

### C.11. Monitoring and Oversight

- a. Describe the Vendor’s proposed approach to internal monitoring of operations to ensure compliance with this Contract.
- b. Describe the Vendor’s proposed approach to providing oversight of its Subcontractors, including examples of actions the Vendor takes when a Subcontractor is found to be non-compliant or when performance improvement opportunities are identified.

### Passport Highlights: Monitoring and Oversight

How We’re Different	Why it Matters	Proof
Passport has a direct line of accountability from subcontractor oversight committees to our Board of Directors. Staff from key subcontractors also work onsite in our shared Kentucky office space.	<ul style="list-style-type: none"> <li>This allows for more efficient and enhanced oversight, responsiveness, and collaboration regarding operational effectiveness.</li> </ul>	<ul style="list-style-type: none"> <li>Vendor reports and issues flagged in weekly operational meetings are reviewed at monthly Delegation Oversight Committee (DOC) meetings. The DOC reports directly to the Compliance Committee, which makes periodic reports to the Board of Directors.</li> </ul>
Monthly Compliance Collaboration Calls (CCC) with our subcontractors’ compliance teams.	<ul style="list-style-type: none"> <li>Goal is not to talk operational but compliance risks, share best practices and lessons learned.</li> <li>Ensures timely oversight and coordination.</li> </ul>	<ul style="list-style-type: none"> <li>Passport has developed best practices and efficiencies through collaboration</li> </ul>

### Introduction

For over 20 years, Passport Health Plan (“Passport”) has been trusted to serve Kentucky Medicaid recipients. This trust has been earned by Passport’s ongoing adherence with our Contract obligations. To ensure compliance, Passport monitors internal performance, as well as the performance of our subcontractors. Passport’s internal monitoring does not differentiate between internal Passport issues and Passport subcontractor issues; any issues identified are addressed. Passport’s Board, leadership team, committees under Passport’s committee structure, and Passport’s internal departments each perform oversight, whether formal or informal, of Passport’s subcontractors. Our program is focused on ensuring compliance with specific federal, state, contractual, internal rules and policies to ultimately meet the needs of our members.

C.11.a. Describe the Vendor’s proposed approach to internal monitoring of operations to ensure compliance with this Contract.

Passport’s commitment to monitoring and oversight is grounded in all aspects of our operations, directly driven internally and externally by our Chief Compliance Officer. This is accomplished by using a multi-tiered approach that include:

- Internal and external monitoring,
- Issue/problem identification, remediation, or escalation,
- Internal and external committee review, issue remediation, and systematic notification.

Passport’s organizational structure ensures performance of its obligations to DMS, its members and providers under the MCO contract, with internal monitoring procedures and processes throughout the company that ensure compliance. For instance, every operational department and leader is required to monitor their respective operations, through a series of internal controls and reports, to ensure Passport meets contractual and organizational obligations. Significant issues and/or issues that cannot be resolved within the department, or that require extensive interdepartmental coordination are escalated to Passport’s Executive Leadership Team for review, discussion, and remediation. Identified items that impact specific areas are brought forward to their respective focus committee, such as the UM Committee or Behavioral Health Advisory Committee. From these focus committees, issues can be escalated and continued to be reviewed, as needed, through the Quality Committee Structure, as shown in **Exhibit C.11-3** below.

## Passport’s Organizational Structure Ensures Full Accountability

### Board of Directors

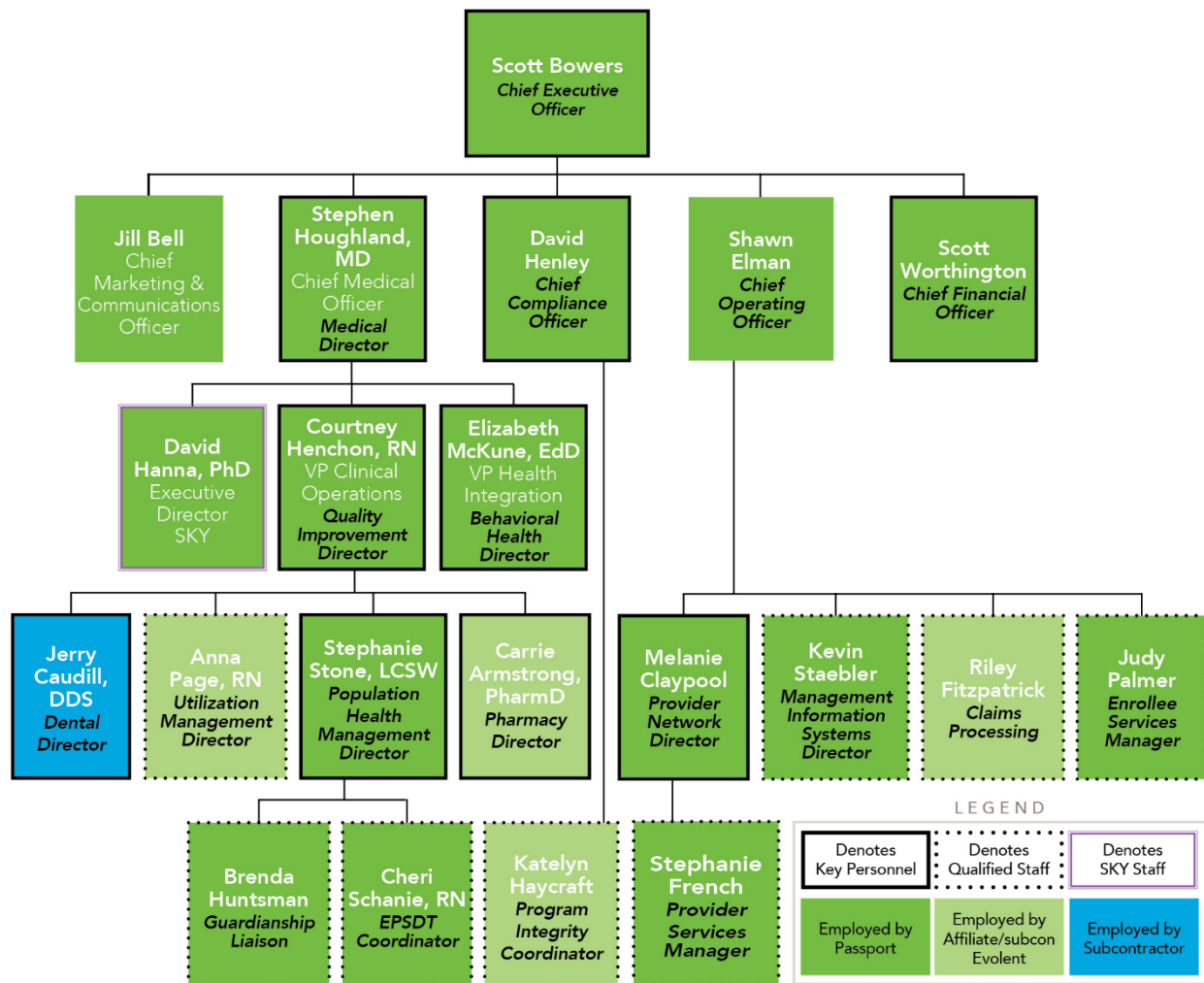
Passport’s organizational structure is designed to ensure full accountability at all levels and ensure compliance with the Contract. At the highest level, the Passport Board provides close oversight of the operations of the health plan. The Board of Directors is comprised of 7 members. Passport’s provider owners have three “seats” on the board. The remaining members of the Board are appointed by Evolent, as the 70% owner of Passport. The Board meets regularly and has an open line of communication with the CEO. This close communication ensures that the Board’s expectations are understood and met and that the health plan benefits from the health care industry experience of the board members.

### Executive Leadership Team

The CEO works closely with the Executive Leadership Team (ELT), consisting of the Chief Operating Officer (COO), Chief Medical Officer (CMO), VP of Health Integration, VP of Clinical Operations, Chief Financial Officer (CFO), Chief Compliance Officer (CCO), and Chief Marketing and Communications Officer (CMCO) and other Key Personnel under the Contract to ensure appropriate, compliant performance of Passport’s responsibilities to members, providers, and DMS. The CEO chairs weekly team meetings to review health plan performance, compliance with contractual requirements, and operational performance and metrics, subcontractor performance as well as staffing issues, organizational and cultural topics. These team meeting agendas routinely include various functional subject matter experts to address current business

issues. The practice of conducting a weekly forum to review and discuss operational issues with members of ELT and Key Personnel who represent all of the functional disciplines in the health plan facilitates a clear holistic understanding of current relevant business issues and promotes broad communication across the disciplines that supports internal monitoring of operations to ensure compliance with the Contract. An organizational chart listing the members of the ELT, Contract Key Personnel and Qualified Staff pursuant to Section 9.2 of the Draft Contract is below in **Exhibit C.11-1**.

**Exhibit C.11-1: Passport Health Plan Organizational Chart**



Members of the ELT have oversight and accountability for the performance of 10 highly-coordinated teams across fifteen operational areas who work collaboratively to ensure that all functions and services are integrated seamlessly to better support internal monitoring of operations, including timely resolution of any issues, to ensure compliance with the Contract. These business owners, shown in **Exhibit C.11-2**, work closely with the Chief Compliance Officer on all compliance related issues that may arise.

**Exhibit C.11-2: Passport Executive Oversight**

Operational Area	Business Owner
<b>Overall Compliance/Monitoring &amp; Oversight</b>	David Henley, Chief Compliance Officer
<b>Claims</b>	Riley Fitzpatrick, Manager, Claims
<b>Pharmacy</b>	Carrie Armstrong, Pharmacy Director
<b>Call Center</b>	Judy Palmer, Enrollee Services Manager
<b>Eligibility</b>	Judy Palmer, Enrollee Services Manager
<b>Population Health</b>	Courtney Henchon, Quality Improvement Director
<b>Quality</b>	Courtney Henchon, Quality Improvement Director
<b>Utilization Management</b>	Dr. Houghland, CMO
<b>Program Integrity</b>	Tracy Bertram, Compliance Director
<b>Provider Enrollment/Credentialing</b>	Melanie Claypool, Provider Network Director
<b>Analytics/Insights</b>	Meredith Norris, Operations Manager
<b>Data and Systems</b>	Kevin Staebler, Management Information Systems Director Dr. Houghland, CMO
<b>Member/Provider Portals</b>	Melanie Claypool, Provider Network Director
<b>Finance</b>	Scott Worthington, CFO

**Key Personnel and Other Staff**

Passport maintains the staff and staff functions in sufficient number and skill level to adequately provide for its enrollment or projected enrollment. Our ELT along with our Pharmacy Director, Quality Improvement Director, and Dental Director serve as the Executive Management. In addition to the Executive Management, Passport’s team supporting the Contract includes qualified staff in the positions of Enrollee

Services Manager, Provider Services Manager, Claims Processing team, Utilization Management Director, Early and Periodic Screening, Diagnostic and Treatment (EPSDT) Coordinator, Guardianship Liaison, and a Program Integrity Coordinator. Passport is already fully staffed with all the necessary Executive Management, Key Personnel, and other qualified staff to meet the Contract obligations on Day One.

Passport's organizational structure ensures that Passport retains full control over all aspects of performance under this contract and ensures that Passport employees are performing the oversight of subcontractors. This staffing model ensures that Passport's regular internal monitoring of operations identifies and addresses issues before they escalate to be out of compliance with the Contract. The staffing model further provides clear accountability over each operational area by Passport's leadership team, and beyond to our Board of Directors.

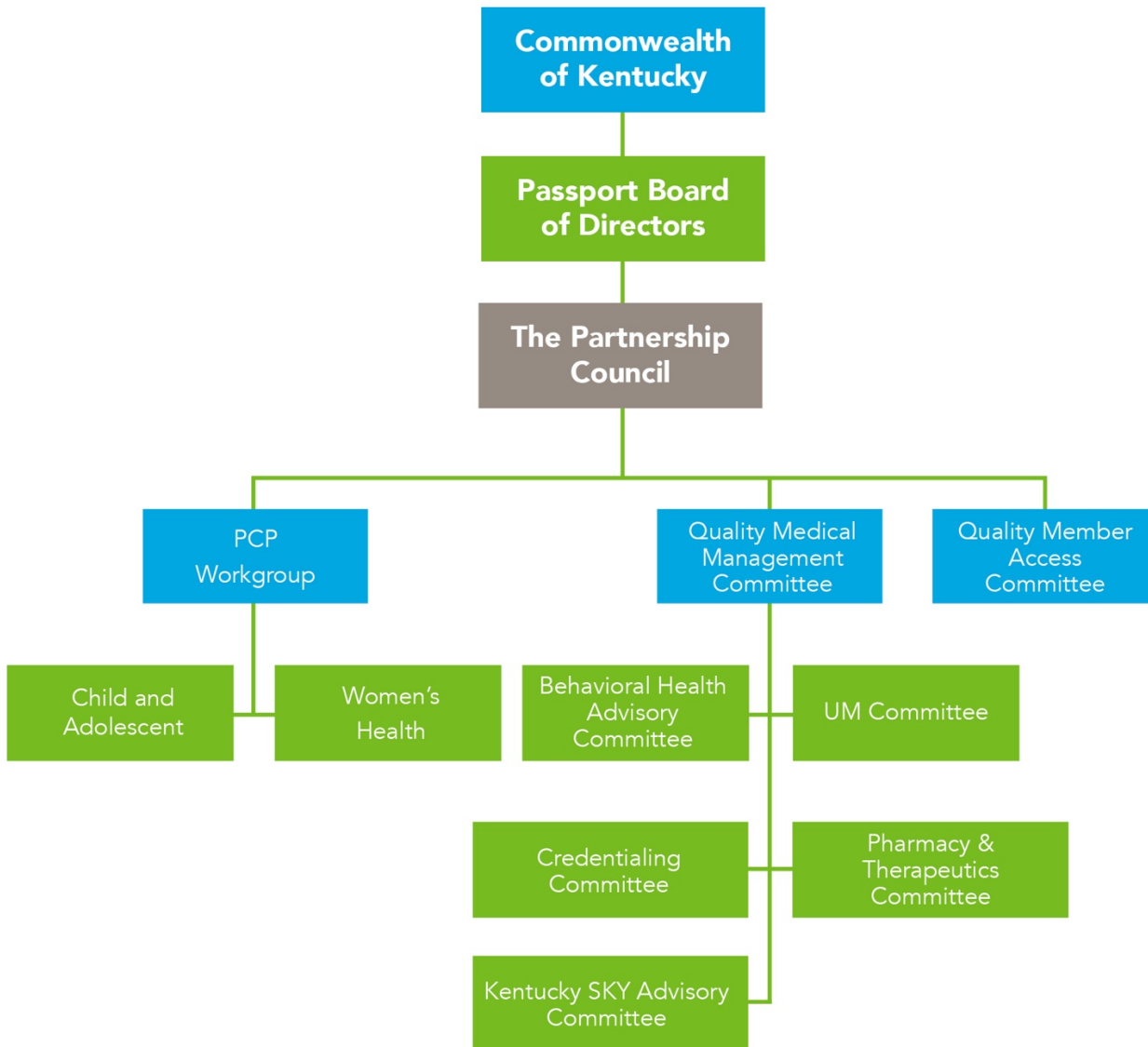
## **Passport's Committee Structure Provides Additional Oversight and Monitoring**

At Passport, monitoring our own performance to ensure compliance with our contractual obligations is fundamental. Such internal monitoring and oversight confirm both that Passport's own operations are compliant, as well as ensuring that Passport's subcontractors are compliant. Passport's oversight and monitoring of its subcontractors enables Passport to guarantee that subcontractors are also meeting all contractual obligations. Passport requires its subcontractors to have equivalent reporting and monitoring activities to reconcile with Passport on a regular basis to ensure their compliance with requirements, as well as our own compliance.

However, Passport goes further, and uses the information we gather to transform our clinical and non-clinical operations to benefit our membership. Passport's quality organizational structure was intentionally designed to magnify our provider-driven voice and provider accountability, as well as to facilitate Passport's whole-person, integrated care approach. The organizational structure supporting Passport's quality programs has the additional benefit of creating another method of internal monitoring, ensuring that any issues that arise are quickly identified and remedied.

Passport's QAPI governing body includes the Board of Directors, the Partnership Council and the Quality Medical Management Committee (QMMC). The QMMC serves as the Quality Improvement Committee (QIC) for Passport. The Partnership Council is an approving body for the QMMC.

**Exhibit C.11-3: Passport Health Plan Quality Committee Structure**



As a provider-driven organization, our providers are not just advisors; they have true governance responsibility through participation in the Board of Directors, the Partnership Council, and the QMMC. This committee structure takes full accountability for quality and outcomes across the full spectrum whether services are provided by the provider network, Passport or any of its sub-contractors. This focus on provider-driven quality helps lead Passport’s compliance with our Contractual obligations.

These committees and sub-committees receive reports on pertinent subject matter, provide feedback, and approve or decline recommendations. Committee scope may vary with some being more advisory in nature and others allowing participants to shape policy subject to Partnership Council approval. Specific items that matriculate through this process include all annual program descriptions and evaluations, clinical practice

guidelines, UM policies changes, sentinel event report, quality of care concerns, network adequacy, significant contract SLA performance, etc. Actions that can be recommended include Corrective Action Plans (CAPs) for providers due to quality of care concerns, failure of chart reviews, and similar issues. The committees and sub-committees further serve a critical role in early identification of issues impacting providers that could lead to non-compliance by Passport with the Contract.

## The Partnership Council

The Partnership Council receives and reviews quality management and improvement activities from Passport's quality committees. Our committee structure enables us to address quality throughout our organization, through the board of directors and down to our QMMC, and through each and every department in our organization. The Partnership Council is an approving body for the QMMC.

The Partnership Council has oversight authority for Passport programs, including Quality, Utilization Management, Care Management, Pharmacy, etc.

The Partnership Council is a separate 501(c)(3) non-profit organization originally formed in response to the 1115 waiver establishing the authority to implement managed care in the region in 1997. Given the importance of the Partnership Council to our organization, it will continue to operate and support Passport.

## Quality Medical Management Committee (QMMC)

The QMMC provides oversight and input for quality improvement and accreditation activities throughout the health plan and the provider network. The committee is chaired by Dr. Stephen Houghland, our Medical Director, and includes representatives from Norton Healthcare, the University of Louisville, a rural CMHC, a clinical pharmacist, and private practice OB/GYN, among others. As with our QIC, the QMMC serves as the primary conduit for achieving our holistic organizational goals for quality which flow from DMS's stated priorities of transforming the Medicaid program; engaging individuals to improve their health and engage in their healthcare; significantly improving quality of care and healthcare outcomes; and reducing or eliminating health disparities. Through its oversight of quality for the entire Passport organization, the QMMC facilitates our organization's focus on whole-person care across the full spectrum of needs and services, regardless of whether these services are delivered directly by Passport, or via a subcontracted arrangement.

Voting members consist of 5-10 participating providers (medical and behavioral) including specialists appointed or elected on an annual basis. As required by the contract, the QMMC maintains records that document its activities, meeting minutes, findings, recommendations, actions, and results. Records are available for review upon Department request, during the annual on-site External Quality Review Organization (EQRO) review, and/or for NCQA accreditation review. Passport provides DMS's Chief Medical Officer with ten days advance notice of all regularly scheduled QMMC meetings with an agenda and related meeting materials, as available, to support determination of attendance.

**Sub-Committees of QMMC:** Passport integrates other management activities into the decision-making process for our QMMC. Therefore, the QMMC has several subcommittees which advise QMMC and Passport on various issues specific to populations and/or therapeutic areas. These committees report up to the QMMC, providing minutes and reports of activities. The QMMC can accept, reject, or request more information on sub-committee recommendations. Additionally, if a matter needs immediate attention, the QMMC may act on its own authority without subcommittee input. These committees include:

- Behavioral Health Advisory Committee
- Credentialing Committee
- Utilization Management (UM) Committee
- Pharmacy and Therapeutics (P&T) Advisory Committee

### Primary Care Provider (PCP) Workgroup

The Primary Care Provider (PCP) Workgroup provides direction to Passport on issues concerning PCPs and their panels of members. This advisory workgroup identifies and addresses the needs and concerns of PCPs and their roles with Passport and raises these up through the Partnership Council. It is chaired by the Chief Medical Officer or his designee. Other participating organizations include the Kentucky Primary Care Association (KPCA), University of Louisville, OnePediatrics, Family Health Centers and private practice physicians. Having this broad provider perspective to review and approve recommendations regarding Passport policies, procedures, and programs helps to enhance the quality of care and improve access to primary health care services. The PCP Workgroup also serves as a clear communication path for PCPs to communicate feedback, negative or positive, on our efforts to deliver quality services to our membership and comply with the Contract.

**Subcommittees of PCP Workgroup:** The following subcommittees exist to focus on issues that directly affect these large populations within Passport’s membership.

- Child and Adolescent Health Committee
- Women’s Health Committee

### Quality Member Access Committee (QMAC)

The QMAC is a means for Passport Health Plan members, consumers, and advocates to provide input regarding access to care and quality of care for the membership, in addition to identifying opportunities for improvement. The QMAC allows Passport to hear the Voice of the Customer to better understand and accommodate member wants and needs in our efforts to deliver quality services to our membership with the goal of achieving DMS’s stated priorities of transforming the Medicaid program; engaging individuals to improve their health and engage in their healthcare; significantly improving quality of care and healthcare outcomes; and reducing or eliminating health disparities.

Similar to the voice providers receive under the QMMC and PCP Workgroups, the QMAC provides members, consumers, and advocates a say in Passport’s policies that affect members. The QMAC provides a direct line of communication to Passport for our members to quickly escalate issues that arise. Passport is fully



accountable for the member experience and reducing friction across medical, behavioral, pharmacy, vision and dental and ensuring that all subcontractors are pulled into that holistic approach.

## Comprehensive and Holistic Support for Monitoring and Compliance throughout Passport

In addition to the roles played by Passport's Board, leadership team, and committees under Passport's committee structure described above, Passport depends on all of its other departments, as varied as Member Services to Data and Analytics to Quality to Compliance, to perform internal monitoring and escalate any issues or concerns that arise. Examples of the monitoring performed by these departments are described below.

### Enrollee Services

The Enrollee Services department (Member Services department) supports Passport's internal monitoring and compliance through interactions with the member population regardless of the services they access, whether medical, behavioral, pharmacy, vision or dental. They are the first line in our relationship with our members and focus on making every interaction count. Some of the responsibilities of the Member Services team are:

- Member inquiries and grievances
- Monitor member services call center metrics
- Member satisfaction analysis and interventions
- Member outreach calls to include EPSDT, gaps in care and new member onboarding
- Inform members of rights and health plan benefits and services

### Data and Analytics Department

Under the leadership of our Chief Information Officer, Passport utilizes the vast and measurements available to monitor compliance with internal and expert expectations. Passport currently utilizes a number of report templates that stem from multiple sources:

- Identifi<sup>SM</sup> software reporting utilizing the Identifi<sup>SM</sup> Platform, a proprietary Management Information System (MIS), including its correlate analytics package that allows for customizable routine and ad hoc reports that can be exported into more distributable file formats, for example, Microsoft Excel. These reports are often more operational in nature, and focused upon daily routine monitoring such as census, numbers of newly identified members and more.
- Batch file requests incorporating Microsoft SQL (or similar) based reporting (e.g. Claims file data) that can also be exported into more distributable file formats such as Excel. These report types often are used to fulfill routine and regular requests that involve large data sets and claims-based activity summaries.
- Unique reports that result from database queries in an executable program language, typically SAS and/or SQL, and would involve 'building' unique queries with results designed to fit each unique

request. The resultant report product typically is presented in widely accepted office software platforms, such as MS PowerPoint, Excel, Word and/or PDF.

In addition to the above types of reporting platforms, Passport delineates its reports as either ‘Qualitative’, ‘Quantitative’ or a combination of both. Qualitative reporting is more descriptive in nature, focused on processes and not just the outputs of the subject at hand. Qualitative reporting is used to uncover trends in thought and opinions, and dive deeper into the problem. Quantitative reporting focuses upon the ability to collect and report on measurable data to formulate facts and uncover patterns. Some more robust reports such as annual program evaluations will employ both of these approaches in order to develop comprehensive understanding about program outcomes, trends/patterns, gaps and barriers in order to arrive at opportunities for improvement that are actionable and impactable for the coming review period.

Currently, Passport has numerous dashboards and pre-existing data elements used for internal measurement purposes, operations and quality.

## Passport Monitors, Tracks and Utilizes Data Analysis Results

Passport has extensive experience and expertise within the areas of regulatory, financial and operational reporting. Identifi’s centralized EDW provides an integrated, cross functional view of data allowing for the effective use of data for targeted analytics and reporting. The EDW supports Passport’s ability to predict, report and interpret trends and summarize findings into an easily interpreted format.

On a regular cadence, the Compliance team and business areas of the health plan each conduct reviews of current and historical data reported relevant to their functions. This data is reviewed through internal reporting shared cross-functionally. The data is assessed for noted trends, new findings, outliers or anomalies.

The Passport Compliance team and the various business areas then meet quarterly (at a minimum) to discuss the outcome of the review, identify any areas of concern or opportunities and recommended next steps to address each. Delving deeper into the areas of concern like significant changes in the data values, comprises of a root cause analysis by an assembled team of subject matter experts in order to more completely understand the reasons for the shift. This may mean isolating the cause of the variance, determining its validity and deciding what changes are needed (if any) to either assimilate or accommodate the new data. A similar team-based approach is used when ascertaining opportunities for enhancement/improvement.

The data and analytics department provides analysis of health and financial impact data to support clinical and financial decision-making regarding health care improvements and outcomes, utilizing both internal data, including data provided by Passport’s subcontractors, and outcome, utilization, and financial data provided by DMS through numerous sources which address strategic planning and program design.

## Findings From Reports are Used to Identify Improvement Opportunities

Passport conducts ongoing reporting oversight that includes a review of metrics for each report submitted to DMS. The reviews seek to identify trends, findings, outliers, or anomalies. Metrics identified as out of

expected range are escalated to the leadership of the operational area impacted for further investigation, a determination of root cause and to ensure corrective measures are proactively undertaken. An example of this is a Corrective Action Plan (CAP) that occurred in August 2018 specific to call center SLAs. Passport's Call Centers experienced a 60% increase in call volume over a seven-month time period that impacted our service level agreements (SLAs) for metrics such as speed to answer and abandonment rate. The reason for the impact to the metrics was driven by a variety of external factors related to KY HEALTH as well as a variety of internal operational items:

- The onboarding of a significant group of Passport Member and Provider Services Representatives, in conjunction with the implementation to a new system increased call handle time.
- Passport experienced slow system performance that negatively impacted call handle time in the first quarter of 2018.
- Providers' acclimation to Passport's new provider portal generated inquiries that led to a 42% increase in calls to our Provider Services Call Center.
- A decrease in Passport's auto adjudication rates as a result of a new vendor implementation and systems migration caused an increase in provider calls to the Provider Services Call Center.
- Passport experienced eligibility load issues due to system issues that resulted in a higher-than-anticipated number of calls to our Member and Provider Services Call Centers.

Passport took a series of short and long-term actions to remediate the issues and regain compliance with the reporting SLA requirements that included:

- Available overtime for Passport Member and Provider Services Representatives
- Staffing model refinements
- More aggressive recruiting and hiring efforts
- Provider outreach by Passport's Provider Relations team
- Adjustments to workflow queue policies and procedures to better address inbound provider requests and minimize the necessity for follow up phone calls to providers
- Initiatives to increase auto adjudication rate
- Improvements for system architecture and capacity to improve processing speed and overall system performance

Through the actions taken, the identified issues were resolved, and Passport regained compliance with DMS SLA requirements.

## Quality

Passport's Quality Program is built on a continuous readiness cycle as the basis for quality improvement (QI) activities. Utilizing this methodology, Passport ensures that appropriateness of care and services are constantly monitored for best practice and opportunities for improvement. The continuous readiness cycle builds and strengthens processes and interventions while maintaining compliance. Annual review of the

program is completed by staff for revisions. All revisions are submitted to the appropriate committee for input and approval.

## Annual Evaluation of the Overall Effectiveness of the QAPI Program and Using Our Findings for Continuous Quality Improvement Efforts

On an annual basis, Passport conducts a QI Program evaluation to gauge the effectiveness of the QI Program which allows Passport to determine how well it has utilized its resources to improve the quality of care, service, and cultural and linguistic appropriate services provided to Passport's membership. Passport's QI Program has been established to provide the infrastructure for the continuous monitoring, evaluation and improvement in care, safety, and service. Annually, this goal is measured by objectives included in the QI Program:

- To continuously monitor and analyze key clinical and service indicators
- To manage disease and health management programs
- To conduct outreach and health education activities
- To develop programs for populations with special needs
- To conduct intervention studies in clinical and service areas which were selected based on review of data
- To perform appropriate oversight of delegated activities. Only high-risk quality of care issues by a subcontractor are reported to the QMMC from DOC.
- To conduct satisfaction surveys for members and providers/practitioners
- To coordinate activities across functional areas to improve care and service
- To foster an environment that assists practitioners and providers with improving the safety of their practice
- To conduct oversight of risk management
- To evaluate the effectiveness of the QI Program

As part of this evaluation, Passport assesses various program aspects and makes go-forward recommendations. If the program has not met its goals, root cause analysis is completed to identify barriers. The barriers are addressed by identification of improvement opportunities through interventions. The appropriate changes are integrated into the subsequent annual QI Work Plan. Feedback and recommendations from various committees are also integrated into the evaluation as well as the annual external review results conducted by the EQRO on behalf of the Department, accreditation status, and annual reevaluation results. The final document is presented to the Quality Medical Management Committee, the Partnership Council, and the Board for review and approval.

## The Passport Compliance Structure

Internal monitoring and oversight is fundamental to ensuring compliance throughout the company, from the Board of Directors level to staff levels. Such internal monitoring and oversight ensures both that Passport's

own operations are compliant, as well as ensuring that subcontractors are required to meet all contractual obligations.

## The Passport Compliance Committee

The Compliance Committee is a cross functional team that consists of associates from various business units including but not limited to Internal Audit, Finance, IT Security, Compliance and Operations.

The Compliance Committee's primary duties and responsibilities are to:

- Be generally knowledgeable about compliance issues facing the managed care industry.
- With the Chief Compliance Officer, review Passport's Compliance program and Code of Conduct and Ethics and related Board policies at least annually and make recommendations to the Board with respect to changes.
- Receive periodic reports from compliance staff as to Passport's efforts to educate its employees concerning adherence to state and federal laws and regulations.
- Ensure proper communication of significant compliance issues to the full Board.
- Review significant compliance risk areas and the steps management has taken to monitor, control and report such compliance risk exposures.
- Oversee the information, procedures and reporting systems Passport has in place to provide reasonable assurance that (i) the operations of Passport comply with applicable laws and regulations, particularly those related to managed care companies, and (ii) Passport acts in accordance with appropriate ethical standards.
- Review and recommend to the Board for approval Passport's Code of Conduct and Ethics and related Board policies.
- Receive periodic reports from appropriate Passport management concerning training and education programs and requirements for employees relating to the Code of Conduct and Ethics and related Board policies.
- Assess, at least annually, the performance of the Compliance Committee with respect to the responsibilities and duties specified in its Charter.
- Report on a regular basis, but no less frequently than annually, to the Board concerning compliance, ethics and quality matters. Urgent and time sensitive matters shall be reported at the next regular or special Board meeting.
- Review and reassess the adequacy of its Charter at least annually. Submit the Charter to the Board for approval.
- Perform any other duties and responsibilities as the Board may deem necessary, advisable or appropriate for the Compliance Committee to perform.

The Compliance Committee also prepares and reviews with the Board an annual performance evaluation of the Compliance Committee, which evaluation shall compare the performance of the Compliance Committee

with the requirements of its Charter. The performance evaluation shall be conducted in such manner as the Compliance Committee deems appropriate.

The Compliance Committee meet at least quarterly, or more frequently as circumstances may dictate. Attendance by a majority of members of the Compliance Committee constitute a quorum for any meeting. Meetings may be called by the Chairman of the Board or the Chair of the Compliance Committee. The Compliance Committee Chair prepares or approves an agenda in advance of each meeting. Minutes are prepared and maintained for each Compliance Committee meeting.

## Passport's Steering Committee

Passport's Medicaid Compliance Steering Committee (Steering Committee) has general responsibility to review the Passport compliance and ethics programs, policies and procedures. The purpose of the Steering Committee is to: review Passport's policies and procedures which are designed to respond to the various compliance and regulatory risks facing Passport; assist the Compliance Committee in fulfilling its oversight responsibility for Passport's compliance and ethics programs; and perform any other duties as directed by the Compliance Committee.

The responsibilities of the Steering Committee include:

- **General Compliance Matters:** The Steering Committee has responsibility for matters of non-financial compliance, including Passport's compliance programs, policies and procedures; significant legal or regulatory compliance exposure; and material reports or inquiries from government or regulatory agencies.
- **Compliance Programs, Policies and Procedures:** The Steering Committee reviews Passport's compliance efforts with respect to relevant company policies, and relevant laws and regulations. The Steering Committee reviews Passport's efforts to implement compliance programs, policies and procedures that respond to the various compliance and regulatory risks facing Passport and support lawful and ethical business conduct by Passport's employees.
- **Review of Complaints:** The Steering Committee reviews complaints received from internal and external sources, including the Compliance Hotline.
- **Steering Committee Evaluation:** The Steering Committee performs an annual review of its own performance. The Steering Committee conducts that evaluation and reviews in a manner that it deems appropriate and reports the results of the evaluation to the Passport Compliance Committee.
- **Other Duties:** The Steering Committee also carries out such other duties as may be delegated to it by the Passport Compliance Committee from time to time.

The membership of the Steering Committee is determined by the Passport Chief Compliance Officer (CCO) in consultation with the Passport Compliance Committee and consists of three (3) cross-functional staff members who are not members of management. The Steering Committee shall meet as frequently as it determines to be appropriate, but not less than one a month.

The Chairperson of the Steering Committee is responsible for setting the agendas for meetings. The agenda and information concerning the business conducted at each Steering Committee meeting is communicated to members sufficiently in advance of each meeting to permit meaningful review. The Chairperson of the

Steering Committee reports regularly to the Passport Compliance Committee on the Steering Committee’s activities, findings and recommendations, including the results of the annual Steering Committee evaluation.

## Passport’s Compliance Department

Beyond the Compliance and Steering Committees, the Passport Compliance Department team works hand in hand with the operations team to perform internal monitoring, and to provide oversight of all submissions to DMS, ensuring the Passport’s submissions are complete, timely and accurate.

Passport has submitted reports to DMS in compliance with reporting requirements for more than 20 years. Our process for ensuring that the submitted reports are accurate, complete and submitted in the prescribed reporting formats and frequencies follows a repeatable process to receive and assess reporting requirements, develop the report design that captures all necessary data in the appropriate format, test and review the data output, and securely deliver the report in compliance with requirements.

General oversight of DMS reporting requirements is the responsibility of Passport’s Compliance Department. Report requirements are identified through several channels, but the primary channel is from our Medicaid Managed Care Contract with the Commonwealth of Kentucky. Other channels include contract amendments or other formal communications with DMS as well as reporting requests that funnel to the Compliance team from Passport’s functional areas, as required via our internal processes.

Every report that is submitted to DMS is logged into a database and tracked by Passport’s Compliance team. The Compliance team captures the following information in the database for each report and monitors progress daily from the point of DMS request through submission.

- Report Name
- Report Frequency
- Report Purpose
- Report Requirements
- Accountable Passport business area
- Accountable Passport Business Owner
- Report Deadline to Compliance
- Report Received Date in Compliance
- Report Certification Received Date in Compliance
- Responsible for Approval (Vice President or delegate)
- Date Sent for Approval
- Approved Received Date
- DMS Deadline
- Submission Method
- Date and Time of Report Submission to DMS
- E-Mailed To (if submitted via e-mail)
- Date Compliance Returned to Business Owner
- Extended Compliance Deadline
- Reason for Return
- Final Report Received Date
- Resolution of Returned Report
- DMS Extension Requested Date
- DMS Extension Due Date
- Extension Submitted to DMS Date
- Reason for Extension
- Extension Submission Date to DMS
- Date Revised Report is Requested by DMS or Received by Business Owner

- Source of the Request for Revised Report
- Reason for Revision
- Revision Submitted to DMS
- Extended Compliance Deadline
- Received Date in Compliance of DMS Responses to Report 200 and Report 220
- Date Compliance Returned to Business Owner
- Reason for Return

Passport’s compliance team continues to monitor and track the development and progress of the report to ensure it is submitted to DMS in the required timeframe.

### **Passport Uses Internal and External Monitoring to Ensure the Effectiveness of Our Internal Monitoring**

Passport’s formal internal monitoring and oversight is primarily performed by its compliance department, which includes the internal audit business unit. The internal audit business unit reviews Passport processes through its Model Audit Rule review, which focuses on ensuring internal controls and governance processes are in place and being followed. In addition, the internal audit business unit performs an enterprise risk assessment of Passport’s departments and business units. The audits and assessments team of the compliance department performs audits and surveys of Passport departments and business units not within the scope of internal audit’s activities, such as ensuring that Passport is complying with relevant laws, contractual obligations and policies related to HIPAA, marketing activities, documents and information on the Passport website, grievance and appeal procedures, and various operational activities.

In addition to the various formal and internal monitoring performed by Passport, Passport utilizes external monitoring methods to ensure that our internal monitoring is effective in maintaining our compliance with our obligations under the Contract. For instance, Passport is implementing a process to measure provider performance against Clinical Practice Guidelines (CPG). On an annual basis, Passport selects certain CPGs for annual review and examines related HEDIS® performance rates by provider. When a provider does not meet the target rate, Passport performs medical record audits of the provider files for compliance with the requirements of the CPG. Should the provider’s file review not meet the minimum standard, Passport offers education and training to improve performance. The provider is remeasured at six and twelve months to ensure improvement is achieved and maintained, and ongoing education is provided if needed or upon request. In addition to ensuring compliance with CPG, this provider performance monitoring serves to ensure that our internal processes are effective, for items as varied as the success of our provider communications to the effectiveness of our claims auditing tools.

C.11.b. Describe the Vendor’s proposed approach to providing oversight of its Subcontractors, including examples of actions the Vendor takes when a Subcontractor is found to be non-compliant or when performance improvement opportunities are identified.

Passport’s internal monitoring described above in section (a) does not differentiate between internal Passport issues and Passport subcontractor issues; any issues identified are addressed. Passport’s Board,



leadership team, committees under Passport’s committee structure, and Passport’s internal departments each perform oversight, whether formal or informal, of Passport’s subcontractors. Our program is focused on ensuring compliance with specific federal, state, contractual, internal rules and policies to ultimately meet the needs of our members. Passport’s subcontractors are required to meet all contractual requirements and required to have equivalent reporting and monitoring to reconcile with Passport regularly to ensure their, and our, compliance with requirements.

## Passport’s Subcontractor Oversight Process

Passport’s monitoring of subcontractors begins before the subcontractor agreement is signed. Passport’s relationship with a subcontractor begins with a rigorous process to identify and select the best subcontractors. An entity under consideration for delegation from Passport must be audited by our representatives to validate their capabilities and financial stability in accordance with 42 CFR 438.230 and 42 CFR 434.6. The entity must be judged to be compliant with our standards and with standards established by the NCQA to be eligible to be a subcontractor. Our staff presents pre-delegation audit results for potential subcontractors, indicating compliance, to the Delegation Oversight Committee (DOC).

Delegation oversight audits are performed pre-delegation and annually thereafter. The surveys include audits of subcontractors’ policies and procedures for validating active and unsanctioned status with the following:

- OIG List of Excluded Individuals and Entities (LEIE)
- Excluded Parties List (EPLS)
- Kentucky Medicaid Excluded/Termed Provider List.

## Passport’s Delegation Oversight Committee

Passport is committed to ensuring that all delegated entities with whom it works can perform the delegated functions that they are contracted to perform and that they can meet the requirements of all applicable laws and regulations. The establishment of the Passport Health Plan Delegation Oversight Committee (DOC) evidences Passport's commitment to ensuring its compliance and the compliance of its delegated entities with all applicable laws and regulations.

The DOC is composed of associates and management from relevant business units including but not limited to Internal Audit, Finance, IT Security, Compliance and Operations. The Committee also invites operational support staff with day-to-day insight of delegated functions to provide additional oversight of monitoring activities.

The DOC meets monthly to review the service level metric reports of our delegated entities. The DOC also meets at least three times during the year to review delegate annual audit performance, policies, Corrective Action Plans and QI Program objectives.

The DOC reviews all delegated entities Quality Improvement and Utilization Management program descriptions, annual work plans, evaluations and related administrative policies for compliance with applicable QI/UM protocols, Passport and DMS contract requirements, accrediting body compliance, and compliance to Federal and State regulations. The DOC also reviews policies and performance reports to provide recommendations for focused metric audits, Corrective Action Plans (CAPs), Letters of Concern (LOCs) or other actions to reduce compliance risks.

The DOC is responsible for oversight of the following:

- Quality Improvement Activities
- Call Center Statistics
- Credentialing Activities
- Utilization Management Activities
- Claims Processing Activities
- Encounter Rates
- Corrective Action Plans (if applicable)
- Fraud, Waste & Abuse
- SWOT Analysis & Forward Thinking
- Delegated Service Level Agreement Metrics
- Evolent Policies & Procedures

The DOC maintains written minutes of its meetings and activities and distributes meeting minutes to all Committee members for approval. The Committee Chair provides regular reports on the Committee's activities to Compliance Steering Committee. Passports Chief Compliance Officer reports the Committee's significant activities including Corrective Action Plans to Board Compliance Committee.

All delegated entities that are contracted to deliver services to Passport members are subject to our formal subcontractor oversight process that ensures subcontractors comply with all federal and state credentialing and recredentialing requirements. Passport formally reviews each subcontractor at least once a year, consistent with NCQA standards. Passport utilizes standardized audit tools to conduct annual delegation audits. During this evaluation, a subcontractor must make its premises, physical facilities, equipment, books, records, contracts, and computer or other electronic systems relating to our Medicaid Members available for our audit. We verify that the subcontractor follows all applicable Medicaid laws and regulations, including applicable sub-regulatory guidance and contract provisions. Our auditors prepare an audit report that details the findings and any deficiencies or opportunities for improvement. These findings are reported to the Quality Improvement Committee (QIC).

Items reviewed during DOC audits include:

- Delegated NCQA elements- policy review
- Office Site Security (Front desk, door access)
- Leadership Interviews (process review of delegated functions)
- Disaster Recovery Plan

- IT site security (Server access)
- Sub-delegate BAA's
- Annual Disclosure (Submitted to DMS)
- Certificate of Authority, KY SOS registration, EEOC report
- Associate Training
- Mail room access
- Quality Improvement Plan
- ERM Process (review report if provided)

All reports are reviewed at monthly DOC meetings. The DOC advises if any items are out of compliance and the action plan to mitigate. Passport may then: continue to contract with the delegate; continue to contract with the delegate so long as it agrees to a corrective action plan (CAP) to resolve any deficiencies identified during the annual audit; or terminate the contract. Any decision to terminate a subcontractor will be submitted to DMS for review no less than 30 calendar days of Passport's desire to terminate a subcontract.

Passport retains accountability for any delegated functions and services and monitor the performance of subcontractors through review of the following:

- Delegated entities program descriptions;
- Annual work plans;
- Evaluations and related administrative policies for compliance with applicable Passport and DM contract requirements;
- Accrediting body compliance; and
- Compliance to Federal and State regulations 42 CFR 438.230(b) and 42 CFR 434.6.

## Subcontractor Monitoring

Passport recently made changes designed to ensure better monitoring and enforcement to ensure that subcontractors follow Passport's processes and remain compliant with all obligations under the Contract. We employ dedicated staff who have direct oversight and accountability for the vendor's performance and adherence to contractual requirements. Passport's Manager of Delegation Oversight is responsible for delegation oversight of our subcontractors. The Manager of Delegation Oversight works closely with the DOC to oversee and monitor subcontractors' performance and compliance with contractual and NCQA accreditation requirements as well as state and federal law.

All Passport subcontractor agreements include language committing the subcontractor to compliance with all DMS requirements and commitment to implementing and administering DMS-required changes. Subcontractors are required to provide data and reporting to the health plan which is reviewed by Passport for completeness, accuracy and compliance. Once reviewed, the information is provided to DMS in a timely manner and within the requirements of the Contract.

## Subcontractor Service Level Agreements

Service level agreements (SLAs) are an integral component of each Subcontractor agreement and vary based on the services being performed and the DMS contractual requirements. Expectations of regular reporting to Passport by subcontractors extend beyond SLAs and cover a variety of operational indicators such as:

- Auth Decision Timeliness
- Auth Decision Notice Timeliness
- Auth Volume
- Service Authorization Outcomes
- Call Center Metrics
- Appointment Availability & Access
- Credentialing Activity
- Claims Data
- Financial
- Care Management
- Network Status
- Utilization

Some of the current SLAs in place with subcontractors are noted in **Exhibit C.11-4** below. These SLAs are monitored regularly, some as often as weekly, while others are tracked monthly or quarterly.

### Exhibit C.11-4: Examples of Subcontractor SLAs

Service Level	Metric
Authorization for urgent services	98% of Urgent/Expedited requests will be completed within 1 business day of receipt
Authorization for non-urgent services	98% of Non-urgent/Standard requests will be completed within 2 business days of receipt, with up to 14 business days to collect additional clinical information needed to make decision if necessary
Eligibility Data Posting	Initiate the load of the daily and monthly eligibility files within eight (8) hours upon receipt from Passport
Member Eligibility Issues	Notify Passport of Member Eligibility File discrepancies within 1 business day of discovery
TPL Updates (Urgent)	Update a member’s TPL record within 1 business day of an urgent request
TPL Updates (Non-Urgent)	Update a member’s TPL record within 3 business days of a non-urgent request
Claims Adjudication	100% of all claims will be adjudicated within 90 days of receipt
Encounter File Submission	Submit all encounters processed within 30 days of the date of full adjudication defined as the paid date
Encounter File Pass Rate	95% Pass rate on first pass submission
Provider Data Maintenance Data Entry and Maintenance	98% of terms will be completed within 3 business days of requests 99% of new adds completed in 7 business days of request 98% new changes completed in 10 business of request 100% urgent request completed in 2 business days

By establishing the inclusion of SLAs during initial contract negotiations, Passport can ensure that expectations of performance are clear to both the subcontractor and Passport before the relationship begins. SLA monitoring is a critical part of the management and accountability process. Passport regularly reports on SLAs as part of a Joint Operating Committee (JOC), the Delegation Oversight Committee (DOC), the Compliance Committee, Executive Leadership, and the Board of Directors. The DOC also provides information to the Quality and Member Access Committee (QMAC) regarding service metrics such as call center average speed of answer, abandonment rates and information regarding appears and grievances.

In addition to setting SLAs, Passport utilizes the subcontractor contract to outline action steps for non-compliance with contractual obligations to provide reports, data and/or information. Such action steps can include placing the subcontractor under a CAP with specific remediation requirements or imposing financial penalties.

## Challenges, Successes, Trends and Corrective Actions

### Focused Audits and Annual Delegation Reviews

Passport utilizes focused audits and annual delegation reviews to monitor subcontractor performance and adherence to contractual obligations. At least annually, Passport reviews the delegated activities as recorded on the Delegate Master List. The Risk Assessment is used to identify those delegates to be placed on the annual Risk Remediation Plan. However, audits may be added at any time based on newly identified risks from compliance actions, routine monitoring, or ad hoc audits.

The Compliance Department conducts annual reviews of selected delegates through a combination of on-site and desk audits according to the audit schedule. Annual reviews are performed on the delegate's compliance program (if applicable) and on operation performance of the delegated function.

The Audit Plan includes the following information:

- the number of delegates that are reviewed each year;
- how the delegates are identified for auditing;
- the number and name of delegates that are subject to on-site vs. desk audits, and,
- the prioritization of reviews.

Passport shares the Audit Plan with affected business partners and provide such business partners 30 days advance notice of any subsequent changes in the review schedule.

## Remediation

### Oversight and Improving Performance Through Corrective Action Plans

Passport's Subcontractor agreements contain escalating action steps for non-compliance with contractual obligations and can include placing the Subcontractor under a Letter of Concern (LOC), requiring a

Corrective Action Plan (CAP) with specific remediation requirements, or imposing financial penalties. By establishing the expectations at the time of contracting, Passport supports Subcontractors' fulfillment of obligations to fully comply with DMS requirements.

LOCs or CAPs are specifically utilized to communicate best practices, deficiencies, significant deficiencies or material weaknesses. Issues are identified through any of the oversight parties, including Passport's Delegation Oversight committee, subcontract operations manager, executive sponsors, business owners or other leadership. Metric and SLA reporting are reviewed for patterns and trends on a monthly, quarterly and annual basis to track subcontractor performance. If a subcontractor were to have a pattern of missing SLAs, we would issue a LOC or CAP unless improvements are quickly seen. When corrective action is needed, Passport provides written notice to the subcontractor of any violation of our policies. If, after notice of a violation of our policies, Passport determines that no steps have been taken by the subcontractor to remedy that violation, Passport requires submission of a Corrective Action Plan (CAP). If the violation is still not remedied in accordance with the CAP, Passport determines the appropriate measures to be taken.

Passport's Delegation Oversight representative will work with the Subcontractor to ensure adoption of best practices and to track and remediate all levels of deficiencies identified. Effective reporting allows all layers of accountable oversight to view status and identified issues and trends.

## Conclusion

Passport's organizational structure is designed to ensure compliance with the Contract by empowering full accountability at all levels and relies upon internal monitoring to measure performance. Passport has demonstrated during its two decades as a Kentucky MCO that its internal monitoring is successful at identifying gaps, allowing Passport to timely address performance issues, either internally, or by subcontractors. Passport values and utilizes feedback from internal monitoring, providers, members, subcontractors, and external measures to ensure that our internal monitoring processes are robust and comprehensive, not only for Passport's performance, but for the performance of its subcontractors.

***Passport has been honored to serve the Kentucky Medicaid and foster care populations for 22 years and will continue to comply with all provisions of the Medicaid Managed Care Contract and Appendices (including Kentucky SKY) as we continue to serve them in the future.***