditation of Health Plans, effective July 1, 2015.

BBA Regulation	NCQA Standard“100% Compliance” ¹
Emergency Room and Post Stabilization Care 42 CFR 438.114	UM 12
Confidentiality 42 CFR 438.208 (b)(4), 438.224, and 45 CFR Parts 160 and 164, Part 431, Subpart F	RR5, Elements A-G
Subcontractual Relationships and Delegation 42 CFR 438.230	QI 12, UM 15, CR 9, RR 7, MEM 9
Credentialing and Recredentialing 42 CFR 438.214	CR 1 - 8, QI 4, QI 5

An MCO will be considered to have met the requirements in BBA 42 CFR 438 if the previous three annual NCQA-Certified HEDIS Compliance Audits show that all performance measures are reportable, and the audit reports from previous three years have been submitted to DHS for review.

DHS/MCO Contract Section 7.3(A) Disease Management Program Standards. If the MCO has diabetes, asthma and cardiac disease management programs that achieve 100 percent compliance with the NCQA QI 8, the MCO will not need to further demonstrate compliance.