

201 South Grand Avenue East  
Springfield, Illinois 62763-0002

**Telephone:** (217) 782-1200  
**TTY:** (800) 526-5812

October 14, 2016

Robert Hilliard, Jr., CEO  
Harmony Health Plan  
29 North Wacker Drive, Suite 300  
Chicago, IL 60606

**RE: Notice of Sanctions: Auto-Assignment Shut-Off and \$50,000 Penalty**

Dear Mr. Hilliard:

The deadline for EUM Evaluation 3 for Harmony was extended by three weeks and Harmony submitted its updated Medicaid spends data and EUM Summary Report on 10/7/2016. In an email to Director Norwood on 10/7/2016 and in a phone conversation with me on 10/11/2016, you communicated that the reported Medicaid spend data was missing a significant amount of capitated claims. As you and I discussed on 10/11/2016, the degree of this incomplete data would result in both the Auto-Assignment Shut-Off and \$50,000 penalty to occur for Evaluation 3. Pursuant to Attachment 23 of the Contract for Furnishing Health Services by a Managed Care Organization ("contract") between the Department of Healthcare and Family Services ("Department") and Harmony: "Failure to send accurate spend data by the deadline will result in both the Financial Penalty and Auto-Assignment Shut-Off to occur."

Regarding the \$50,000 penalty, Harmony is to issue a check payable to the Department of Healthcare and Family Services for \$50,000. In the memo section of the check, please indicate "Re EUM Eval. 3 FHP/ACA Contract". Please send the check by 11/11/2016 to:

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

Regarding the Auto-Assignment Shut-Off penalty, Harmony will be on a different three month cycle to account for the aforementioned deadline extension. Auto-Assignment Shut-Off will be effective 11/1/2016 and will remain off through 1/31/2017. Auto-Assignment Shut-Off may be re-evaluated at 30 and 60 days. The 30 Day Re-Evaluation Date is 11/18/2016. The 60 Day Re-Evaluation Date is 12/16/2016. HFS must receive spend data a week prior to these re-evaluation dates (i.e., 11/11/2016 and 12/9/2016) in order for the re-evaluation to occur. The spend data shall cover the period of Q3 2014 – Q4 2015 which is the service period evaluated for Evaluation 3.

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: Amy Harris-Roberts  
Matthew Duff  
Ollie Idowu  
Paul Stieber  
Sherri Sadala