

All plans offered and underwritten by
Kaiser Foundation Health Plan of the Northwest

October 29, 2019

Tashia Sizemore
Division of Financial Regulation
Oregon Department of Consumer and Business Services
350 Winter Street, NE
Salem, OR 97301-3883

Re: Kaiser Foundation Health Plan of the Northwest (Kaiser), NAIC #95540
Response to the 2017 Market Conduct Examination Report from the Division of Financial
Regulation (DFR)

Dear Ms. Sizemore:

Kaiser Foundation Health Plan of the Northwest (Kaiser) received the Market Conduct Examination Report dated April 24, 2018 and the Division's letter dated August 21, 2018. We thank the Division and the audit team for their time and expertise. Below is a summary of the remediation efforts that have been undertaken by Kaiser since the exam concluded.

Recommendation: The Company makes changes to ensure recording of all provider requests on the day that the prior authorization request is received. All providers must be notified of a result within two business days when requesting prior authorization.

KFHPNW Response: During the 2016 audit period, the authorization process was administered in our Mental Health Department where a mental health clinician made authorization decisions. To better serve our growing population of children with Autism Spectrum Disorder (ASD) requiring Applied Behavior Analysis (ABA) services, in 2017 the preauthorization process was moved from our Mental Health Department to our Pediatric Development Evaluation Clinic, within our Pediatrics department. A Board-Certified Behavioral Analyst (BCBA) was hired to process utilization management (UM) requests for ABA services. A case manager and a medical assistant were also hired to ensure that preauthorization requests are promptly recorded and responded to within two business days. From July 2018 through September 2019, 98.5% (1,576 out of 1,600) UM requests for ABA Therapy were processed within two business days of receipt.

Recommendation: Remove all administrative staff from the directory. Make monthly updates to this directory to properly reflect participating providers available to enrolled members.

KFHPNW Response: All providers in administrative positions who are not treating patients have been removed from KP.org and our provider directory files. The logic in our systems has been re-written so that all internal clinicians assigned to administrative positions are suppressed from displaying in our directories. Our provider directory is updated monthly.

Recommendation: The Company needs to increase their network panel for Speech Therapy (ST) services. If they are unable to provide the medically necessary services using participating providers, the evidence of coverage for commercial plans requires that they provide an authorization for an external or non-participating provider. The Market Analysis unit within the DFR will investigate this issue to quantify the length and duration of wait times as well as identification of the number of members who were entitled to ST benefits but were unable to receive these benefits or paid out of pocket due to extensive wait times.

KFHPNW Response: During the audit period, the average wait time to appointment for a KP employed speech therapist was 39.3 days. This average wait time dropped to 28.7 days in 2017, and 27.1 days in 2018. We continue to recruit additional pediatric speech therapist positions to serve the growing needs of our members and have expanded the use of video and telephonic appointments by 15%. Members also have the option to see a contracted speech therapist at the in-network benefit level. KFHPNW has contracted with 21 new speech therapy providers since the end of 2016.

Recommendation: The Company should immediately cease using a letter directing members to a limited number of determined “preferred providers” when the EOC allows for authorization of services from non-participating providers. Any letter sent to members for ABA services should instruct them they do not have any participating providers who can deliver ABA services and that they should seek a licensed provider of their choice. Once a member’s choice has been made, they will work with them to authorize their benefits with the appropriate deductible and co-payments.

KFHPNW Response: In September 2018, Kaiser modified the letter that guided members on how to select an ABA provider by removing the reference to “preferred providers.” The letter was revised with the following language: “In order for your child to access ABA services, please select a provider to schedule an appointment. Kaiser works closely with many providers in the community. For your convenience, we have provided a list of these community ABA providers at the end of this letter. You may select one of these providers, or you may seek a licensed provider of your choice.”

In November 2018, Kaiser executed contracts with several licensed ABA providers (participating providers) throughout our service area and worked to contract with other licensed ABA providers. The resource letter was updated to reflect which providers were participating and providing in-network care. Currently, Kaiser has in-home, in-center and telehealth options from Longview, WA to Eugene, OR. Kaiser members need to obtain in-network, medically necessary ABA services from Kaiser’s contracted participating providers, per the terms of the member’s evidence of coverage.

Respectfully,

Melissa Stauffer
Program Manager, Commercial Compliance
Kaiser Foundation Health Plan of the Northwest

cc: Carrie Smith, Vice President and Northwest Regional Compliance Officer
Kirk Dobbins, Vice President and Regional Counsel