

ATTACHMENT A

COORDINATED CARE CORPORATION

COMPLIANCE PLAN

Introduction:

This attachment outlines the plan to address the findings in OIC Consent Order 17-0477 and additional areas of concern. The plan is intended to ensure that the business conducted by Coordinated Care Corporation (“the Company”) is in compliance with Washington Insurance Laws and Regulations. The plan encompasses two component parts: external audits and corrective actions taken based upon the external audits with biweekly progress reports and meetings on the corrective actions with the Insurance Commissioner at the Office of the Insurance Commissioner.

Effective Date of Plan:

This plan will become effective on the date Consent Order No 17-0477 is signed by the Company and the Insurance Commissioner.

Part 1. Corrective Action Plan:

Within fifteen (15) days after the effective date of this Compliance Plan, the Company will hire an external auditor that will conduct a review of the Company. Prior to hiring the external auditor, the Company will obtain approval from the Office of the Insurance Commissioner of the external auditor. The Company’s Board of Directors will adopt a resolution giving the external auditor authority to manage the resolution of all the issues raised by the Insurance Commissioner and any other issues discovered during the audit.

Within twenty-one (21) days after the hire of the external auditor, the external auditor will develop recommendations and an implementation plan for corrective actions (“Corrective Action Plan”) and submit this plan for approval by the Insurance Commissioner. The Corrective Action Plan will ensure that the Company is no longer in violation of the laws and regulations that are identified in the Consent Order and that the Company has remedied the following areas of concerns: consumer access to healthcare services and specialists; grievances processes; appeal processes; insufficient monitoring of the Company’s networks; producer appointments, providing timely and full responses to the Office of the Insurance Commissioner, and provider contracting. The Corrective Action Plan will include milestones which will ensure timely completion of all corrective measures to be taken to resolve the violations in the Order by May 31, 2018. The Corrective Action Plan will:

- a. Identify the issue(s);
- b. Identify type of action(s) to be taken and/or has been taken (i.e., changes to procedures, training, computer systems or tracking, etc.) in regard to each identified issue;
- c. Identify what personnel are/were involved in the corrective action;
- d. Identify the expected relevant dates of correction of each issue;
- e. Provide copies of any material provided as part of corrective action, i.e. memoranda, written policies, educational materials, etc.;
- f. Provide biweekly reports to the Insurance Commissioner and the Company's Board of Directors; and
- g. Identify any currently expected difficulties in implementation of the Corrective Action Plan.

After submission of the Corrective Action Plan, the Insurance Commissioner will then respond to the plan. If the plan is approved, the plan is to be implemented immediately. If the plan is not approved, the Insurance Commissioner will provide a response detailing the areas of the plan that require changes to be acceptable, in which case the external auditor and the Company will have seven (7) days to respond with changes.

Within twenty-one (21) days after hire of the external auditor, the external auditor will also submit for approval of the Insurance Commissioner the audit structure and structure of the biweekly reports that will be submitted by the external auditor based upon implementation of the Corrective Action Plan, which is detailed in the next section. Once the plan, audit structure and reports are approved, it will be implemented immediately.

The external auditor will continue to work through the Corrective Action Plan implementation process with the Company to ensure that all corrective measures are taken to resolve the violations in the Order and the issues raised in this Compliance Plan, as well as any issues that are discovered during the audit and implementation of the Corrective Action Plan. The external auditor will submit biweekly progress reports to the Insurance Commissioner and attend biweekly meetings regarding the implementation process with the Insurance Commissioner. The external auditor must continue working closely with the Company until the Corrective Action Plan is complete and accepted by the Insurance Commissioner.

This information will be sent to:

Darryl E. Colman
Insurance Enforcement Specialist
Office of the Insurance Commissioner
Insurance 5000 Building
P.O. Box 40255
Olympia, WA 98504-0255
DarrylC@oic.wa.gov
Fax: (360) 586-0152

Provision of this information via fax or electronic means is acceptable.

Part 2. Implementation of the Corrective Action Plan:

In order to assess the implementation of the Corrective Action Plan, the external auditor will perform at least biweekly audits with reports that evaluate whether all milestones and corrective actions set forth in the Corrective Action Plan are complete or on track for completion by the dates in the Corrective Action Plan and whether the corrective action has been successful in preventing any further violations of the statutes and regulations that are the basis for the above-listed Order and areas of concern identified in this Compliance Plan. The audits must consist of review of a statistically valid sample. The biweekly reports will include:

- a. The action(s) taken to date on each issue identified in the plan (i.e., changes to procedures, training, computer systems or tracking and reporting, etc.);
- b. What personnel are/were involved in the corrective action;
- c. When the issue(s) will be corrected and relevant dates;
- d. Copies of any material provided as part of corrective action, i.e. memoranda, written policies, educational materials, etc.; and
- e. Identify any current difficulties in implementation of the Corrective Action Plan.

The audit structure, including summaries, will be designed to evaluate whether the Corrective Action Plan has been successful in correcting the violations of the statutes and regulations that are the basis for the Order and the identified areas of concern in this Compliance Plan. The audit structure and summaries should also prevent any further violations. The audit summaries will detail the progress made in implementing the Corrective Action Plan and will report whether the Company has further violated the statute(s) and/or regulation(s) which are the basis for the Order and identify any new violations that are not in the Order discovered by the auditor or the Company during the audit period.

For each additional violation of the Insurance Code found as a result of the audit process, the external auditor will include an explanation of the cause(s) and the remedial action taken or to be taken. The Company will undertake appropriate remedial action acceptable to the Insurance Commissioner for each violation found within any audit period.

The biweekly external audits and progress reports will continue through completion of the Corrective Action Plan, which is due to be completed by May 31, 2018. The external auditor will provide each audit summary/progress report to the Insurance Commissioner no later than seven (7) calendar days after the end of the audited period.

The first focus of the plan will be to develop a detailed response to the OIC's network adequacy letter dated November 16, 2017, which set a deadline for response within sixty (60) days from November 16, 2017. The Company must ensure that it has an adequate network of providers and

that the Company has sufficient policies and procedures in place to monitor its network. If necessary, the Company must timely submit a sufficient alternative access delivery request that will obtain approval from the Insurance Commissioner. An intent to conduct future contracting is an insufficient response and plan. It is also an insufficient plan to have any consumer pay more than the in-network rate. The Company must develop a plan for detecting consumers who have suffered harm from insufficient access and a plan for making those consumers whole. These plans for detecting consumer harm and making consumers whole must be approved by the Insurance Commissioner and must be implemented immediately after approval. The plans for making consumers whole must, at a minimum, include refund of any amount consumers paid over the in-network rate plus eight percent (8%) interest per annum when the consumers did not have reasonable access to in-network providers, and ensuring that consumers who obtained services paid no more than required by the policy terms.

Provision of the biweekly audit reports via fax or electronic means is acceptable.

Biweekly audit reports will be sent to:

Darryl E. Colman
Insurance Enforcement Specialist
Office of Insurance Commissioner
Insurance 5000 Building
P.O. Box 40255
Olympia, WA 98504-0255
DarrylC@oic.wa.gov
Fax: (360)586-0152