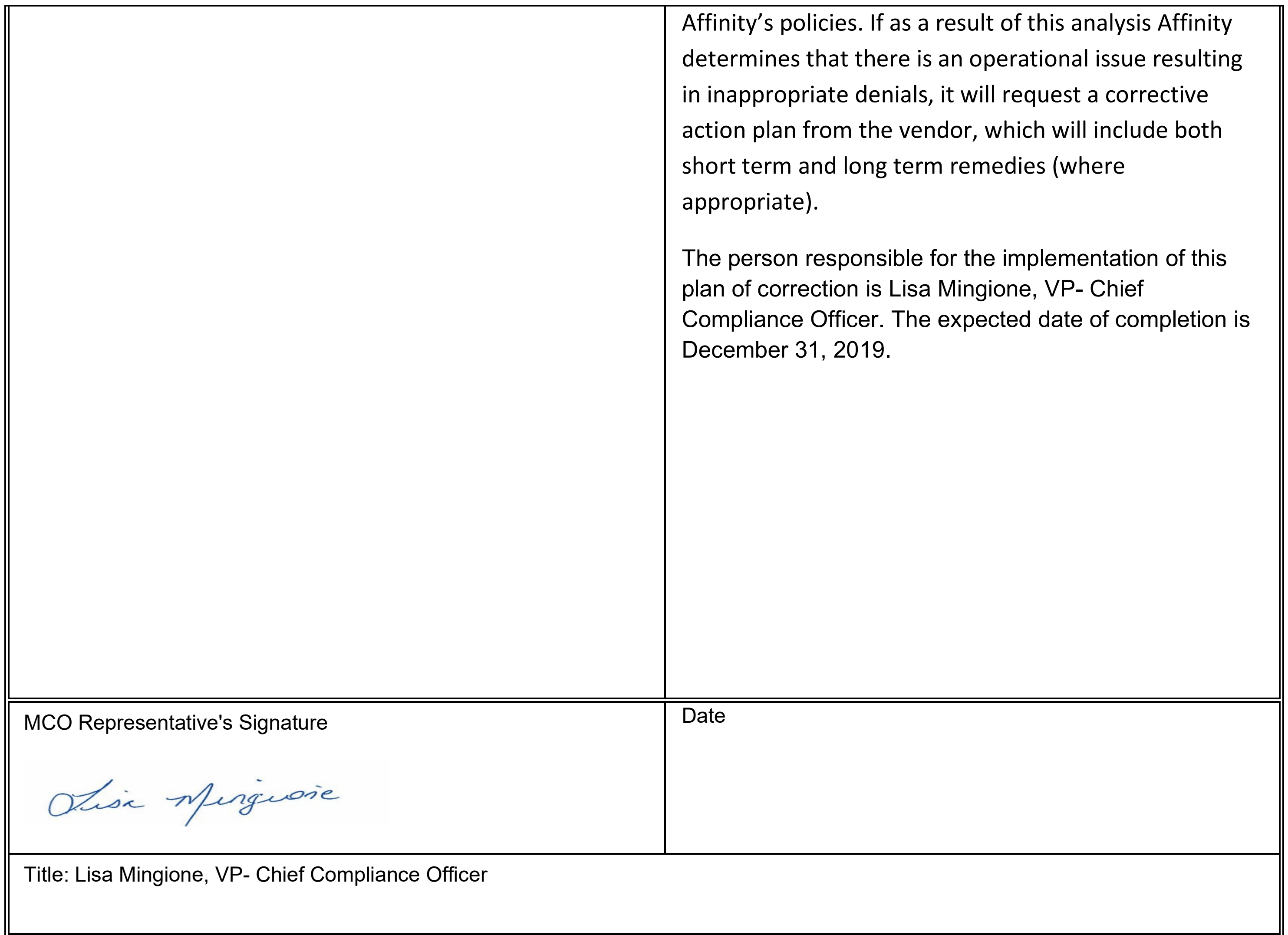
NEW YORK STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLAN CONTRACTING AND OVERSIGHT
ARTICLES 44 AND 49 STATEMENT OF DEFICIENCIES

NAME OF MANAGED CARE ORGANIZATION	**TYPE OF SURVEY:**
Affinity Health Plan, Inc.	Behavioral Health Claims Denial Root Cause Analysis
STREET ADDRESS, CITY, STATE, ZIP CODE 1776 Eastchester Road Bronx, NY 10461	**SURVEY DATES:** December 1, 2017-May 31, 2018 **Survey ID#** 1558031150

NOTE: The following list of deficiencies was identified by Health Department representatives during an Article 44 and/or Article 49 operational or focused survey of your Managed Care Organization (MCO). Correction of these deficiencies is required in order to bring your MCO into compliance with Article 44 and/or 49 of the New York State Public Health Law and the New York State Official Compilation of Codes, Rules, and Regulations (10NYCRR). In the column headed Provider Plan of Correction, describe the Plan of Corrective Action and anticipated date of corrections. The Plan of Correction should be returned within 15 business days.

Deficiencies	Plan of Correction with Timetable
98-1.11 Operational and financial requirements for MCOs. **(h) The governing authority of the MCO shall be responsible for establishment and oversight of the MCO's policies, management and overall operation, regardless of the existence of any management contract.** **Deficiency:** Based on the review of Plan-submitted monthly claims reports which demonstrated persistently high claim denials for behavioral health services (ACT, PROS, HCBS, Partial Hospitalization, and CPEP) over a period of six months from 12/1/17-5/31/18, as well as information contained in the subsequent August and December 2018 Root-Cause analysis submissions which were requested by New York State to explain the reasons for such high denial rates, the Plan failed to provide adequate oversight of delegated management function, claims adjudication, by allowing their Behavioral Health vendor, Beacon, to deny a proportion of claims without being able to determine cause for those denials.	In an effort to ensure appropriate vendor oversight, Affinity Health Plan has created an enhanced vendor oversight program. The redesigned vendor oversight program was implemented in Q1 2019, and includes a Vendor Oversight Work Team comprised of management level subject matter experts in applicable operational areas, who meet to review vendor monitoring reports, audit results and discuss any performance issues. The Vendor Oversight team also has bi-weekly conference calls with Vendors to ensure communication between the organizations is occurring. As of April 1, 2019, Affinity Health Plan has been performing a review of Beacon claims adjudication to ensure all identified issues are no longer occurring. This process entails requesting on a weekly basis a universe of all applicable claims and selecting samples in real time to be reviewed. Source system documentation is reviewed to ensure data validation output is accurate. The results of the reviews are communicated to Executive Management. This process will continue until Beacon can demonstrate a consistent level of 99% accuracy and for a period of at least six months. In addition, Affinity Health will review Beacon claim denial reports on a monthly basis against the State Denial Thresholds for each category of claims. If a Beacon denial rate exceeds a State threshold by more than 10%, Affinity will request a detailed breakout of the reasons for each denial to determine whether the denial was appropriate in accordance with the NYS Health and Recovery Plan (HARP) / Mainstream Behavioral Health Billing and Coding Manual as well as



	Affinity's policies. If as a result of this analysis Affinity determines that there is an operational issue resulting in inappropriate denials, it will request a corrective action plan from the vendor, which will include both short term and long term remedies (where appropriate). The person responsible for the implementation of this plan of correction is Lisa Mingione, VP- Chief Compliance Officer. The expected date of completion is December 31, 2019.
MCO Representative's Signature	Date
Title: Lisa Mingione, VP- Chief Compliance Officer	

NEW YORK STATE DEPARTMENT OF HEALTH

ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

CONTINUATION SHEET

Name of Managed Care Organization	**Survey Dates** December 1, 2017-May 31, 2018
Affinity Health Plan, Inc.	**Survey ID #** 1558031150
Deficiencies	Provider Plan of Correction with Timetable
Based on the review of Plan-submitted monthly claims reports which demonstrated persistently high claim denials for behavioral health services (ACT, PROS, HCBS, Partial Hospitalization, and CPEP) over a period of six months from 12/1/17-5/31/18, as well as information contained in the subsequent August and December 2018 Root-Cause analysis submissions which were requested by New York State to explain the reasons for such high denial rates, the Plan failed to reimburse providers at Medicaid Fee for Service and/or APG rates for ambulatory behavioral health services due to a configuration error in their Behavioral Health vendor Beacon's FlexCare claims platform which led to the inappropriate set-up of provider profiles.	

MCO Representative's Signature	Date
Title	

NEW YORK STATE DEPARTMENT OF HEALTH

ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

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Name of Managed Care Organization Affinity Health Plan, Inc.	**Survey Dates** December 1, 2017-May 31, 2018 **Survey ID #** 1558031150
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Chapter 57 of the Laws of 2017, Part P, 48-a.1 **§ 48-a. 1. Notwithstanding any contrary provision of law, the commissioners of the office of alcoholism and substance abuse services and the office of mental health is authorized, subject to the approval of the director of the budget, to transfer to the commissioner of health state funds to be utilized as the state share for the purpose of increasing payments under the Medicaid program to managed care organizations licensed under article 44 of the public health law or under article 43 of the insurance law. Such managed care organizations shall utilize such funds for the purpose of reimbursing providers licensed pursuant to article 28 of the public health law or article 31 or 32 of the mental hygiene law for ambulatory behavioral health services, as determined by the commissioner of health, in consultation with the commissioner of alcoholism and substance abuse services and the commissioner of the office of mental health provided to Medicaid enrolled outpatients and for all other behavioral health services except inpatient included in New York state's Medicaid redesign waiver approved by the centers for Medicare and Medicaid services (CMS).**	

MCO Representative's Signature	Date
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ARTICLE 44 STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION

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Name of Managed Care Organization Affinity Health Plan, Inc.	**Survey Dates** December 1, 2017-May 31, 2018 **Survey ID #** 1558031150
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Such reimbursement shall be in the form of fees for such services which are equivalent to the payments established for such services under the ambulatory patient group (APG) rate-setting methodology as utilized by the department of health, the office of alcoholism and substance abuse services, or the office of mental health for rate-setting purposes or any such other fees pursuant to the Medicaid state plan or otherwise approved by CMS in the Medicaid redesign waiver;… The increase of such ambulatory behavioral health fees to providers available under this section shall be for all rate periods on and after the effective date of section 29 of part B of chapter 59 of the laws of 2016 through March 31, 2020 for patients in the city of New York, for all rate periods on and after the effective date of section 29 of part B of chapter 59 of the laws of 2016 through March 31, 2020 for patients outside the city of New York, and for all rate periods on and after the effective date of such chapter through March 31, 2020 for all services provided to persons under the age of twenty-one;…	

MCO Representative's Signature	Date
Title	

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	1/11/19. As part of the claims reprocessing, Beacon developed reconciliation reporting to track how many of the Diversionary Services claims had been remediated out of the original claims in question. Reprocessing for 100% of all the dollars in question for Diversionary Services is complete. During the course of remediation activities from Dec 2018 through April 2019, Beacon implemented the State-directed Advanced Payment Program (APP) to fund providers who had claims concerns for Diversionary Services affected by inappropriate denials or payment with incorrect rates. Beacon was able to remediate and reprocess 100% of the Diversionary claims in scope for the APP. No advanced payments were required. In order to ensure providers are reimbursed at the correct rates and as part of Affinity's enhanced vendor oversight activities, an Affinity team with representatives from Vendor Oversight, Medical Management, and the Office of the Medical Director has been reviewing via webinar a weekly sample of denied claims which requires Beacon to demonstrate the claims have been adjudicated correctly by its claims adjudication system as per the provider profile set up. During this weekly sample review, Affinity is auditing the rates being paid and denial rationale applied to ensure proper adjudication of claims in accordance with the NYS Health and Recovery Plan (HARP) / Mainstream Behavioral Health Billing and Coding Manual and Affinity's policies. This includes ensuring that claims for diversionary services are not denied due to the absence of a prior authorization. The enhanced monitoring efforts adds an additional layer of oversight to ensure proper claim adjudication and will continue until Beacon can demonstrate a consistent level of 99% accuracy and for a minimum of 6 months. The person responsible for this plan of correction is Lisa Mingione, VP- Chief Compliance Officer. The expected completion date of this plan of correction is December 31, 2019.

MCO Representative's Signature	Date
Lisa Mingione	
Title: Lisa Mingione, VP- Chief Compliance Officer	

Statement of Findings
Affinity Health Plan, Inc.
Behavioral Health Root Cause Analysis
December 1, 2017 – May 31, 2018
Survey ID# 1558031150

10.21 Mental Health Services
d) The Contractor shall reimburse any OMH licensed provider, including out of network providers, at Medicaid Fee for Service rates for 24 months from the effective date of the Behavioral Health Benefit Inclusion in each geographic service area for ambulatory mental health services provided to Enrollees.

Finding:

Based on the review of Plan-submitted monthly claims reports which demonstrated persistently high claim denials for behavioral health services (ACT, PROS, HCBS, Partial Hospitalization, and CPEP) over a period of six months from 12/1/17-5/31/18, as well as information contained in the subsequent August and December 2018 Root-Cause analysis submissions which were requested by New York State to explain the reasons for such high denial rates, the Plan failed to reimburse providers at Medicaid Fee for Service and/or APG rates for ambulatory behavioral health services due to a configuration error in their Behavioral Health vendor Beacon's FlexCare claims platform which led to the inappropriate set-up of provider profiles.

Plan Response

As part of Beacon's plan of correction, Beacon updated 536 provider fee schedules for all Diversionary Services. Beacon utilized the NY Office of Mental Health (OMH) "Government Rate Services Table" in conjunction with rates listed on the OMH "Medicaid Reimbursement Rates" to define established government rates for each of the diversionary services. Beacon cross-referenced contracted providers with the "Government Rates Service Table" to ensure that contracted providers had rates loaded for the sites and services listed on this table and the Beacon claims system will appropriately pay NYS mandated government rates for applicable behavioral health services without requiring manual intervention. Beacon also cross-referenced the rates with the "Medicaid Reimbursement Rates" page to ensure that rates matched for each timeframe. Rates were updated from 10/1/15 to current, including 1/1/19 rate increases. Beacon reviewed provider contracts to ensure that the correct contracted benefits were loaded to the provider profile. In addition Beacon has updated its policies and procedures, including enhancing its testing, to ensure that any future NYS government rate update to mandated government rate changes is implemented timely. As of January 11, 2019, all Diversionary Services (ACT, PROS, HCBS, Partial Hospitalization, CPEP) have correct codes and rates for all providers.

The claims for the period in question of 12/1/17-5/31/18 have been reprocessed and paid. Diversionary claims have been paying correctly since 1/11/19. As part of the claims reprocessing, Beacon developed reconciliation reporting to track how many of the Diversionary Services claims had been remediated out of the original claims in question. Reprocessing for 100% of all the dollars in question for Diversionary Services is complete.

During the course of remediation activities from Dec 2018 through April 2019, Beacon implemented the State-directed Advanced Payment Program (APP) to fund providers who had claims concerns for

Diversionary Services affected by inappropriate denials or payment with incorrect rates. Beacon was able to remediate and reprocess 100% of the Diversionary claims in scope for the APP. No advanced payments were required.

In order to ensure providers are reimbursed at the correct rates and as part of Affinity's enhanced vendor oversight activities, an Affinity team with representatives from Vendor Oversight, Medical Management, and the Office of the Medical Director has been reviewing via webinar a weekly sample of denied claims which requires Beacon to demonstrate the claims have been adjudicated correctly by its claims adjudication system as per the provider profile set up. During this weekly sample review, Affinity is auditing the rates being paid and denial rationale applied to ensure proper adjudication of claims in accordance with the NYS Health and Recovery Plan (HARP) / Mainstream Behavioral Health Billing and Coding Manual and Affinity's policies. This includes ensuring that claims for diversionary services are not denied due to the absence of a prior authorization. The enhanced monitoring efforts adds an additional layer of oversight to ensure proper claim adjudication and will continue until Beacon can demonstrate a consistent level of 99% accuracy and for a minimum of 6 months.

The person responsible for this plan of correction is Lisa Mingione, VP- Chief Compliance Officer. The expected completion date of this plan of correction is December 31, 2019.