

Program Description DualChoice Denial Letter Sanction Calendar Year 2021

Section I: Overview

The 2021 DualChoice Sanction Program is a continuation and enhancement to the original 2015-2016 program. In an ongoing effort to collaborate with the IPAs to ensure that denial letters meet CMS standards, IEHP is continuing the Denial Letter Sanction Program with some minor improvements.

Section II: Oversight and Monitoring

All IPAs will be required to submit IEHP specified (based on Medicare specifications) universes for Service Authorization Requests. IEHP will continue to conduct monthly review of denial letters. This will allow for timely feedback and more face to face interaction which will enhance communication of regulations and requirements.

Section III: Denial Letter Sanctions

Denial Letters must meet, with 100% accuracy, the below components:

1. Use of correct letter template including attachments.
2. Member denial language that is understandable (sixth grade reading level).
3. Denial letter is processed timely, with the inclusion of accurate dates of receipt.
4. Denial reason is in accordance to appropriate criteria cited and coincides with denial type.

2020 Sanction limits:

A \$1,000 sanction will be issued for each denial letter with a deficiency. A maximum of thirty (30) denial letters per IPA will be reviewed each month. If an IPA has less than thirty (30) denials, all denials will be reviewed.

New Sanction Limits for 2021:

There is a maximum of \$3,000 sanction total versus \$1,000 per case for Timeliness and Template deficiencies (related to system issues) to minimize the impact on IPA's. The IPA will be allowed 90 days to implement changes to correct system issues. Failure to implement changes within 90 days will result in moving to \$1,000 per deficient denial letter for subsequent months until the system issue is rectified. Criteria and Language deficiencies will continue with the current sanction of \$1,000 per case (no limit on sanctions). A maximum of thirty (30) denial letters per IPA will be reviewed each month on a random basis selection process. If an IPA has less than thirty (30) denials, all denials will be reviewed.

Section IV: Appeal Process

If the IPA wishes to appeal the results of the Denial Letter Sanctions, a written appeal must be submitted within 30 days of receiving the results. The written appeal should be submitted to the Director of Delegation Oversight, Juan Ortega (see Provider Manual policy *16.B.4 Appeal and Grievance Resolution Process for Providers; IPA, Hospital and Practitioner*). IPAs (Delegates) must cite reasons for their appeal, including disputed items or deficiencies.

IPAs that consistently fail to meet IEHP standards, as confirmed through monthly monitoring and/or focused audits or other oversight activities, are subject to actions up to and including Corrective Action Plans (CAPs), increased sanctions, rescission of delegated functions, and non-renewal of the IEHP contract or termination of the IPA participation in the IEHP network.