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November 10, 2014

Dennis Hesch
Chairman of the Board
Illinois Partnership for Health
611 West Park Street
Urbana, IL 61801

**Re: Notice of Contract Noncompliance
ACE Contract #2014-24-002**

Dear Mr. Hesch,

This letter serves as notification to Illinois Partnership for Health, Inc. (IPH) that the Illinois Department of Healthcare and Family Services (Department) has determined that the IPH has not met its provisional readiness review requirements and, accordingly, has reached its maximum auto assignment enrollment capacity of the Contract for Care Coordination Services under the Accountable Care Entities (ACE) Program, ACE Contract #2014-24-002. As a result, the Department is limiting IPH's enrollment level through auto assignment by discontinuing auto assignment for IPH's ACE program statewide effective immediately.

In an e-mail from the Department to IPH on Monday, September 8, 2014, IPH was notified that enrollment of members had been approved in response to the initial Readiness Review process. However, IPH was notified in that same e-mail that continuing approval of enrollment was subject to ongoing monitoring of the following areas: 1) care model staffing capacity and training, 2) monitoring of care coordination activities through record reviews, 3) member call center capacity and metric reporting, 4) provider network capacity, and 5) IT capabilities as enrollment increases and/or expansion into additional counties/service areas. IPH has failed to address the care model staffing capacity and training and member call center capacity and metric reporting. IPH, thus, has not complied with the Department's provisional readiness review approval and the Department has determined that IPH has reached its maximum auto assignment enrollment level.

Additionally, IPH has failed to retain the necessary employees described below. IPH is therefore unprepared to take on additional enrollment through the Auto-Assignment process.

The Department has communicated its concerns to the IPH's leadership. These concerns have not been adequately addressed despite verbal reassurances from IPH's leadership. The Department has also received several direct complaints from clients and providers about IPH and its staff, complaints which are about the call center and indicative of a lack of the necessary staff indicated below.

The Department shall continue to work with you as you address the following outstanding issues:

- **Retaining a full-time Medical Director.** Per Section, 5.3.2.4 of the Contract, IPH's full-time equivalent (FTE) for its Medical Director shall be, at a minimum one-quarter time for an ACE with 10,000 Enrollees and full-time (1.0 FTE) for an ACE with 20,000 or more Enrollees. IPH achieved enrollment of more than 20,000 on October 6, 2014. The staffing plan submitted on 11/3/14 indicated that Dr. Zia will transition to a 1.0 FTE on January 1, 2015. At this time, this is insufficient to handle increased auto assignment enrollment.

- **Readiness Review evaluation requests and timelines:**
 - IPH Founder Care Model Staffing Capacity and Training:
 - IPH has failed to issue timely (every two weeks) and complete reports to show that this issue has been addressed. As lives are auto-assigned to IPH, it is imperative that IPH demonstrates the ability to handle additional capacity. IPH will need to submit timely and complete reports consistently every two weeks to show that it has the appropriate care model staffing, capacity, and training needed to fulfill this provisional readiness review requirement which will allow IPH to appropriately coordinate care for additional auto-assignees.

 - IPH Management Staffing:
 - The IPH staffing is also insufficient to fulfill this provisional readiness review requirement. Despite several requests from the Department, projected hiring dates have not been provided for the following persons:
 - CEO of IPH
 - Care Management Director
 - IT Director
 - CLC Manager
 - Clinical Information Analysts and Quality Reporting AnalystThus, IPH has not demonstrated its ability to appropriately coordinate care for additional auto-assignees.

 - Health Alliance Medical Plan (HAMP) Staffing for Complex Case Management and Health Risk Screening:
 - In the Department's provisional readiness review approval, the Department required IPH to submit the following, failure of which has demonstrated IPH's inability to appropriately care for additional auto-assignees:
 - Updated staffing reports for the HAMP complex case management staffing and HAMP Health Risk Screening staffing.
 - Copy of the Care Call delegation agreement. This vendor provides critical staffing for completion of Health Risk Screening on behalf of HAMP.

- HAMP Delegated Entity Call Center Staffing and Call Center Metrics Reporting:
 - In the Department's provisional readiness review approval, the Department required timely, complete, and consistent submission of staffing reports and call centering monitoring reports for the HAMP call center. Failure to do so has demonstrated IPH's inability to appropriately care for additional auto-assignees. As lives are auto-assigned to IPH, it is imperative that IPH demonstrates the ability to handle additional capacity.
 - Call Center staffing reports submitted to the Department by IPH were late or deficient on the following dates: 7/14, 7/31, 9/26, 10/10, 10/24.
 - Service level of the call center has not been consistently monitored by IPH.
 - IPH's lack of oversight of call center staffing resources observed by the Department has resulted in the receipt of Enrollee complaints.
 - IPH's Enrollee call center was not provided with contact information for the IPH's Care Coordination staff for each of the Founder Sites, resulting in Enrollee inquiries being routed inappropriately to HFS for assistance instead of connecting members to the appropriate care coordinator.
 - IPH's Enrollee call center metric reports have been submitted late or deficient to the Department multiple times.

Pursuant to ACE Contract Section 4.1: Enrollment Generally and Section 4.19: Readiness Review, the Department has the authority to determine enrollment capacity and limit enrollment for IPH's ACE program. Therefore, auto assignment will be discontinued effective immediately and will not be resumed until IPH has demonstrated to the Department, and received written confirmation from the Department, that IPH is in full compliance with the Department's requests in this letter.

If you have questions regarding this decision by the Department, please contact me directly at 312-793-5279.

Sincerely,



Robert Mendonsa,
Deputy Administrator
Healthcare & Family Services

cc: Julie Hamos, Director, HFS
Theresa Eagleson, Administrator, HFS
James Parker, Deputy Administrator, HFS
Jeanette Badrov, General Counsel, HFS
Michelle Maher, Bureau Chief, Managed Care, HFS
Bridget Larson, ACE Program Manager, HFS