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April 13, 2016

Ross Westreich, Vice President
Humana
550 West Adams
Chicago IL, 60661

RE: Notice of Sanction

Dear Mr. Westreich:

This letter serves as notification to Humana Health Plan, Inc. (“Humana”) of sanction pursuant to Section 7.16.3 of the Contract for Furnishing Health Services by a Managed Care Organization (“contract”) between the Department of Healthcare and Family Services (“Department”) and Humana:

“7.16.3 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:

- 7.16.3.1** Impose a quarterly monetary penalty,
- 7.16.3.2** Suspend auto-assignment of Potential Enrollees with Contractor, or
- 7.16.3.3** Impose both.”

Humana’s reported score of 26.74% in its Encounter Summary Report for Evaluation Period 1 was above the 20% threshold related to the \$50,000 Financial Penalty outlined in Attachment XXIII. The Department is hereby providing written notice that Humana failed to meet the established expectation and is therefore fining Humana in the amount of \$50,000. Humana 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. 1 ICP Contract”. Please send the check by 5/20/2016 to:

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

If you have any questions regarding this information, please contact Paul Stieber at 312-793-1928.

Sincerely,



Robert Mendonsa, Deputy Administrator
Division of Medical Programs

cc: Ellie Harms
Laura Phelan
Kevin Sebaski
Paul Stieber