



Allowable and Non-Allowable HCQI Items

2015 Louisiana Healthcare Connections MLR Examination

Allowable Items Noted

- NurseLine Expenses (nurse salary, phone equipment, direct supervisor salary)
- Case Management (case manager salary; direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Disease Management (disease management employee salary, direct employee overhead – office space, computer, networking services utilized by employee, direct supervisor salary)
- Community Outreach (employee salary, event costs, venue costs, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Development of member materials, books, podcasts and giveaways
- Healthcare Effectiveness Data and Information Set (HEDIS) Expenses

Non-Allowable Items Noted

- Profit margin for related party entities
- Overhead (undocumented allocation of shared space costs including electricity, shared office space, shared equipment, shared networking services)
- Non-Direct Supervisor Salary (includes non-direct supervisors and executive compensation)
- Medical Affairs - clinical program development, implementation and outcomes, clinical policy development, oversight of medical directors, setting the strategic clinical direction for the company. (Undocumented allocation between these expense categories which seem to be high level expenses that are not directly associated with specific initiatives and outcomes of a member or a segment of the member population)
- Ensuring membership eligibility
- Ensuring cost effective use of drugs
- Prior authorization and concurrent review of claims
- Clinical Systems Development (for the processing of claims and other services necessary for the MCO to operate)



2015 AmeriHealth Caritas Louisiana MLR Examination

Allowable Items Noted

- Care Coordination (care coordinator salary; direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Care Management (care manager salary; direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Community Care Connections (employee salary, event costs, venue costs, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- HEDIS Analytics Quality Management and Analytics Expense (employee costs, software costs, direct overhead costs, networking costs, direct supervisor costs)
- Management Training and Support (training employees to provide better quality care for members and training to utilize HIT software) – This includes the cost of trainer salary, cost of training programs, and cost of training materials
- Psychologist Reviewer/Supervisor of Behavioral Health Services (salary; direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Allocated Management Costs (costs associated with manager salary, direct employee overhead – office space, computer, networking services utilized by employee) – These expenses have been allocated to the plan and direct supervision of HCQI services
- Consumer/Member incentives – (gift cards and baby showers for meeting certain health activities. Baby Showers included counseling on the benefits of breast feeding.)

Non-Allowable Items

- Utilization Management Expense (employee costs, costs of UM programs and analytics)
- Unallocated Management Costs (salaries and overhead that have not been allocated to the state or to a specific HCQI program)
- Unallocated/Indirect Overhead (overhead associated with shared spaces or shared employee time that has not been allocated to the state or a specific HCQI program)



2015 Aetna Better Health of Louisiana MLR Examination

Allowable Items Noted

- Care Management (care manager salary, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Quality Management (quality reviewer salary, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Medical Management (medical manager salary, direct employee overhead – office Space, computer, networking services utilized by employee; direct supervisor salary)
- Behavioral Health Medical Management (behavioral health medical manager salary, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)

Non-Allowable Items Noted

- Utilization Management Expense (employee costs, costs of UM programs and analytics)
- Unallocated Management Costs (salaries and overhead that have not been allocated to the state or to a specific HCQI program)
- Unallocated/Indirect Overhead (overhead associated with shared spaces or shared employee time that has not been allocated to the state or a specific HCQI program)
- Advertising Expenses and Promotional Items



2015 Amerigroup Louisiana, Inc. MLR Examination

Allowable Items Noted

- Quality Management (quality reviewer salary, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Case Management (case manager salary, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Medical Management (medical manager salary, direct employee overhead – office Space, computer, networking services utilized by employee; direct supervisor salary)

Non-Allowable Items Noted

- Utilization Management Expense (employee costs, costs of UM programs and analytics)
- Unallocated Management Costs (salaries and overhead that have not been allocated to the state or to a specific HCQI program)
- Unallocated/Indirect Overhead (overhead associated with shared spaces or shared employee time that has not been allocated to the state or a specific HCQI program)
- Concurrent Review (costs associated with reviewing claims for member eligibility and allowable services)
- Advertising, Marketing and Mailing Expenses (costs associated with producing advertisements for the program)
- Prior Authorization Expenses (cost of confirming member eligibility and allowable services prior to a service being performed)



2015 UnitedHealthcare of Louisiana MLR Examination

Allowable Items

- Costs that Improve Outcomes (quality management reviewer salaries, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Prevent Hospital Readmission (case management/care management employee salary, direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- Improve Safety & Reduce Medical Errors (quality training costs, quality management review salaries; direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)
- HIT Expense (costs to implement electronic health record systems, promote the use of these systems by providers and the employee and overhead costs associated with these systems)
- Wellness and Health Promotion (care management salary expense, health manager salary expense, program expense targeted towards specific populations; community program expenses, venue expenses, care management employee expenses; direct employee overhead – office space, computer, networking services utilized by employee; direct supervisor salary)

Non-Allowable Items Noted

- Utilization Management Expense (employee costs, costs of UM programs and analytics)
- Unallocated Management Costs (salaries and overhead that have not been allocated to the state or to a specific HCQI program)
- Unallocated/Indirect Overhead (overhead associated with shared spaces or shared employee time that has not been allocated to the state or a specific HCQI program)
- Profit margin for related party entities



Other Notable Examples from Prior Years

Non-Allowable Items Noted

- Severance Pay (even if the position was HCQI related, severance pay does not go towards improving healthcare quality)
- Interviewing Expense (similar to severance pay, even if this is for a position that provides HCQI related services, the interviewing expense does not actually go towards providing that service and is a mandatory function of HR)
- Expenses Software for Claims Processing (ICD-10 system updates, claims processing software does not constitute an HCQI Expense, in addition, software that may include HCQI and Non-HCQI functionality must have expenses allocated between each type of service)
- Provider credentialing and re-credentialing