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GOVERNOR

SHEVAUN L. HARRIS
ACTING SECRETARY

November 6, 2020

Statewide Medicaid Managed Care (SMMC) Policy Transmittal: 2020-58

Applicable to the **2018-2023 SMMC contract benefits** for:

- Managed Medical Assistance (MMA) and MMA Specialty
- Long-Term Care (LTC)
- Dental

Re: Delegation of Notices of Adverse Benefit Determination and Ad Hoc Report Request

The managed care plan must notify the provider and give the enrollee written notice of any decision to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. (Attachment II, Section VI.G.6.a.) This written notice is provided in the form of a notice of adverse benefit determination, the content of which is described in Section VII. Grievance and Appeal System, Sub-Section E. Notice of Adverse Benefit Determination. The general provisions of Section VII. prohibit the MMA & LTC plan from delegating any aspect of the grievance and appeal system to its subcontractors, which includes the completion and issuance of the notice of adverse benefit determination. (MMA & LTC: Attachment II, Section VII.A.2.) The purpose of this policy transmittal is to advise the MMA & LTC plan of revised requirements regarding notices of adverse benefit determination and notify the managed care plan of an ad hoc report request.

Subcontractor Monitoring

The managed care plan may delegate completion and issuance of the notice of adverse benefit determination to a utilization management subcontractor, with the approval of the Agency, when the managed care plan:

- a. Conducts a comprehensive, quarterly audit of a sample of each delegated subcontractor's notice of adverse benefit determination letters (and associated service authorization decisions). The audit sample shall include ten (10) notices of adverse benefit determination, which shall be expanded to thirty (30) notices if issues are found in the initial sample; and
- b. Conducts a quarterly review of the delegated subcontractor's adherence to the timeliness standards as established in above in a.

Approval Process

To seek Agency approval for the delegation to a subcontractor of the issuance of notices of adverse benefit determination, the managed care plan must submit updated policies and procedures for monitoring the subcontractor's adherence to this requirement. The managed care plan must submit via email the updated policy and procedure to their Agency contract manager.



Ad Hoc Report

The managed care plan may be required to provide to the Agency or its agents any other information, documentation, or data relative to this contract in accordance with 42 CFR 438.604(b). In such instances, and at the direction of the Agency, the managed care plan must fully cooperate with such requests and furnish all data or information in a timely manner, in the format in which it is requested. The managed care plan must have at least thirty (30) days to fulfill such ad hoc requests, unless the Agency directs the managed care plan to provide data or information in less than thirty (30) days. The managed care plan must certify that data and information it submits to the Agency is accurate, truthful, and complete in accordance with 42 CFR 438.606. (MMA & LTC: Attachment II, Section XVI.A.1.b.; Dental: Attachment II, Section XVI.A.1.b.)

If the managed care plan has been approved to delegate the issuance of notices of adverse benefit determination to a subcontractor, the managed care plan must complete the attached Subcontractor Audit Report template in its totality and submit it to the Agency on a quarterly basis by the forty-fifth (45th) day following the end of each calendar quarter (January-March, April-June, July-September, October-December). The first submission will be due the next quarter after approval.

The managed care plan must submit the ad hoc report using the following naming convention "ABC_SUBAUDRPT_YYYYMMDD" to the Agency's SMMC_CY18-23 secure file transfer protocol site, Port 4443, within the managed care plan's designated folder path, in the Submissions/Quality Submissions/Subcontractor Audit folder. The managed care plan must use the aforementioned naming convention, where ABC is the managed care plan's three-character identifier; SUBAUDRPT is the name of the report; YYYY is the four-digit year, MM is the two-digit month, and DD is the two-digit day on which the ad hoc report is being submitted.

If you have questions or concerns, please contact your Agency contract manager at (850) 412-4004.

Sincerely,



Beth Kidder
Deputy Secretary for Medicaid

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Attachment: Subcontractor Audit Report Template 11.06.2020