



# State of Louisiana

Department of Health and Hospitals  
BAYOU HEALTH

March 15, 2013

Mr. Jamie Schlottman  
Chief Executive Officer  
Louisiana Healthcare Connections  
8585 Archives Avenue, Suite 310  
Baton Rouge, LA 70809

RE: Corrective Action Plan – Cash Disbursement Journal Monthly Reported Total vs.  
Monthly Encounter Claims Total

Dear Mr. Schlottman,

Previously, in a letter dated January 15, 2013, the Department of Health and Hospitals (DHH) placed Louisiana Healthcare Connections (LHC) on a Corrective Action Plan (CAP) for non-compliance with contractual requirements relative to encounter data submission.

Presently, DHH has reviewed the *Comparison of Louisiana Managed Care Organization Encounter Claims to Cash Disbursements for Louisiana Healthcare Connections* report prepared by Myers and Stauffer and dated February 28, 2013. On the basis of the Entire Plan Cumulative Total percentage measure in this report, DHH finds that the original CAP requirement to submit ninety-three (93%) of its encounter data by March 1, 2013 has been met.

Be advised, however, it is DHH's expectation that LHC will continue to meet its monthly contractual obligations relative to encounter data submission. Specifically, pursuant to Section 17.5.4.12 Encounter Data subsection of your contract with DHH, LHC shall submit ninety-five (95%) of its encounter data at least monthly due no later than the twenty-fifth (25<sup>th</sup>) calendar day of the month following the month in which they were processed and approved/paid, including encounters reflecting a zero dollar amount (\$0.00) and encounters in which the MCO has a capitation arrangement with a provider.

March 15, 2013

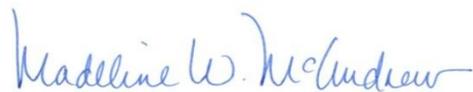
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Compliance with this requirement will be measured by the “Entire Plan” Cumulative Total percentage found in the *Comparison of Louisiana Managed Care Organization Encounter Claims to Cash Disbursements for Louisiana Healthcare Connections* report prepared by Myers and Stauffer. The next report is expected in late April 2013 and subsequently, every other month.

Pursuant to Section 20.2.3 Monetary Penalties – Table of Monetary Penalties – Encounter Data subsection of your contract, DHH intends to impose monetary sanctions effective one (1) week after the date LHC receives the bi-monthly *Comparison of Louisiana Managed Care Organization Encounter Claims to Cash Disbursements for Louisiana Healthcare Connections* report, if LHC fails to comply with the requirements of Section 17.5.4.12 of the contract for each calendar day that LHC remains out of compliance.

If you have any questions, please contact Jen Steele at 337-233-9627.

Sincerely,



Madeline W. McAndrew  
Bayou Health Director

Cc: Ruth Kennedy  
Jen Steele  
Steve Annison  
Angela Marshall