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August 9, 2018

Nancy Wohlhart, VP, IL Medicaid Operations
BlueCross BlueShield of Illinois
300 East Randolph Street
Chicago, Illinois 60601

RE: Notice of Sanction: \$100,000 Financial Penalty

Dear Ms. Wohlhart:

This letter serves as notification to BlueCross BlueShield of Illinois ("BCBSIL") of sanction pursuant to Section 7.16.6 of the Contract for Furnishing Health Services by a Managed Care Organization ("contract") between the Department of Healthcare and Family Services ("Department") and BCBSIL:

"7.16.6 Failure to submit Encounter Data. The Department and Contractor acknowledge and agree that they will work in good faith to implement mutually agreed-upon system requirements resulting in the complete and comprehensive transfer and acceptance of Encounter Data, and that such mutual agreement shall not be unreasonably withheld. Contractor shall submit complete and accurate data quarterly to the Department in accordance with the Illinois Medicaid Health Plan Encounter Utilization Monitoring (EUM) requirements document, as set forth in Attachment XXIII, for each evaluation period. If Contractor does not meet the standards by the evaluation date as set forth in Attachment XXIII, the Department, without further notice, may:

7.16.6.1 impose a monetary penalty of up to US \$100,000;

7.16.6.2 impose an enrollment hold on Contractor; or

7.16.6.3 impose both."

BCBSIL's overall score of 88.84% for its HealthChoice Illinois contract in the Encounter Summary Report for EUM 2018 Evaluation Period 2 was below the 95% threshold related to the \$50,000 Financial Penalty outlined in Attachment XXIII. Additionally, BCBSIL's score of 54.53% for the Encounter Rate Clinic category was below the 80% threshold related to the \$50,000 Financial Penalty outlined in Attachment XXIII. The Department is hereby providing written notice that BCBSIL failed to meet the established expectation and is therefore fining BCBSIL in the amount of \$100,000. BCBSIL is to issue a check payable to the Department of Healthcare and Family Services for \$100,000. In the memo section of the check, please indicate "Re EUM 2018 Eval 2". Please send the check by 9/14/2018 to:

Department of Healthcare and Family Services
Bureau of Fiscal Operations, Attn: Matthew Duff
2200 Churchill Road, Building A2
Springfield, IL 62702

If you have any questions regarding this information, please contact Paul Stieber at 312-793-1045.

Sincerely,



Robert Mendonsa, Deputy Administrator
Division of Medical Programs

cc: Donavon Patton, Eugenia Gonzalez, Kimberly Fitzgerald, Laura Phelan, Matthew Duff & Paul Stieber