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Health Plan Company Audits Annual Report

Health Care Administration

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For more information contact:
Minnesota Department of Human Services
Health Care Administration
P.O. Box 64986
St. Paul, MN 55164-0986

(651) 431-4347

For accessible formats of this publication or assistance with additional equal access to human services, write to Ia.Hailey@state.mn.us, call 651-431-4347, or use your preferred relay service. (ADA1 [7-16])

Minnesota Statutes § 3.197, requires the disclosure of the cost to prepare this report, including any costs incurred by another agency or another level of government. The estimated cost of preparing this report is under $5,000.

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I. Legislation

Minnesota Statue § 62Q.37, Subd. 3, 6 and 7

Subd. 3. Audits.

(a) The commissioner may conduct routine audits and investigations as prescribed under the commissioner's respective state authorizing statutes. If a nationally recognized independent organization has conducted an audit of the health plan company using audit procedures that are comparable to or more stringent than the commissioner's audit procedures:

(1) the commissioner shall accept the independent audit, including standards and audit practices, and require no further audit if the results of the independent audit show that the performance standard being audited meets or exceeds state standards;

(2) the commissioner may accept the independent audit and limit further auditing if the results of the independent audit show that the performance standard being audited partially meets state standards;

(3) the health plan company must demonstrate to the commissioner that the nationally recognized independent organization that conducted the audit is qualified and that the results of the audit demonstrate that the particular performance standard partially or fully meets state standards; and

(4) if the commissioner has partially or fully accepted an independent audit of the performance standard, the commissioner may use the finding of a deficiency with regard to statutes or rules by an independent audit as the basis for a targeted audit or enforcement action.

(b) If a health plan company has formally delegated activities that are required under either state law or contract to another organization that has undergone an audit by a nationally recognized independent organization, that health plan company may use the nationally recognized accrediting body's determination on its own behalf under this section.

Subd. 6. Continued authority.

Nothing in this section precludes the commissioner from conducting audits and investigations or requesting data as granted under the commissioner's respective state authorizing statutes.

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 § 62Q.37** on Audits Conducted by Independent Organization.

In 2020, the Department of Human Services (DHS) contracted with five-Managed Care Organizations (MCOs) and three-County-Based Purchasers (CBPs) to members in the Minnesota Health Care Programs (MHCP) who are enrolled into a health plan. In pursuant to M.S. § 62Q.37, Subd. 7., DHS does the following to ensure compliance:

1. DHS contracts with the Minnesota Department of Health (MDH) to conduct triennial audits (every three-years) and mid-cycle reviews with contracted MCOs and CBPs. MDH is the regulatory authority (M.S. § 62D.14) who licenses and regulates Health Maintenance Organizations (HMOs) and CBPs. Regulation ensures that health plans follow applicable laws, standards and rules governing financial solvency, quality of care, access to services, complaints, appeals and other consumer rights in compliance. MDH reviews managed care contracts to ensure MCOs are in compliance with their contract with DHS, as well as to ensure they meet federal standards under the federal Balanced Budget Act of 1997, Chapter 5, Subtitle H: Medicaid - Chapter 1: Managed Care (BBA).

2. MCOs and CBPs are determined to comply with BBA standards if the health plan met National Committee for Quality Assurance (NCQA) accreditation standards. On an annual basis, DHS reports the number of health plan NCQA audits that were accepted, partially accepted or rejected.

3. In pursuant to M.S. § 256B.072 and 256L.12 , DHS also conducts internal reviews on self-reported data from health plans to ensure compliance. Identified issues are communicated to health plans and might be addressed in the form of a financial penalty, corrective action plan (CAP) or both. DHS works with health plans placed in a CAP to correct the deficiency (or sometimes *deficiencies*) to bring the MCO back into compliance.

DHS conducts comprehensive reviews and applies NCQA accreditation standards to all contracted health plans to comply with federal standards under the Balanced Budget Act of 1997 (BBA). (See **Table 1**).

Table 1. DHS Contracted Health Plans NCQA Accreditation Status

Health Plan	Product	Status	Date Granted	Date of Expiration	Date of Next Review
Blue Plus*	Medicare	-	-	-	-
	Medicaid HMO	Accredited	11/20/2020	11/20/2023	10/17/2023
Hennepin Healthcare	Medicare	-	-	-	-
	Medicaid HMO	Not accredited	-	-	-
HealthPartners	Medicare	Accredited	4/22/2020	4/22/2023	August 2023
	Medicaid HMO	-	-	-	-
Itasca Medical Care	Medicare	-	-	-	-
	Medicaid HMO	Not accredited	-	-	-
Medica	Medicare	-	-	-	-
	Medicaid HMO	Not accredited	-	-	-
PrimeWest Health	Medicare	-	-	-	-
	Medicaid HMO	Accredited	1/18/2019	1/18/2022	October 2021

Table 1. DHS Contracted Health Plans NCQA Accreditation Status - *continued*

Health Plan	Product	Status	Date Granted	Date of Expiration	Date of Next Review
South Country Health Alliance	Medicare	-	-	-	-
	Medicaid HMO	Not accredited	-	-	-
UCare	Medicare	Accredited	9/18/2020	9/18/2023	6/27/2023
	Medicaid HMO	Accredited	9/18/2020	9/18/2023	6/27/2023

Note. Table 1 outlines the result of MDH audits of DHS contracted health plans and NCQA accreditation status. Blank rows/columns indicates that the health plan was not accredited for the product in review. In 2020, the NCQA rating process changed. The new process eliminated previous categories of Excellent and Commendable. To be Accredited, a plan must achieve 80 percent in all 6 standard categories evaluated. Health Effectiveness and Data Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) needs to be provided annually, but impact the number of stars given with that status level, e.g., Accredited with 3 stars, 4 stars, or 5 stars do not directly affect the performance achievement for accreditation. Plans below 80 percent in any 1 category but scoring above 55 percent in that category are granted a Provisional accreditation. In November 2020, NCQA gave Blue Plus a *Provisional* status. Blue Plus has 30 days to file an appeal, 14 days to submit evidence and NCQA has 30 days to respond. If the appeal by BP is successful, they will be Accredited, if not, NCQA will conduct another BP audit in the SUMMER of 2021. The information from this table is current as of December 10, 2020.

III. NCQA Standards Compared to Federal and State Requirements

DHS conducts comprehensive reviews, assesses accreditation and Medicaid standards, as well as applicable federal and state requirements on an ongoing basis to determine needed changes. On a yearly basis, DHS reviews new and/or updated NCQA standards and compare them to federal and state requirements for all MCOs and CBPs under contract with DHS. (See **Table 2**).

Table 2. BBA Regulations Compared to NCQA Standards

BBA Regulation	NCQA Standard "100% Compliance"[1]
Health Information Systems 42 CFR § 438.242	Annual NCQA Certified HEDIS Compliance Audit 1
Practice Guidelines 42 CFR § 438.236 (b-d)	QI 9, Elements A
Coordination and Continuity of Care 42 CFR § 438.208 (b)(1-3)	QI 4 Element B, QI 5, QI 7
Availability of Services 42 CFR § 438.206	QI 4, QI 5, RR 3 Element B, RR 4 Elements A - E, MED 1
Emergency and Post Stabilization Services 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
Provider Selection 42 CFR § 438.214	CR 1 - 8, QI 4, QI 5

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

An MCO is considered to have met the requirements in BBA 42 CFR § 438 if its previous three, annual NCQA-Certified HEDIS Compliance Audits demonstrated that all performance measures were reportable and reports from the previous three years were submitted to DHS.

In 2020, MCO's were considered compliant if its Population Health Management Strategy (PHM) program included four areas of focus: 1) Keeping enrollees healthy, 2) Managing enrollees with emerging risk, 3) Patient safety or outcomes across settings, and 4) Managing multiple chronic illnesses (i.e., Disease Management). PHM programs must comply with 42 CFR §438.330(b)(1) and (d); CMS protocol entitled "Protocol for Use in Conducting Medicaid External Quality Review Activities: Conducting Performance Improvement Projects"; NCQA "Standards and Guidelines for the Accreditation of Health Plans;" M.S. § 256B.075; and the 2020 MCO Contract, Section 7.3.1.