

Notice of Adoption and Filing of Examination Report

Take notice that the proposed report of the market conduct examination of the

Greater LaCrosse Health Plans, Inc.
1837 East Main Street
Onalaska, WI 54650

dated October 1999, and served upon the company on November 15, 1999, has been adopted as the final report, and has been placed on file as an official public record of this Office.

Dated at Madison, Wisconsin, this fourth day of February, 2000.

Randy Blumer
Deputy Commissioner

A Report
of the
Managed Care Activities of
Greater La Crosse Health Plans, Inc.
Onalaska, Wisconsin

October 1999

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November 15, 1999

Honorable Connie L. O'Connell
Commissioner of Insurance
Madison, Wisconsin

Commissioner:

Pursuant to your instructions and authorization, a review of the managed care activities was made of:

GREATER LA CROSSE HEALTH PLANS, INC.
Onalaska, Wisconsin

The report of these activities is herein respectfully submitted.

I. INTRODUCTION

The Greater La Crosse Health Plans, Inc. (GLHP) is a for-profit group model health maintenance organization insurer. GLHP provides care through contracts with clinics and independent physicians operating out of their separate offices. GLHP's service area includes Buffalo, Crawford, Jackson, La Crosse, Monroe, Trempealeau, and Vernon counties.

GLHP was incorporated on January 16, 1986, and commenced business on April 28, 1986. Prior to June 9, 1995, GLHP was equally owned by Skemp Clinic, Ltd. (SCL), Franciscan Health Systems, Inc. (FHS), and Wausau Service Corporation (WSC). On June 9, 1995, The Mayo Foundation purchased the assets of SCL. In July 1995, FHS and SCL merged into one organization, Franciscan Skimp Healthcare, Inc. (FSH). In January 1999, FSH purchased all remaining stock from WSC.

For the business year 1998, GLHP wrote \$34,446,000 in premiums and had a loss ratio of 86.7%. It is the 16th largest HMO doing business in Wisconsin with 20,722 enrollees in 1998.

GLHP was not on OCI's above-average complaint summary for 1998, with an average of .01 complaints per \$100,000 of written premiums. The Wisconsin average was .06 complaints per \$100,000 of written premiums for all group accident and health insurance business in the state.

COMPLAINTS

Categories	1998	1997
Underwriting	0	1
Marketing & Sales	0	0
Claims	2	5
Policyholder Service	1	0
Other	0	0
TOTAL	3	6
(Complaint may involve more than one category.)		

The OCI complaints involving claim administration includes referral, access, and quality assurance issues.

1998 GRIEVANCES

		Number

Categories	Number	Reversed
Out-of-Network Provider	3	0
Prescription Drug	0	0
Preexisting Condition	0	0
Out-of-Area Emergency	0	0
Emergency Room	0	0
Durable Medical	0	0
No Preauthorization	0	0
Non-covered Benefit	0	0
Not Medically Necessary	2	0
Usual and Customary	0	0
Request for Preauthorization	0	0
Request for Referral	0	0
Maximum Benefit Reached	0	0
Other	1	0
TOTAL	6	0

OCI categorized grievances based on the annual submission of grievance experience reports by managed care plans.

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II. PURPOSE AND SCOPE

The examination was conducted to determine whether GLHP's practices and procedures comply with the health insurance provisions of 1997 Wisconsin Act 237, which became effective as of January 1, 1999. These new laws direct certain activities of managed care plans.

The examination was limited to a review of the following company practices and procedures:

- Provider choice
- Access standards
- Continuity of care
- Quality assurance
- Data systems and confidentiality
- Formularies and experimental treatments

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III. SUMMARY AND FINDINGS

The examination was conducted as a desk audit of materials received in response to a

managed care interrogatory sent July 1999.

PROVIDER CHOICE

Section 609.05, Wis. Stat., requires that a managed care plan permit its enrollees to choose freely among participating providers. However, it may require an enrollee to designate a primary provider and to obtain health care services from the primary provider when reasonably possible. Further, the managed care plan may also require that the enrollee obtain a referral from the primary provider prior to receiving services from other participating providers. The examiners reviewed GLHP's policies and certificates, provider directories, new member information packet, and provider administrative manual. GLHP does not require its enrollees to choose a specific primary care provider. In order to receive care, enrollees may see any network primary care provider. The enrollee must receive a referral from a primary care provider in order to receive services from a specialist. The examiners found that GLHP has a process that permits a choice among available participating providers.

ACCESS STANDARDS

Section 609.20, Wis. Stat., provides that enrollees of a managed care plan not be forced to travel excessive distances to receive health care services. The examiners reviewed GLHP's access standards policy and proposed access radius policy. GLHP has established a standard of a 30-minute drive to primary care provider, mental health provider, and chiropractic offices, and a standard of a 60-minute drive for specialty care. The proposed access radius policy, which has not been approved by GLHP, requires a semiannual evaluation to determine whether these standards have been met. GLHP states that it has contracted with additional chiropractors in response to enrollee requests. The examiners found that GLHP has a procedure, but does not have a process in place, for ensuring that enrollees do not have to travel excessive distances. Therefore, it is recommended that GLHP finalize the proposed procedures for ensuring that enrollees do not have to travel excessive distances, as required by s. 609.05, Wis. Stat.

Section 609.22, Wis. Stat., created access standards for managed care plans that require a plan to have sufficient number, and sufficient types, of providers to meet the anticipated needs of its enrollees, with respect to covered benefits. The examiners reviewed GLHP's access standards, provider directories, and enrollee newsletter. GLHP has established minimum standards for appointment times, office waits, and access to urgent and emergency care that are monitored through provider site visits, annual member satisfaction surveys, and complaint review. GLHP provides enrollees with an updated provider directory annually, and a quarterly newsletter that contains a listing of new providers. The examiners found that GLHP has a procedure to ensure that it has sufficient providers to meet the anticipated needs of its enrollees.

Standing Referrals

Section 609.22 (4), Wis. Stat., provides that a managed care plan that requires a referral to a specialist have a referral process that includes a means to apply for standing referrals, and that the process be published in certificates and policies. The examiners reviewed GLHP's policies and certificates, provider directories, and provider administrative manual. GLHP's Medicare Select policy does not include language regarding the enrollee's right to request a standing referral. Its certificate of coverage for its group HMO policy directs the

enrollee to a primary care provider to request a standing referral. However, GLHP states that it is in the process of developing its referral procedures and that it has not yet provided information to its primary care providers on its standing referral procedure. Therefore, it is recommended that GLHP submit to OCI and obtain approval of language in its Medicare Select policy regarding its standing referral procedures, as required by s. 609.22 (4) (1) 3, Wis. Stat. It also is recommended that GLHP develop a process for providing information on its standing referral procedure to participating and nonparticipating providers, including the criteria and conditions that must be met, upon request to an enrollee or prospective enrollee, as required by s. 609.22 (4) (a) 3, Wis. Stat.

Second Opinions

Section 609.22 (5), Wis. Stat., requires that a managed care plan provide an enrollee with coverage for a second opinion from another participating provider. The examiners reviewed GLHP's policies and certificates and its provider administrative manual. GLHP provides coverage for a second opinion from another participating provider. The examiners found that GLHP has a procedure to provide an enrollee with coverage for a second opinion from another participating provider that is explained in its policies and certificates.

Emergency Care Access

Section 609.22 (6), Wis. Stat., requires that those managed care plans providing coverage of emergency services cannot restrict that coverage by requiring prior authorization. Managed care plans also must provide that coverage to a dependent child who is a full-time student attending school outside the geographic service area of the plan. The examiners reviewed GLHP's policies and certificates, provider directories, and proposed procedure for coverage of emergency care. GLHP's certificates and the proposed procedure contain the "prudent layperson" of an emergency medical condition. However, its provider directories state that coverage will be denied if emergency room services are not for a life-threatening emergency. The examiners found that at the time of the examination GLHP did not have a written internal procedure explaining its process to provide coverage of emergency services. Its utilization and quality management committee approved the proposed procedure on October 19, 1999. It is recommended that GLHP modify the explanation of emergency care in its provider directories to comply with s. 632.85, Wis. Stat.

Telephone Access

Section 609.22 (7), Wis. Stat., requires that a managed care plan provide telephone access for sufficient time during business and evening hours to ensure that enrollees have adequate access to routine health care services for which coverage is provided under the plan. The examiners reviewed GLHP's provider directories and provider contracts. The provider directories list the hours of operation that the participating clinics and hospitals are open. The hours of operation for hospitals are listed as 24 hours per day. GLHP's customer service hours are 7:00 a.m. to 7:00 p.m., Monday through Friday. Any calls to the customer service department outside of these hours will be answered by a recorded message that instructs the caller to call the nearest emergency room in the case of an emergency, or to leave a message if it is not an emergency. The examiners found that GLHP does not have a process to provide enrollees with 24-hour telephone access to routine health care services and emergency care. Therefore, it is recommended that GLHP develop a procedure to provide enrollees with 24-hour telephone access to routine health

care services and emergency care, as required by s. 609.22 (7), Wis. Stat.

Access Plan For Certain Enrollees

Section 609.22 (8), Wis. Stat., requires that a managed care plan develop an access plan to meet the needs, with respect to covered benefits, of its enrollees who are members of underserved populations. The examiners reviewed GLHP's proposed access for underserved populations/cultural competency procedure. The proposed procedure, which was approved by GLHP on October 19, 1999, states that member information, including complaints and grievances will be reviewed on an annual basis to determine the need for interpreter services or other cultural needs of enrollees. The examiners found that GLHP has an access plan in place to ensure that it meets the needs of its enrollees who are members of underserved populations are met.

CONTINUITY OF CARE

Section 609.24, Wis. Stat., requires that a managed care plan provide coverage to an enrollee for the services of a provider, regardless of whether the provider is a participating provider at the time the services are provided, if the managed care plan represented that the provider was, or would be, a participating provider in marketing materials that were provided or available to the enrollee. The examiners reviewed GLHP's policies and certificates, provider contracts, and a draft copy of its proposed continuity of care procedures. The procedures, which have not been approved, fulfill the requirements for continuity of care. GLHP has updated its provider contracts to include language regarding continuity of care and the appropriate reimbursement language. However, the policies and certificates do not include a positive statement regarding an enrollee's right for continuity of care. The examiners found that GLHP does not have a process in place to provide coverage to an enrollee during a continuity of care period. Therefore, it is recommended that GLHP finalize its proposed procedures to provide coverage to an enrollee for the services of a provider during a continuity of care period, as required by s. 609.24, Wis. Stat. It is also recommended that GLHP submit to OCI and obtain approval of language in its policies and certificates regarding an enrollee's right to continuity of care in order to comply with s. 609.24, Wis. Stat.

QUALITY ASSURANCE

Section 609.32 (1), Wis. Stat., requires that a managed care plan develop comprehensive quality assurance standards that are adequate to identify, evaluate and remedy problems related to access to, and continuity and quality of care. The examiners reviewed GLHP's quality management plan and provider administrative manual. The board of directors assigns responsibility of the quality management program to the utilization and quality management committee (UM/QM committee). The UM/QM committee is chaired by the medical director, and is responsible for overseeing the quality improvement, quality management, and utilization review processes. It is assisted in its activities by the medical management committee, grievance committee, quality improvement workgroup, peer review committee, pharmacy & therapeutics committee, and credentialing committee. The UM/QM meets quarterly and submits minutes of its meetings to the board of directors. The examiners found that GLHP has a written internal ongoing quality improvement plan that includes developing clinical practice guidelines, identifying quality improvement initiatives, analyzing data, monitoring quality measures, and provider consumer education.

Provider Selection and Credentialing

Section 609.32 (2), Wis. Stat., requires that a managed care plan develop a process for selecting participating providers, including written policies and procedures that the plan uses for review and approval of providers. The examiners reviewed GLHP's credentialing and recredentialing procedures. The procedures include primary source verification of the information provided in the application. All providers are recredentialed every two years. The recredentialing process verifies that the provider continues to meet GLHP's credentialing guidelines and includes a review of the provider's performance using utilization review, quality improvement, and a summary of member complaints. GLHP has delegated credentialing to Franciscan Skemp Healthcare (FSH) of all medical providers in FSH network, to Luther Midelfort of all providers in its network, and to Therapy Connections of all mental health providers. The examiners found that GLHP has in place a written formal ongoing process for the selection and verification of participating provider credentials and for the biennial reevaluation of these participating providers.

Section 609.30, Wis. Stat., provides that a managed care plan is not allowed to limit the provider's disclosure of information, to or on behalf of an enrollee, about the enrollee's medical condition or treatment options through contracts with participating providers. Further, the participating providers may not be penalized in any way for doing so, or for making referrals to other participating providers. The examiners reviewed GLHP's provider contracts. The examiners found that GLHP's provider contracts did not contractually limit a provider's ability to disclose medical information to enrollees.

Section 609.17, Wis. Stat., requires a managed care plan to notify the medical examining board or appropriate affiliate credentialing board attached to the medical examining board of any disciplinary actions taken against a participating provider who holds a license or certificate granted by the board or affiliated credentialing board. The examiners reviewed GLHP's recredentialing procedure, involuntary termination and appeals process, and quality of care review procedure. The procedures require the medical director to report any disciplinary action taken against a participating practitioner to the medical examining board. The examiners found that GLHP has a process for exercising adequate oversight regarding disciplinary actions involving plan providers.

Section 609.34, Wis. Stat., requires that a managed care plan make the medical director responsible for clinical protocols, quality assurance activities, and utilization management policies of the plan. It is also required that a physician be appointed to the position. The examiners reviewed the position description for the medical director. The medical director is a part-time position and must be a credentialed member of GLHP's medical staff. The examiners found that GLHP's position description for medical director requires a medical degree with a current medical license and assigns to the medical director responsibility for utilization management and quality management functions.

DATA SYSTEMS AND CONFIDENTIALITY

Section 609.36, Wis. Stat., requires that a managed care plan provide certain information to the Commissioner of Insurance concerning plan structure, benefits and exclusions, cost-sharing requirements, and participating providers. It also is required to have written policies and procedures to ensure confidentiality of enrollee medical records and enrollee communications. The examiners reviewed GLHP's confidential information and professional ethics procedure and member confidentiality procedure. The examiners found

that GLHP has a process for providing information to the Commissioner of Insurance and for exercising control and oversight over the confidentiality of medical records and enrollee communications.

FORMULARIES AND EXPERIMENTAL TREATMENTS

Section 609.83, Wis. Stat., regarding coverage of drugs and devices and s. 609.84, Wis. Stat., regarding experimental treatment, provide that managed care plans are subject to ss. 632.853 and 632.855, Wis. Stat., respectively. Section 632.853, Wis. Stat., requires health plans that provide coverage of only certain specified prescription drugs or devices to develop a process through which a physician may present medical evidence to obtain an individual patient exception for coverage of a prescription drug or device not routinely covered by the plan. Section 632.855, Wis. Stat., requires health plans that limit coverage of experimental treatment to define the limitation and disclose the limits in any agreement, policy, or certificate of coverage. It also requires that a plan that receives a request for prior authorization of an experimental procedure issue a coverage decision within five working days. If the plan denies coverage to an insured with a terminal condition or illness, the plan must include in the denial letter the medical and scientific reasons for the denial and a notice of the enrollee's right to appeal. The examiners reviewed GLHP's certificates of coverage, provider administrative manual, and procedure for review of new technology and experimental/investigational services. GLHP provides coverage of prescription drugs unless specifically excluded in the certificate of coverage. Its provider administrative manual includes a process to allow a physician to request coverage of a prescription drug or device not routinely covered by the plan. The procedure requires the medical director to review requests within five working days, and to review urgent requests within 48 hours. The procedure for review of new technology and experimental/investigational services requires a medical director to make a determination within five working days of receiving all necessary information. The examiners found that GLHP has in place procedures to review requests for coverage of experimental treatments and drugs and devices not normally covered by the plan.

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IV. SUMMARY

The review of GLHP's managed care activities indicates that the plan has in place policies, procedures, and committee and staff resources to facilitate the provision of quality medical care to its enrollees. The examination report makes seven recommendations, two involving finalizing proposed procedures and two involving the submission to OCI of its certificates of coverage and policies. The examiners found that GLHP could document that it had a process in substantial compliance with the requirements of the health insurance provisions of 1997 Wisconsin Act 237.

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V. RECOMMENDATIONS

[Access Standards](#)

1. It is recommended that GLHP finalize the proposed procedures for ensuring that enrollees do not have to travel excessive distances, as required by s. 609.05, Wis. Stat.

Standing Referrals

2. It is recommended that GLHP submit to OCI and obtain approval of language in its Medicare Select policy regarding its standing referral procedures, as required by s. 609.22 (4) (1) 3, Wis. Stat.
3. Standing Referral - It is recommended that GLHP develop a process for providing information on its standing referral procedure to participating and nonparticipating providers, including the criteria and conditions that must be met, upon request to an enrollee or prospective enrollee, as required by s. 609.22 (4) (a) 3, Wis. Stat.

Emergency Care Access

4. It is recommended that GLHP modify the explanation of emergency care in its provider directories to comply with s. 632.85, Wis. Stat.

Telephone Access

5. It is recommended that GLHP develop a procedure to provide enrollees with 24-hour telephone access to routine health care services and emergency care, as required by s. 609.22 (7), Wis. Stat.

Continuity of Care

6. It is recommended that GLHP finalize its proposed procedures to provide coverage to an enrollee for the services of a provider during a continuity of care period, as required by s. 609.24, Wis. Stat.
7. Continuity of Care - It is recommended that GLHP submit to OCI and obtain approval of language in its policies and certificates regarding an enrollee's right to continuity of care in order to comply with s. 609.24, Wis. Stat.

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VI. ACKNOWLEDGMENT

The cooperation and courtesy extended to the examiners is hereby acknowledged.

Respectfully submitted,

Barbara Belling
Examiner-in-Charge

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Updated: February 11, 2000