



State of Louisiana
Department of Health and Hospitals
BAYOU HEALTH

February 26, 2013

Mr. George Bucher
Chief Executive Officer
Amerigroup Corporation
4425 Corporation Lane
Virginia Beach, VA 23462

Re: Corrective Action Plan - Failure to Meet Prompt Pay Performance Standards

Dear Mr. Bucher,

Pursuant to **RFP Section 17.5 Adherence to Key Claims Management Standards** shall ensure that ninety percent (90%) of all clean claims for payment of services delivered to a member are paid to the provider within fifteen (15) business days of receipt of such claims; and if appropriate, pay within thirty (30) calendar days, ninety nine percent (99%) of all clean claims to providers for covered services delivered to a member.

The following Prompt Payment Report performance standards for the identified claim types have not been met.

Deficiencies as reported for 3rd Quarter 2012:

Claim Type	Claim Type Description	Performance Deficiencies	Performance Standard
07	Emergency Medical Trans.	95% within 30 calendar days	99% within 30 calendar days
01	Inpatient Hospital	98% within 30 calendar days	99% within 30 calendar days

Deficiencies as reported for 4th Quarter 2012:

Claim Type	Claim Type Description	Performance Deficiencies	Performance Standard
06	Home Health	89% within 15 business days	90% within 15 business days
06	Home Health	95% within 30 calendar days	99% within 30 calendar days
04	Professional	97% within 30 calendar days	99% within 30 calendar days

Therefore, in accordance with **RFP Section 14.3.7 Performance Measure Corrective Action Plan**, DHH is taking the following administrative action:

Amerigroup shall submit to DHH a Corrective Action Plan (CAP) that will ensure clean claims, for all claim types processed; and if appropriate, paid within the contract requirements. The expectation is that the 2013 2nd Quarter Prompt Payment Report will demonstrate compliance with minimum performance standards for all claim types.

The CAP must contain the following:

1. A detailed work plan of all tasks, actions and/or process corrections needed;
2. The deadline for completion of each task;
3. The % completion of each task; and

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4. The actual date of completion of each task.

The Corrective Action Plan must be submitted to your health plan manager, Destiny Rohmfeld, at *Destiny.Rohmfeld@la.gov* by close of business Monday, March 4, 2013. Once approved by DHH, Amerigroup must complete all required tasks within the timeframe specified as well as submit weekly status updates until the CAP is completed.

Pursuant to **RFP Section 20.2. Monetary Penalties**, failure to meet the approved timeline, or post CAP failure to meet minimum prompt pay performance standards per claim type may result in financial sanctions.

If you have questions regarding the CAP requirements you may contact me directly or through your health plan manager.

Sincerely,



Madeline W. McAndrew
Bayou Health Director

C: Ruth Kennedy
Mary TC Johnson
Darlene White
Destiny Rohmfeld
Irma Gauthier