

IN THE MATTER OF ONE HEALTH)
PLAN AND ITS FAILURE TO PROVIDE)
DATA REQUIRED FOR PRODUCTION)
OF AN ANNUAL REPORT ON QUALITY)
OUTCOME MEASURES AND)
CONSUMER SATISFACTION)

ADMINISTRATIVE
ORDER

THIS MATTER having been opened by the Commissioner of the New Jersey Department of Health and Senior Services ("Department") in accordance with his authority pursuant to N.J.S.A. 26:2S-1 et seq.;

WHEREAS, N.J.S.A. 26:2S-15 authorizes the Department to collect information from carriers that offer managed care plans regarding quality outcome measures of health care services as well as independent consumer satisfaction surveys, and to make that information available to the public;

WHEREAS, N.J.S.A. 26:2S-15 requires carriers that offer managed care plans to comply with the Department's reporting requirements with respect to quality outcome measures of health care services and independent consumer satisfaction surveys;

WHEREAS, One Health Plan ("OHP") is a carrier that offers managed care plans as defined by the terms of N.J.S.A. 26:2S-1 et seq. now and during the reporting period at issue;

WHEREAS, N.J.S.A. 26:2J-9 authorizes the Department to collect information from health maintenance organizations (HMOs) as necessary for the Department to carry out its duties under N.J.S.A. 26:2J-1 et seq., including evaluation of availability and accessibility of health care services, continuity of care, and on-going quality of health care assurance programs;

WHEREAS, OHP is an HMO;

WHEREAS, N.J.A.C. 8:38-7.3 specifies that, among other things, HMOs shall submit outcome and performance data as the Department may request from time to time, and comply with the arrangement for member satisfaction surveys;

WHEREAS, the Department provided written notice to OHP and other carriers on or about November 29, 2001 setting forth their respective obligations to: submit HEDIS® 2002¹ and CAHPS® 2.0H² adult survey information in accordance with the technical specifications of the National Committee for Quality Assurance ("NCQA")³, consistent with the reporting dates established by the NCQA; use NCQA-certified survey vendors as necessary; and, contract for a full HEDIS Compliance Audit™⁴ conducted by NCQA-certified auditors;

WHEREAS, NCQA required that carriers first complete and submit the Healthcare Organization Questionnaire to NCQA online some time between February 8th to 22nd, 2002 (inclusive of those dates), in order to obtain Data Submission Tools© (for HEDIS® 2002) and submission IDs for CAHPS® 2.0H⁵;

WHEREAS, NCQA required that member-level files be submitted to NCQA for CAHPS® 2.0H for commercial lines⁶ by May 24, 2002;

¹ HEDIS refers to the Health Plan Employer Data and Information Set, and is a registered trademark of the NCQA. According to the NCQA, more than 90 percent of carriers operating in the United States and offering managed care plans use HEDIS to measure performance on important dimensions of care and service.

² CAHPS refers to the Consumer Assessment of Health Plans survey, and is a registered trademark of the Agency for Healthcare Research and Quality. CAHPS is included within HEDIS, and measures the satisfaction of carriers' covered lives with the care and service they received.

³ The NCQA is a non-profit organization that assesses and provides reports on the quality of carriers with respect to managed care plans. The company does accreditation and performance audits in a number of different areas, and maintains a national database of HEDIS and accreditation information on carriers that is accessible to employers, consultants and others.

⁴ The HEDIS Compliance Audit is a trademark of the NCQA.

⁵ Submission IDs were provided to NCQA-certified vendors. The vendors would then work with carriers to collect the data for the CAHPS® 2.0H, and supply the collected data to NCQA.

⁶ The data requested by the Department related only to the commercial line of business, not Medicaid or Medicare.

WHEREAS, NCQA specified that final⁷ results for the HEDIS® 2002 information related to commercial lines, including attestations, were due by June 17, 2002;

WHEREAS, the Department issued notice, dated March 11, 2002, to each carrier required to report the HEDIS® 2002 and CAHPS® 2.0H data to NCQA for purposes of compliance with New Jersey law regarding outcome measures and consumer satisfaction surveys,⁸ requiring each carrier to provide the following directly to the Department:

1. By April 5, 2002, notice regarding the vendor that each carrier had contracted with for the HEDIS® Compliance Audit and the CAHPS® 2.0H;
2. By June 18, 2002, a completed enrollment summary for HEDIS® 2002 and CAHPS® 2.0H;
3. By June 18, 2002, a copy of the signed attestation required by the NCQA, and a printout of the Data Submission Tools©, including the Audit Designation Table contained therein; and
4. By July 20, 2002, a copy of the full audit report;

WHEREAS, OHP indicated in early May that it would like a waiver from compliance with the outcome measures and consumer satisfaction reporting requirements⁹;

WHEREAS, the Department sent OHP an e-mail stating that, while consideration might be given to the request for a waiver from the reporting requirements going forward, OHP was still responsible for complying with the reporting requirements in 2002¹⁰;

⁷ Information for the HEDIS® measures was required by NCQA to be audited.

⁸ Currently, the Department has limited the reporting requirement to HMOs with at least 2000 lives enrolled at the end of the two calendar years immediately preceding the year in which the report is due.

⁹ OHP indicated it wanted to surrender its certificate of authority, and a belief that it should be exempt from reporting on that basis. In a September 6, 2002 letter to the New Jersey Department of Banking and Insurance, OHP indicated a wish to retain its HMO certificate of authority even though it will cease to offer its HMO product(s), and begin nonrenewal of inforce HMO product(s) in May of 2003.

¹⁰ It may be noted that data reported in calendar year 2002 is based on calendar year 2001 experience.

WHEREAS, OHP stated in a letter dated May 14, 2002 that it was providing the Department with formal notice that it would not submit HEDIS® 2002 or CAHPS® 2.0H data;

WHEREAS, OHP has not complied with any of the reporting requirements specified by the Department, and the Department has now had to prepare its annual report for the public without inclusion of OHP data, thereby denying the public and the State of relevant company-specific and trend data;

NOW, THEREFORE, it is on this 26th day of September, ORDERED that:

1. OHP shall pay a fine totaling Ninety-four Thousand Five Hundred Dollars (\$94,500), which is derived from adding the product resulting from the multiplication of \$250 by the number of days from each missed deadline until the final deadline for submission of data to the Department on July 20, 2002, as follows:

a. For completion of the Health Organization Questionnaire, 149 days from February 22nd through July 20th, at Thirty-seven Thousand Two Hundred and Fifty Dollars (\$37,250);

b. For submission of notice of the contracted vendor, 106 days from April 5th through July 20th, at Twenty-six Thousand Five Hundred Dollars (\$26,500);

c. For submission of CAHPS® 2.0H data, 57 days from May 24th through July 20th, at Fourteen Thousand Two Hundred and Fifty Dollars (\$14,250);

d. For submission of HEDIS® 2002 data, 33 days from June 17th through July 20th, at Eight Thousand Two Hundred and Fifty Dollars (\$8,250);

e. For failure to provide a completed enrollment summary for HEDIS® 2002 and CAHPS® 2.0H, a copy of the signed attestation and a printout of the Data Submission Tools ©,

including the Audit Designation Table, 32 days from June 18th through July 20th, at Eight Thousand Dollars (\$8,000); and

f. For failure to submit the full audit report no later than July 20th, 1 day, at Two Hundred and Fifty Dollars (\$250).

2. OHP shall submit payment of the penalties by check or money order made payable to the State Treasurer of New Jersey in a single sum no later than the date on which this paragraph becomes effective, as specified in Paragraph 6 of this Order. OHP shall submit payment to the Director of the Office of Managed Care, P.O. Box 360, Trenton, NJ 08625-0360.

3. Nothing in this Order shall be construed to preclude the Department from taking enforcement action against OHP for any related matters not set forth herein.

4. Obligations under this Order are imposed pursuant to the police powers of the State of New Jersey for the enforcement of law and the protection of public health, safety, and welfare and are not intended to constitute a debt or debts subject to limitation or discharge in a bankruptcy proceeding.

5. All numbered paragraphs of this Order, other than Paragraphs 1 and 2 shall be effective as of the date of this Order.

6. Paragraphs 1 and 2 shall become effective 30 days following the date of this Order, in accordance with N.J.A.C. 8:38-2.14(c), unless OHP files with the Department, prior to the end of the 30-day period, a written request for a hearing, and a written request to Stay the Order with respect to Paragraphs 1 and 2 until an administrative hearing has been concluded and a final decision is rendered by the Commissioner of the Department. A request for a hearing shall be accompanied by a written response to the violations set forth in this Order.

7. If OHP wishes to request an administrative hearing, OHP shall submit its request in writing no later than 30 days following the date of this Order to Carole Slimm, Office of Legal and Regulatory Affairs, P.O. Box 360, Trenton, NJ 08625-0360, or by fax at (609) 292-5333.

Questions regarding this Order should be submitted to Marilyn Dahl, Senior Assistant Commissioner (609-984-3939), or Sylvia Allen-Ware (609-633-0660), Director of the Office of Managed Care.

FOR:

CLIFTON R. LACY, M.D., COMMISSIONER
NEW JERSEY DEPARTMENT OF HEALTH
AND SENIOR SERVICES

BY:

MARILYN DAHL
Senior Assistant Commissioner