Amerigroup RealSolutions in healthcare

March 4, 2013

Via FedEx and Electronic Mail

Madeline McAndrew
Bayou Health Director
Louisiana Department of Health and Hospitals
Bienville Building- 7th Floor
628 North 4th Street
Baton Rouge, LA 70802

Re: Amerigroup Louisiana, Inc.
Corrective Action Plan – Failure to Meet Prompt Pay Performance Standards

Dear Ms. McAndrew:

I am writing in response to your letter dated February 26, 2013 regarding Amerigroup Louisiana, Inc.'s failure to meet prompt pay performance standards. Amerigroup's Corrective Action Plan to address deficiencies follows.

Deficiencies reported for Q3: Emergency Medical Transportation and Inpatient Hospital

The 2012 4th quarter prompt payment report demonstrated compliance with minimum performance standards for all claim types for both categories. We believe the Q3 results are isolated to that time period however, to further ensure continued compliance we will take the following action steps:

1. Develop a weekly prompt payment report at the provider type level for internal use to monitor prompt payment performance on a more proactive basis. This approach will ensure that any variance from compliance standards is proactively addressed with internal business partners before they negatively impact quarterly reporting.
    a. Task Deadline: 3/18/2013
    b. % Completed: 40%
    c. Actual Completion Date: no later than 3/18/2013
2. Send a communication to internal business leads reinforcing the claim prompt payment standards for Louisiana and emphasizing the importance of managing aged claims to comply with these standards.
    a. Task Deadline: 3/4/2013
    b. % Completed: 100%
    c. Actual Completion Date: 2/26/2013

Deficiencies reported for Q4: Professional

While reviewing the data associated with this corrective action plan an error was identified in the calculation of prompt payment performance for Professional claims. To that end, Amerigroup will be submitting a revised prompt payment report for Q4 2012. An administrative mistake was made when merging vendor data into the report and the resulting error was not captured prior to submission. The

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actual performance for both measures related to professional claims in Q4 was 100%. To prevent this from occurring again in the future we will take the following action step:

1. Re-communicate to subcontracted vendor the required data elements for completion of the template.
    a. Task Deadline: 3/4/2013
    b. % Completed: 100%
    c. Actual Completion Date: 3/1/2013
2. Submit corrected Q4 Prompt Payment report to DHH.
    a. Task Deadline: 3/4/2013
    b. % Completed: 100%
    c. Actual Completion Date: 3/4/2013

Deficiencies reported for Q4: Home Health

Our subcontracted vendor for Home Health services, Univita, has already completed taking proactive steps to improve their claims prompt payment scores. These steps included the hiring and training of additional staff and implementing an active management process to oversee their claims processing activities on a real-time basis. They have been able to demonstrate improvement in their January 2013 scores which exceeded the prompt payment standards in both categories. Univita believes their Q4 results are isolated to that time period however, to further ensure continued compliance they will take the following action steps:

1. Develop a monthly prompt payment report at the claim/provider type level for internal use to monitor prompt payment performance on a more proactive basis. This approach will ensure that any variance from compliance standards is proactively addressed with AGP before they negatively impact quarterly reporting.
    a. Task Deadline: 3/15/2013
    b. % Completed: 40%
    c. Actual Completion Date: no later than 3/15/2013

Amerigroup will continue to work diligently to fully comply with the requirements of the Bayou Health contract and the claims management standards as defined therein.

Should you have any questions, please do not hesitate to contact either me or Kim Chope at 850-619-1192 or kim.chope@amerigroup.com.

Sincerely,

Sonya K. Nelson
Chief Operating Officer
Amerigroup Louisiana, Inc.

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