

CONTRACT COMPLIANCE

NON-COMPLIANCE REMEDIES

It is the Agency's primary goal to ensure that the Contractor is delivering quality care to members. To assess attainment of this goal, the Agency monitors certain quality and performance standards, and holds the Contractor accountable for being in compliance with Contract terms. The Agency accomplishes this by working collaboratively with the Contractor to maintain and improve programs, and not to impair Contractor stability.

In the event that the Contractor fails to meet performance requirements or reporting standards set forth in the Contract or other standards established by the Agency, the Agency will provide the Contractor with a written notice of non-compliance and may require any of the corrective actions or remedies discussed below. The Agency will provide written notice of non-compliance to the Contractor within sixty (60) calendar days of the Agency's discovery of such non-compliance.

CORRECTIVE ACTIONS

The Agency may require corrective action(s) and implement intermediate sanctions when the Contractor has failed to provide the requested services. The nature of the corrective action(s) will depend upon the nature, severity and duration of the Deficiency and repeated nature of the non-compliance. The non-compliance corrective actions may be instituted in any sequence and include, but are not limited to, any of the following:

- **Written Warning:** the Agency may issue a written warning and solicit a response regarding the Contractor's corrective action.
- **Formal Corrective Action Plan:** The Agency may require the Contractor to develop a formal corrective action plan to remedy the breach. The corrective action plan shall be submitted under the signature of the Contractor's chief executive and shall be approved by the Agency. If the corrective action plan is not acceptable, the Agency may provide suggestions and direction to bring the Contractor into compliance.
- **Withholding Full or Partial Capitation Payments:** The Agency may suspend capitation payments for the following month or subsequent months when the Agency determines that the Contractor is materially non-compliant. The Agency will give the Contractor written notice ten (10) business days prior to the suspension of capitation payments and specific reasons for non-compliance that result in suspension of payments. The Agency may continue to suspend all capitation payments until non-compliance issues are corrected.
- **Suspending Auto-assignment:** The Agency may suspend auto-assignment of members to the Contractor. The Agency may suspend all auto-assignment or may selectively suspend auto-assignment for a region or county. The Agency will notify the Contractor in writing of its intent to suspend auto-assignment at least ten (10) business days prior to the first day of the suspension period. The suspension period may be for any length of time specified by the Agency. The Agency will base the duration of the suspension upon the nature and severity of the default and the Contractor's ability to cure the default.
- **Assigning the Contractor's Membership and Responsibilities to Another Contractor:** The Agency may assign the Contractor's membership and responsibilities to one (1) or more other

contractors that also provide services to the program population, subject to consent by the contractor that would gain that responsibility. The Agency will notify the Contractor in writing of its intent to transfer members and responsibility for those members to another contractor at least ten (10) business days prior to transferring any members.

- **Appointing Temporary Management of the Contractor’s Plan:** The Agency may assume management of the Contractor’s plan or may assign temporary management of the Contractor’s plan to the Agency’s agent, if at any time the Agency determines that the Contractor can no longer effectively manage its plan and provide services to members.
- **Contract Termination:** The Agency reserves the right to terminate the Contract, in whole or in part, due to the failure of the Contractor to comply with any term or condition of the Contract, or failure to take corrective action as required by the Agency to comply with the terms of this Contract.

TABLE A:

Topic	Standard Contract Requirement
Communications	The Contractor follows obligations with respect to Agency approval of member and/or provider communication or education materials as set forth in Section A.13 and 42 C.F.R. § 438.102.
Marketing	The Contractor follows marketing practices as set forth in Section C.7 and 42 C.F.R. § 438.104.
Member Services Helpline	80% of member calls are answered timely and are not abandoned.
Provider Services Helpline	80% of provider helpline calls are answered timely and are not abandoned.
Timely Prior Authorization Processing	The Contractor must complete 100% of dental prior authorizations requiring physician review within 20 days. For those prior authorizations not requiring a physician review, the Contractor must complete 100% of the reviews within 15 days.
Grievance Resolution	The Contractor resolves one hundred percent (100%) of grievances within thirty (30) calendar days of receipt, or within 72 hours of receipt for expedited grievances.
Appeals Resolution	The Contractor resolves one hundred percent (100%) of appeals within 30 calendar days of receipt, or within 72 hours of receipt for expedited appeals.
Reporting	The Contractor submits monthly and quarterly reports by the required deadline and in a complete and accurate manner as set forth in Section A.12.
Provider Enrollment File	The Contractor submits a provider enrollment file that meets the Agency Specifications.
Timely Claims Processing	The Contractor pays or denies ninety percent (90%) of clean claims within fourteen (14) calendar days of receipt, ninety-five percent (95%) of clean claims within twenty one (21) calendar days of the date of receipt or ninety-nine percent (99%) of all claims within ninety (90) calendar days of receipt.
Encounter Submission	The Contractor complies with encounter data submission requirements as described in Sections KS.1, KS01.01, KS01.02, KS01.03.

Topic	Standard Contract Requirement
Provider Credentialing	The Contractor credentials eighty-five percent (85%) of providers within thirty (30) days and ninety-eight percent (98%) of providers within forty-five (45) days.
Provider Agreements	The Contractor maintains provider agreements in accordance with Section L6.06
Network Access	The Contractor fails to meet the network access standards as described in Section E.
Response to the Agency Inquiries	The Contractor provides a timely and accurate response to the Agency inquiries within the timeframes set forth by the Agency.
Onsite Staff Attendance	The Contractor has subject appropriate staff member(s) attend onsite meetings as requested and required by the Agency.
Corrective Action Plan Compliance	The Contractor provides a timely and acceptable corrective action plan or comply with corrective action plan timeline agreed upon with the Agency.

NON-COMPLIANCE WITH REPORTING REQUIREMENTS

In addition to the reporting non-compliance as described in Table A, if the Contractor's non-compliance with reporting requirements established under the Contract or in the reporting template impacts the Agency's ability to monitor the Contractor's solvency, and the Contractor's financial position requires the Agency to transfer members to another contractor, the Agency will require the Contractor to pay any difference between the capitation rates that would have been paid to the Contractor and the actual rates being paid to the replacement contractor as a result of member transfer. In addition, the Contractor shall pay any costs the Agency incurs to accomplish the transfer of members. Further, the Agency will withhold all capitation payments or require corrective action until the Contractor provides satisfactory financial data.

NON-COMPLIANCE WITH PROVIDER NETWORK REQUIREMENTS

If the Agency determines that the Contractor has not met the network access standards established in the Contract, the Agency will require submission of a Corrective Action Plan within ten (10) business days following notification by the Agency. Determination of failure to meet network access standards shall be made following a review of the Contractor's Network Geographic Access Assessment Report. The frequency of required report submission will be outlined in the reporting template. Upon discovery of noncompliance, the Contractor shall be required to submit monthly Network Geographic Access Assessment Reports until compliance is demonstrated for sixty (60) consecutive days. The Agency may also require the Contractor to maintain an open network for the provider type for which the Contractor's network is non-compliant. Further, should Contractor be out of compliance for three (3) consecutive months as a result of failure to meet network access standards, the Agency will immediately suspend auto-enrollment of members with the Contractor, until such time as Contractor successfully demonstrates compliance with the network access standards.