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December 19, 2016

Robert Hilliard, Jr., CEO
Harmony Health Plan
29 North Wacker Drive, Suite 300
Chicago, IL 60606

RE: Notice of Sanctions: Auto-Assignment Shut-Off and \$50,000 Penalty

Dear Mr. Hilliard:

The deadline for submission of Medicaid spend data, attestation letter and EUM Summary Report for Evaluation 4 for Harmony was extended by from 10/14/2016 to 12/1/2016. On 12/1/2016, Harmony submitted incomplete spend data and did not submit an attestation letter. In a conference call with Paul Stieber and Bhavin Shah of the HFS Encounters Team, Sean Fletcher of Harmony reported that Harmony was continuing work to still get a significant amount in claims processed into Harmony's system and that these claims were not included in the calculation of Harmony's Medicaid spend data. Pursuant to Attachment 23 of the Contract for Furnishing Health Services by a Managed Care Organization ("contract") between the Department of Healthcare and Family Services ("Department") and Harmony: "Failure to send accurate spend data by the deadline will result in both the Financial Penalty and Auto-Assignment Shut-Off to occur."

Regarding the \$50,000 penalty, Harmony 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. 4 FHP/ACA Contract". Please send the check by 1/27/2017 to:

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

The Auto-Assignment Shut-Off penalty will be effective 1/1/2017 as it is for other plans with this penalty for Evaluation 4. Please review the "Illinois Medicaid Health Plan EUM Requirements: Auto-Assignment Shut-Off (Page 2 of 2)" and "EUM Requirements Instructions" for information regarding the length of the sanction and available follow-up.

If you have any questions regarding this information, please contact Paul Stieber at 312-793-1045.

Sincerely,



Robert Mendonsa, Deputy Administrator
Division of Medical Programs

cc: Amy Harris-Roberts
Matthew Duff
Ollie Idowu
Paul Stieber
Sherri Sadala