



State of Louisiana
Department of Health and Hospitals
BAYOU HEALTH

January 15, 2013

Mr. Jamie Schlottman
Chief Executive Officer
Louisiana Healthcare Connections
4425 Corporation Lane
Virginia Beach, VA 23462

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

Dear Mr. Schlottman,

As you are aware, from our meeting on January 8, 2013, the State has identified discrepancies between the paid amount totals for encounter claims and actual cash disbursements.

Pursuant to Section 17.5.4.12 Encounter Data subsection of your contract with the Department of Health and Hospitals (DHH), for encounter data submissions, the CCN shall submit ninety-five (95%) of its encounter data at least monthly due no later than the twenty-fifth (25th) 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 CCN has a capitation arrangement with a provider. The CCN CEO or CFO shall attest to the truthfulness, accuracy, and completeness of all encounter data submitted.

As demonstrated by the finding of Myers and Stauffer for the paid months of August 2012 through October 2012 Louisiana Healthcare Connections (LHC) was out of compliance.

Going forward, LHC will be expected to submit ninety-three (93%) of its encounter data by at least March 1, 2013. It is our expectation that LHC will be able to meet its

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contractual obligations by submitting ninety-five (95%) of its encounter data by April 1, 2013.

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 Tuesday, April 2, 2013, if LHC does not comply with the requirements as outlined in the contract for each calendar day LHC remains out of compliance.

If you have any questions, please contact your Health Plan Manager or myself at 225-342-1272.

Sincerely,



Madeline W. McAndrew
Bayou Health Director

C: Ruth Kennedy
Steve Annison
Angela Marshall