

October 19, 2018

Nancy Wohlhart
VP, IL Medicaid Operations
Blue Cross Blue Shield of Illinois
300 East Randolph Street
Chicago, IL 60601

RE: Amended Sanction of Blue Cross Blue Shield of Illinois due to non-compliance related to appeals and grievances under the Contract for Furnishing Health Services by a Managed Care Organization

Dear Ms. Wohlhart:

This letter serves as formal notice to Blue Cross Blue Shield of Illinois (BCBS) of amended sanctions pursuant to the Contract for Furnishing Health Services by a Managed Care Organization (2018-24-101) ("contract"). BCBS has been under an enrollment hold since Wednesday, April 11, 2018 for substantial noncompliance and failure to demonstrate improvement on appeals and grievances contract compliance. The Department of Healthcare and Family Services ("Department") is amending the current enrollment hold to allow voluntary choice into BCBS's HealthChoice Illinois plan. The enrollment hold on auto-assignment will remain.

On September 25, the Department's External Quality Review Organization (EQRO) returned to BCBS for an onsite audit and file review. BCBS was able to point to changes the health plan has made to come into compliance, but the EQRO was unable to close out the Focused Corrective Action Plan. As a result, BCBS will remain on the Focused Corrective Action Plan and the auto-assignment enrollment hold will remain in place.

BCBS is required to meet with Department leadership within the next 10 days to discuss the seriousness of BCBS's Corrective Action Plan and next steps. Additionally, the Department's EQRO will return to BCBS for a follow-up audit and file review in December 2018. Pursuant to Section 7.16.17 of the Contract, if BCBS does not show necessary improvements during the December follow-up audit and file review, the Department may reinstate the full enrollment hold on choice and auto-assignment enrollments and impose a performance penalty in the amount of \$50,000 for every 30 day period thereafter, without notice.

Please let your Account Manager know if you have any questions.

Sincerely,



Teresa Hursey
Acting Division Administrator, Division of Medical Programs
Illinois Department of Healthcare and Family Services

cc: Robert Mendonsa
Laura Ray
Laura Phelan
Sylvia Riperton-Lewin
Matthew Seliger
Sherri Sadala
Mary Doran
Kim Cox
Kimberly Fitzgerald