

## Attachment E: Table of Monetary Penalties

See the *Contract Non-Compliance* section of the Model Contract for additional information regarding monetary penalties. For any violation not explicitly described in the table below, LDH may impose a monetary penalty of up to \$5,000 per occurrence per calendar day.

Failed Deliverable or Deficiency	Penalty
<b>Contract Transition and Readiness</b>	
<b>Operational Start Date</b>	Ten thousand dollars (\$10,000) per calendar day for each day beyond the operational start date that the Contractor is not operational, including, but not limited to, all systems required by this Contract and the MCO Manual.
<b>Readiness Review</b>	One thousand (\$1,000) per calendar day per deliverable that a Readiness Review deliverable is late, inaccurate, or incomplete.
<b>Administration and Contract Management</b>	
<b>Employment of Key Personnel</b>	One thousand dollars (\$1,000) per calendar day for failure to have an individual serving in a full-time acting or permanent capacity in the following key personnel positions for more than two consecutive calendar days, for each day the key personnel has not been appointed: <ul style="list-style-type: none"> <li>• Chief Executive Officer</li> <li>• Medical Director</li> <li>• Behavioral Health Medical Director</li> </ul>
<b>Additional Personnel Requirements</b>	One thousand dollars (\$1,000) per calendar day for any personnel that is not licensed as required by applicable state and federal laws and/or regulations and this Contract.  One thousand dollars (\$1,000) per appropriate staff person per meeting for failure to provide subject appropriate staff member(s) to attend a meeting in person when required.

Failed Deliverable or Deficiency	Penalty
<p align="center"><b>Standing and Ad Hoc Reports</b></p>	<p>Two thousand dollars (\$2,000) per calendar day for each report that is late, incorrect, incomplete, or deficient.</p> <p>Five thousand dollars (\$5,000):</p> <ul style="list-style-type: none"> <li>• Per calendar day for each report that is late for two (2) consecutive reporting periods or more than three (3) times within the calendar year; or</li> <li>• Per report returned to the Contractor for resubmission due to missing information or LDH-identified errors in data reported for two (2) consecutive reporting periods or more than three (3) times within the calendar year.</li> </ul>
<b>Services</b>	
<p align="center"><b>MCO Covered Services</b></p>	<p>The actual cost incurred by an enrollee for obtaining an MCO covered service from another source, as authorized by LDH, due to failure of the Contractor to provide the service.</p> <p>Fifteen thousand dollars (\$15,000) per calendar day for each incident of failure to provide an MCO covered service and LDH, in its sole discretion, determines that such failure results in actual harm to an enrollee or places the enrollee at risk of imminent harm.</p>
<p align="center"><b>Annual Reassessment of Mental Health Rehabilitation Services</b></p>	<p>Ten thousand dollars (\$10,000) per month for failure to reassess at least ninety-five percent (95%) of mental health rehabilitation services within 365 days of the most recent assessment.</p>
<b>Care Management</b>	
<p align="center"><b>PASRR</b></p>	<p>Five thousand dollars (\$5,000) per month that less than ninety-five percent (95%) of Level II evaluations were submitted to LDH within four (4) business days of the receipt of referral.</p>

Failed Deliverable or Deficiency	Penalty
<b>Continuity of Care / Utilization Management</b>	
<b>Appropriate Care Alternatives for Residential Treatment</b>	One thousand dollars (\$1,000) for each denial of continuation of residential treatment, due to failure to meet medical necessity, when the Contractor did not provide the service for a lower level of care.
<b>Appropriate Care Alternatives for Inpatient Hospital Service</b>	One thousand dollars (\$1,000) for each denial of continuation of higher-level services, due to failure to meet medical necessity, when the Contractor did not provide the service for a lower level of care.
<b>Preferred Drug List</b>	Fifty thousand dollars (\$50,000) per month in which the number of preferred prescriptions paid is less than ninety-two percent (92%) of the total prescriptions paid, for drugs in therapeutic classes listed on the PDL.
<b>Provider Network, Support, and Reimbursement</b>	
<b>Provider Network and Reimbursement</b>	<p>Ten thousand dollars (\$10,000) per incident of failure:</p> <ul style="list-style-type: none"> <li>• To comply with provider network standards for ratio, distance, or timeliness of care;</li> <li>• To offer a provider agreement with mandatory contract provider types or to make three documented attempts to contract with the provider; or</li> <li>• To pay for medically necessary services to an out-of-network provider.</li> </ul> <p>One thousand dollars (\$1,000) per calendar day for each rate that is not updated within the three (3) calendar day timeframe for AAC rates.</p>
<b>Provider Directory</b>	<p>Fifty thousand dollars (\$50,000) per audit conducted by LDH wherein the Contractor's provider directory is found to have an accuracy rate of less than ninety percent (90%).</p> <p>One thousand dollars (\$1,000) per calendar day for failure to correct inaccurate provider directory data within 14 days of notification by LDH.</p>

Failed Deliverable or Deficiency	Penalty
<p align="center"><b>Provider Relations</b></p>	<p>Fifteen thousand dollars (\$15,000) per calendar day for failure to provide for arrangements to handle emergent provider issues on a twenty-four (24) hour, seven (7) days-a-week basis.</p> <p>Fifteen thousand dollars (\$15,000) per calendar day for failure to furnish provider services functions from 7 a.m. to 7 p.m. Central Time, Monday through Friday to address non-emergency issues encountered by providers.</p>
<p align="center"><b>Provider Toll-Free Telephone Line</b></p>	<p>Five thousand dollars (\$5,000) per calendar day for failure to operate a toll-free hotline that providers can access 24 hours a day, seven (7) days a week.</p> <p>Five hundred dollars (\$500) per percentage point for each standard that fails to meet the requirements for a monthly reporting period.</p> <p>One hundred dollars (\$100) for each thirty (30) second time increment, or portion thereof, by which the Contractor's daily average hold time exceeds the maximum acceptable hold time.</p>
<p align="center"><b>Enrollee Services, Marketing, Grievances</b></p>	
<p align="center"><b>Enrollee Services Activities</b></p>	<p>Five thousand dollars (\$5,000) per calendar day for failure to provide enrollee services functions from 7 a.m. to 7 p.m. Central Time, Monday through Friday, to address non-emergency issues encountered by members, and 24 hours a day, 7 days a week to address emergency issues encountered by enrollees.</p>

Failed Deliverable or Deficiency	Penalty
<p align="center"><b>Member Call Center</b></p>	<p>Five thousand dollars (\$5,000) per calendar day for failure to operate a toll-free hotline that enrollees can call 24 hours a day, seven (7) days a week.</p> <p>One hundred dollars (\$100) for each thirty (30) second time increment, or portion thereof, by which the daily average hold time exceeds the maximum acceptable hold time.</p> <p>Five hundred dollars (\$500) for each percentage point for each standard that fails to meet the requirements for a monthly reporting period.</p>
<p align="center"><b>Marketing/Steerage</b></p>	<p>Ten thousand dollars (\$10,000) per marketing and education violation/incident outlined in the Contract.</p> <p>Amount of capitation payment attributed to enrollees enrolled as a result of non-compliant marketing practices, to be deducted from the next monthly capitation payment and for each subsequent month the Contractor is non-compliant.</p> <p>Five thousand dollars (\$5,000) per potential enrollee that the Contractor or its subcontractors steered to join the MCO.</p>
<p align="center"><b>Enrollee Grievances, Appeals, and State Fair Hearings</b></p>	<p>Twenty-five thousand dollars (\$25,000):</p> <ul style="list-style-type: none"> <li>• Per occurrence that the Contractor created a barrier to timely due process as determined by LDH;</li> <li>• Per occurrence over ten percent (10%) within a calendar year that enrollee appeals were reversed or otherwise resolved in favor of the enrollee following a state fair hearing; or</li> <li>• Per occurrence that the Contractor failed to provide the medical services or requirements set forth in a final outcome of the administrative decision by LDH or the appeals decision of the state fair hearing.</li> </ul>

Failed Deliverable or Deficiency	Penalty
<b>Quality Management and Quality Improvement</b>	
<b>Quality Assessment and Performance Improvement Plan and Related Reports</b>	Two thousand dollars (\$2,000) per deliverable for each calendar day the QAPI plan, performance measure, and/or performance improvement project reports are late, inaccurate, or incomplete as outlined in this Contract and the <b>MCO Manual</b> .
<b>Claims Management</b>	
<b>Prompt Pay</b>	<p>Five thousand dollars (\$5,000) per month that claims processing percentages by claim type fall below the performance standards in this Contract. For each additional month, the penalty increases to twenty-five thousand dollars per month (\$25,000).</p> <p>One thousand dollars (\$1,000) per claim for which the Contractor fails to timely pay interest owed to the provider.</p>
<b>Encounter Data</b>	<p>Ten thousand dollars (\$10,000) per calendar day that the monthly encounter data has not been received in the format and per the specifications outlined in the Contract and <b>MCO Manual</b>.</p> <p>Twenty-five thousand dollars (\$25,000) per bimonthly reconciliation in which LDH or its designee determines that the Contractor failed to submit complete encounter data, including encounters processed by vendors, within a one percent (1%) error threshold.</p> <p>Ten thousand dollars (\$10,000) per occurrence of medical record review by LDH or its designee where the Contractor or its provider(s) denotes provision of services which were not submitted in the encounter data regardless of whether or not the provider was paid for the service that was documented.</p> <p>Five thousand dollars (\$5,000) per month for failure meet the encounter processing performance standards for reported repairable errors. For each additional month, the penalty</p>

Failed Deliverable or Deficiency	Penalty
	<p>increases to twenty-five thousand dollars (\$25,000) per month.</p> <p><i>Note: At the discretion of LDH, the penalties specified above may not apply for encounter data for the first month after direct services to MCO enrollees have begun, new required services are added, or major system changes are implemented to permit time for development and implementation of a system for exchanging data and training of staff and health care providers.</i></p>
<p><b>Claims Summary Report</b></p>	<p>One thousand dollars (\$1,000) per calendar day that the claims summary report is late, inaccurate, or incomplete.</p>
<p><b>Pharmacy Encounter Data</b></p>	<p>Ten thousand dollars (\$10,000) per calendar day that the pharmacy encounter claims file and/or the disputed encounter response file have not been received in the format and per the specifications outlined in the Contract and MCO Manual.</p> <p>In addition to the above, a quarterly offset to the capitation payment equal to the value of the rebate assessed on the disputed encounters may be deducted from the Contractor's capitation payment.</p>
<p align="center"><b>Systems and Technical Requirements</b></p>	
<p><b>Provider Registry and PCP Linkages</b></p>	<p>Two thousand dollars (\$2,000):</p> <ul style="list-style-type: none"> <li>• Per calendar day that the Contractor fails to submit a complete electronic weekly Provider Registry file in the format described in the <b>MCO Manual</b>;</li> <li>• Per submission of the electronic Provider Registry file in which one or more non-contracted or non-credentialed providers remain listed as contracted; and</li> <li>• Per calendar day that the Contractor fails to submit a complete electronic weekly Primary Care Provider linkage file as described in the <b>MCO Manual</b>.</li> </ul>

Failed Deliverable or Deficiency	Penalty
<p align="center"><b>Information Systems Availability</b></p>	<p>Fifteen thousand dollars (\$15,000) per calendar day per system that is not restored within seventy-two (72) hours of declared major failure or disaster.</p> <p>One thousand dollars (\$1,000) per hour for failure to restore system functions within the Contractor’s span of control beyond the time limits provided in the Contract:</p> <ul style="list-style-type: none"> <li>• Sixty (60) minutes for unscheduled unavailability of critical system functions;</li> <li>• Eight (8) hours for unscheduled unavailability of all other system functions; and</li> <li>• Twelve (12) hours during any continuous twenty (20) business day period for cumulative system unavailability.</li> </ul>
<b>Third Party Liability</b>	
<p align="center"><b>Third Party Liability</b></p>	<p>Penalties equal to the amount that could have been recovered for failure to demonstrate that reasonable effort has been made to seek, collect and/or report TPL and recoveries.</p> <p>Penalties no less than three (3) times the amount that could have been cost avoided for failure to actively engage in cost avoidance activities.</p> <p>Penalties equal to the amount that could have been recovered for failure to actively seek reimbursement in accident/trauma related cases when claims for enrollees in aggregate equal or exceed \$500.</p>
<b>Turnover Requirements</b>	
<p align="center"><b>Turnover Plan</b></p>	<p>Ten thousand dollars (\$10,000) per calendar day the Turnover Plan is late, inaccurate, or incomplete.</p>

Failed Deliverable or Deficiency	Penalty
<b>Other Terms and Conditions</b>	
<b>Emergency Management Plan</b>	<p>Ten thousand dollars (\$10,000) per calendar day the Emergency Management Plan is late, inaccurate, or incomplete, up to one hundred thousand dollars (\$100,000).</p> <p>An additional two hundred thousand dollars (\$200,000) for failure to submit a complete and accurate update of the plan at least 30 days prior to the Atlantic hurricane season, which begins June 1<sup>st</sup>, or a certification that the plan has not changed since the last LDH approval of the plan.</p>