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April 13, 2016

James Leonard, President & CEO
Health Alliance Medical Plans, Inc.
301 South Vine Street
Urbana, IL 61801

RE: Notice of Sanction

Dear Dr. Leonard:

This letter serves as notification to Health Alliance Medical Plans, Inc. (“Health Alliance”) of sanction pursuant to Section 7.16.3 of the Contract for Furnishing Health Services by a Managed Care Organization (“contract”) between the Department of Healthcare and Family Services (“Department”) and Health Alliance:

“7.16.3 Failure to Submit Encounter Data. The Department and Contractor acknowledge and agree that they will work in good faith to implement mutually agreed upon system requirements resulting in the complete and comprehensive transfer and acceptance of Encounter Data and that such mutual agreement shall not be unreasonably withheld. Contractor shall submit complete and accurate data quarterly to the Department in accordance with the Illinois Medicaid Health Plan Encounter Utilization Monitoring (EUM) Requirements document, as set forth in Attachment XXIII, for each evaluation period. If Contractor does not meet the standards by the evaluation date as set forth in Attachment XXIII, the Department, without further notice, may:

- 7.16.3.1** Impose a quarterly monetary penalty,
- 7.16.3.2** Suspend auto-assignment of Potential Enrollees with Contractor, or
- 7.16.3.3** Impose both.”

Health Alliance’s score of 31.71% in the Encounter Summary Report for Evaluation Period 1 was above the 20% threshold related to the \$50,000 Financial Penalty outlined in Attachment XXIII. The Department is hereby providing written notice that Health Alliance failed to meet the established expectation and is therefore fining Health Alliance in the amount of \$50,000. Health Alliance is to issue a check payable to the Department of Healthcare and Family Services for \$50,000. In the memo section of the check, please indicate “Re EUM Eval. 1 FHP Contract”. Please send the check by 5/20/2016 to:

Department of Healthcare and Family Services
Bureau of Fiscal Operations, Attn: Ellie Harms
2200 Churchill Road, Building A2
Springfield, IL 62702

If you have any questions regarding this information, please contact Paul Stieber at 312-793-1928.

Sincerely,



Robert Mendonça, Deputy Administrator
Division of Medical Programs

cc: Ellie Harms
Paul Stieber
Sameena Aghi
Sinéad Rice Madigan