

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

TO <i>Singleton</i>	DATE <i>10-9-13</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000138</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>Cleared 1/16/14, letter attached.</i>	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>10-21-13</i>
	<input type="checkbox"/> FOIA DATE DUE _____
	<input type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



**RECEIVED**

OCT 09 2013

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

October 1, 2013

Deirdra Singleton  
Department of Health and Human Services  
PO Box 8206  
Columbia, S.C. 29201-8206

Dear Deirdra:

We appreciated the opportunity to meet with staff last Thursday to discuss the United/WellCare quality scores. We also appreciated the chance to present our arguments on the status of WellCare in the auto assignment algorithms. As we stated in the meeting, we think for quality purposes WellCare should be treated as a new plan. As we all know, United had fundamentally ceased activity in its Medicaid operations, including any activity related to quality since early 2012. This is reflected in the status of the scores and other information your staff and IFS presented at the meeting.

At a minimum we believe all the plans transitioning in 2013 should be treated the same for purposes of the auto assignment. As I read the P&Ps in Section 6, Quality Weighted Auto Assignments, these requirements apply to "health plans". "Health plans" refers to an MCO or an MHN according to SCDHHS P&Ps. There is no other definition in the P&Ps. Section 6 goes on to define a new health plan as one "that has not had a health plan rating within the last eighteen (18) months and is considered a "startup" with no new members." Each of the MHNs being acquired by an MCO is a health plan with a health plan rating. Each of the MHNs had members. Therefore, if WellCare cannot be considered a new health plan for auto assignment purposes, it appears no other health plan in transition can be considered a new health plan. However, if any of the other plans can be "considered a startup" then WellCare should be afforded the same designation for quality purposes.

We renew our request that SCDHHS interpret WellCare's transition of United and its transition of Carolina Medical Homes as a new plan for the purposes of auto assignment. We welcome the opportunity to discuss this with you further.

Sincerely,

G. David Shafer  
State President  
WellCare of South Carolina, Inc.

Response  
attached  
11/10/14

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

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Sincerely,

G. David Shafer  
State President  
WellCare of South Carolina, Inc.

January 16, 2014

David Shafer, President  
WellCare Health Plans, Inc.  
200 Center Point, Suite 180  
Columbia, SC 29210

Re: Star Rating for Medicaid Managed Care Organizations (MCOs)

Dear Mr. Shafer:

This letter serves as a response to a request for a change to the MCO star rating assigned to WellCare of South Carolina following its 2013 acquisition of UnitedHealthcare (UHC) and Carolina Medical Homes (CMH).

On December 1, 2012, the Department implemented a Quality Weighted Assignment Algorithm for beneficiary enrollments into Medicaid Managed Care Organizations (MCOs) (*aka* "Health Plans"). The Assignment Algorithm is contained in Appendix 6 to the Department's Managed Care Policy and Procedure Guide and includes procedures for the Department's assignment of individual star ratings to MCOs that have merged or acquired an existing MCO. WellCare's February 2013 acquisition of UnitedHealthcare of South Carolina resulted in WellCare of South Carolina assuming UnitedHealthcare of South Carolina's rating of 2 of 5 stars.

In January 2014, WellCare of South Carolina acquired the membership of Carolina Medical Homes (CMH) – a Primary Care Case Management (PCCM) organization (*aka* "Medical Home Network" (MHN)). In anticipation of the transition of all MHNs to MCOs, and pursuant to the Department's decision to cease the operation of all MHNs, the Department determined that star ratings assigned to an MHN would not be applicable to an acquiring MCO. CMH was considered to have no star rating for the purposes of WellCare's acquisition of CMH's membership and, as a result, WellCare's star rating was not changed following the MHN-MCO transition period. As such, WellCare's star rating is currently 2 out of 5 stars and will not be adjusted until all MCOs are reevaluated during the next annual evaluation period.

Shafer  
January 16, 2014  
Page 2 of 2

For questions regarding Pharmacy and Quality, please contact Bryan Amick by phone at (803) 898-0212 or by email at [bryan.amick@scdhhs.gov](mailto:bryan.amick@scdhhs.gov). If you have additional questions or comments regarding Medicaid Managed Care policies, please contact me by phone at (803) 898-2018 or by email at [patnat@scdhhs.gov](mailto:patnat@scdhhs.gov).



Nathaniel J. Patterson  
Program Director, Health Services

Bryan Amick  
Program Director, Clinical Quality &  
Population Health

cc: William Prince, Sr. Director, WellCare  
Deirdra T. Singleton, Deputy Director  
Evan Gessner, Assistant General Counsel