



# State of Louisiana

## Department of Health and Hospitals Bureau of Health Services Financing

Via E-mail and Certified Mail

May 14, 2013

Ms. April Golenor  
Plan President  
UnitedHealthcare Community Plan of Louisiana  
3838 N. Causeway Blvd., Suite 3225  
Metairie, La. 70002

RE: Notice of Monetary Penalty for Contract Non-Compliance

Dear Ms. Golenor,

We are writing to inform you that a monetary penalty is being assessed against UnitedHealthcare Community Plan of Louisiana (UHC) for non-compliance with a requirement in our contract dated September 30, 2011. This non-compliance is related to your failure to correctly transmit information received on electronic claims from providers to the Medicaid fiscal intermediary (Molina), which has resulted in incorrect payments to some providers.

After several months of ongoing efforts to resolve this issue, on January 25, 2013 the Bureau of Health Services Financing (BHSF) directed UHC to submit a formal Corrective Action Plan (CAP). BHSF approved a CAP on February 4, 2013 which called for UHC's ability to correctly transmit claims no later than February 26, 2013. While we acknowledge and appreciate the good faith efforts by UHC to resolve this issue, UHC continued to be non-compliant, resulting in the improper denial by Molina of claims for which Medicaid is the secondary payer.

DHH is assessing this monetary penalty in accordance with Section 18.3 of Exhibit E of the contract:

*"For each day that a deliverable is late, incorrect or deficient, the CCN may be liable to DHH for monetary penalties in an amount per calendar day per deliverable as specified in the table below for reports and deliverables not otherwise specified in the above Table of Monetary Penalties."*

Based on the original target compliance date of February 26, 2013, the following penalties will be assessed for each calendar day beginning February 27:

- February 27, 2013 through March 12, 2013 - \$750
- March 13, 2013 through March 28, 2013 - \$1,200
- March 29, 2013 through April 27, 2013 - \$2,000
- From April 28, 2013 until DHH approves compliance - \$3,000

Through the date of this letter (May 13, 2013), the sum of monetary penalties assessed against UHC is **\$140,700**. BHSF will withhold this amount from UHC's next monthly payment on June 18, 2013, as authorized by Section 4.9 of Exhibit E of the contract.

*"The CCN agrees that all amounts owed to DHH, as identified through routine or investigative reviews of records or audits conducted by DHH or other state or federal agency, are due no later than 30 calendar days following notification to the CCN by DHH unless otherwise authorized in writing by DHH. DHH, at its discretion, reserves the right to collect amounts due by withholding and applying all balances due to DHH to future payments. DHH reserves the right to collect interest on unpaid balances beginning thirty (30) calendar days from the date of initial notification."*

Until claims information for claims with TPL is correctly transmitted to Molina, penalties will continue to accrue at the rate of \$3,000 per day. Each month, the sum of penalties accrued through the last calendar day of the previous month, but not previously withheld, will be withheld from UHC's PMPM payment on the Tuesday nearest the 15th calendar day of that month.

Should you have any questions, please contact myself or Jen Steele at (337) 233-9627 or [Jen.Steele@la.gov](mailto:Jen.Steele@la.gov).

Sincerely,



J. Ruth Kennedy  
Medicaid Director

c: Mary Johnson  
Madeline McAndrew  
Jen Steele