

A SNAPSHOT OF THE

# INTERIM REPORT ON THE CMO AUDIT

## Overview

In 2006, the state of Georgia implemented Georgia Families, a managed care program through which health care services are delivered to members of Medicaid and PeachCare for Kids™. The program is a partnership between the Georgia Department of Community Health (DCH) and private Care Management Organizations (CMO) to ensure accessible and quality health care services for all of the eligible Medicaid and PeachCare for Kids™ members. By providing a choice, Georgia Families allows members to select a health care plan that fits their individual needs. The DCH Division of Managed Care and Quality monitors the CMOs to ensure compliance with contract requirements, standards for member and provider services, quality initiatives and solvency. Georgia's three CMOs are AMERIGROUP®, Peach State Health Plan™ and WellCare of Georgia®.



## Purpose of the Report on The CMO Audit

Georgia's managed care program is unique compared to other states in the nation. While the program in Georgia is a traditional managed care model, no other state has attempted a program of this scope and magnitude in both rural and urban areas. More than 900,000 members were transitioned into managed care during the four-month start-up time period, which began in June 2006. Due to the magnitude of this project, DCH has been monitoring the progress of the implementation phase by phase.

During the first phase of the program's implementation, DCH conducted internal reviews and commissioned external evaluations of the process, in order to execute immediate changes and adaptations to the program as a means of ensuring the continuity of care for the Georgia Families members. The Report on the CMO Audit is one such assessment of issues. The review and subsequent report being prepared by Myers and Stauffer LC will provide DCH with information concerning the accuracy and timeliness of the CMOs' claims payment processes, a comparison of those CMO processes with that of commercial payors and Medicaid managed care providers in other states, and an independent evaluation of each CMO's compliance with their contract with DCH and with the providers.

## Who is Conducting the Assessment?

Myers and Stauffer LC is an independent, national public health care consulting and certified public accounting firm. Founded in 1977, Myers and Stauffer LC specializes in auditing, program integrity, rate setting, and consulting services to state Medicaid and other governmental health care agencies. Myers and Stauffer's national practice has served Medicaid agencies in more than 35 states including the state of Georgia, the Centers for Medicare and Medicaid Services and the U.S Department of Justice. They have performed engagements addressing nearly all aspects of Medicaid operations related to every category of health care provider.

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## What is the Scope of the Review and Report?

Myers and Stauffer has outlined the scope of engagement as:

- Review contractual provisions of agreements between providers and the CMOs;
- Obtain, document and evaluate questions and concerns about payment of claims by health care providers who are contracted with the CMOs to provide health care services to eligible beneficiaries enrolled in the Georgia Families program. (Some of the concerns are known to DCH and others were revealed during the Myers and Stauffer LC interviews with providers); and
- Obtain, document and evaluate CMO operant policies related to payment of claims and contracting, and credentialing of providers.

## What is the Review Process and Time Frame of Completion?

The tasks of Phase #1 of the review and assessment focuses on hospitals addressing claims payment for hospital services, provider concerns and issues, claims analysis and CMO hospital policies and procedures. These tasks of Phase #1 began September 2007. Myers and Stauffer LC spent several weeks conducting various stages of the review and a preliminary report to DCH, was shared with DCH leadership in December 2007. (The Board of Community Health, the Office of the Governor and the Georgia General Assembly received it in January 2008.) The final report on the initial Phase #1 was submitted to the Commissioner January 2008.

The process for Phase #1 included:

- Meeting with designated personnel from each CMO to perform introductions, obtain entity contact information and give a high level overview of upcoming activities
- Meeting with provider groups and obtaining information and supporting evidence of issues and concerns related to claims payment
- Gathering policies and procedures along with other relevant documentation from DCH, each CMO, and providers in order to obtain a thorough understanding of the unique environment being evaluated
- Interviewing CMO personnel to obtain a more detailed understanding of certain aspects of the entity's operations related to provider contracting, provider credentialing and provider claims payment
- Potential onsite visits with selected providers to interview staff and further evaluate claims issues
- Evaluating all documentation and reports submitted
- Gathering claims data from each CMO and selecting samples that represent the overall issues
- Obtaining supporting documentation for the selected samples, and performing analytical procedures and other verification/ validation testing
- Preparing preliminary Phase #1 report based on observations made by Myers and Stauffer LC for each phase of the project
- Issuing of a final Phase #1 report

