

January 27, 2023

Tashia Sizemore
Life and Health Program Manager
Division of Financial Regulation
Oregon Department of Consumer and Business Services
350 Winter St. NE
Salem, OR 97309

Re: Kaiser Foundation Health Plan of the Northwest, NAIC 95540
Targeted Market Conduct Examination Report

Dear Ms. Sizemore,

Kaiser Foundation Health Plan of the Northwest (KFHPNW) received the final Market Conduct Examination Report and letter dated January 23, 2023. We thank the Division and the audit team for their time and expertise during this audit. Kaiser Foundation Health Plan of the Northwest agrees with the findings listed in the report. We would like to share with you the steps we have taken, or will take, to address the findings contained in the audit report. I have listed the recommendations provided in the report below and the corresponding actions that we have taken since the draft Market Conduct Exam Report was issued in August 2022.

Claims

Recommendation: The insurer review its policies and procedures to assure that all claims are adjudicated in accordance with Oregon insurance law, including but not limited, ORS 743A.067. Additionally, that the insurer identify all pertinent CPT, and where applicable diagnosis, codes required to properly adjudicate RHEA claims.

KFHPNW Response: *The Company has been working to create a business reference document that codifies all relevant CPT, and the applicable diagnosis codes, with the services and items listed in the Oregon Reproductive Health Equity Act (RHEA). This reference material will be used to configure the benefits systems which will in turn provide a methodology for claims to be adjudicated compliantly. Once that reference material is completed the codes will be configured into the system. We anticipate that will be completed by end of Q2 2023.*

Recommendation: The insurer review its claims adjudication system and make all necessary adjustments to assure that claims are adjudicated in accordance with Oregon insurance law, including but not limited to, ORS 743A.067.

KFHPNW Response: *As stated above, the Company will codify all relevant CPT, and applicable diagnosis codes, to properly adjudicate impacted claims identified as subject to RHEA. The benefit configuration will be updated and added to the claims system, to ensure proper claim adjudication. We anticipate that to be completed by the end of Q2 2023.*

Recommendation: The insurer submit accurate, timely, and complete information to claim inquiries by the director of the Department of Consumer and Business Services or their delegate.

KFHPNW Response: *The Company is continuing to use the existing forums, established for issue resolution, and has prioritized audit responses to ensure accurate and timely information. The Company will continue to improve to ensure that we provide complete responses to the Director of DCBS and/or their delegate, in accordance with ORS 733.170 and ORS 731.300.*

As mentioned above, the Company is developing processes to standardize monitoring and reporting to demonstrate RHEA compliance. We anticipate this to be completed by end of Q2 2023.

Recommendation: The insurer provide education for personnel to be trained in all RHEA requirements for proper non-cost sharing requirements and payments for RHEA related services.

KFHPNW Response: *The Company has created a benefit policy that is specific to RHEA, which will include the complete CPT/Diagnosis code list, information on cost sharing and other additional information to help staff understand and apply the law. The policy will be shared with pertinent departments within the Health Plan, including those working in front facing areas. We anticipate the policy to be complete by the end of Q2 2023.*

Recommendation: The insurer provide a report to DFR of claims that are readjusted due to systemic findings that were discovered in this examination.

KFHPNW Response: *The Company will provide the list of claims that have been reprocessed since the Exam fieldwork has concluded. We anticipate providing the final list by Q2 2023.*

Recommendation: The insurer provide necessary mechanisms to obtain claim information relating to pharmacies that are not insurer owned.

KFHPNW Response: *The Company will work to develop a more sustainable process for requesting and presenting the claim information that is requested during an Exam or Director's Inquiry. We anticipate this to be completed by the end of Q2 2023.*

Policyholder service and complaints

Recommendation: The insurer provide proper monitoring of the complaint and grievance systems for trend analysis and proper compliance including the following:

- a. All complaints related to RHEA are identified.
- b. Proper controls over the complaint and grievance processes to track RHEA compliance.

KFHPNW Response: *The Company is currently working to assess the Member Experience Tracking and Reporting System (METRS) to identify potential system updates required to ensure that complaints and grievances related to the Oregon Reproductive Health Equity Act (RHEA) can be identified easily. A needs assessment, including system impact and cost estimates for system updates will be developed. We anticipate being able to complete this assessment by the end of Q1 2023. Once*

the assessment is completed by management, a phased project plan for implementation of the new system functionality will be developed. We anticipate this to be completed during Q2 2023. The Company will also need to request funding of this system upgrade and project implementation support. We anticipate this to be completed during Q3 2023. Once the project plan is approved and funding is acquired, we will be able to share more details about the project plan with the DFR.

Recommendation: The insurer provide education for personnel to be trained in all RHEA requirements for proper non-cost sharing requirements and payments for RHEA related services.

KFHPNW Response: *Member Relations Management and staff were provided materials regarding RHEA to ensure awareness of the requirements and the associated findings from the exam. Management will identify coaching opportunities as they arise. This was completed within Q4 2022.*

Recommendation: Underlying claims are properly resolved in the complaint and grievance process for proper treatment of consumers and accurate reporting to the director.

KFHPNW Response: *These exam findings were related to processes that were tracked and captured in an old business system known as CIDARS. During the examination period, the Company underwent a system update to a new platform for processing and tracking complaints, grievances, and appeals, known as METRS. The required fields for accurate reporting and controls to ensure that required documentation is included in the case file are available in the new system. To ensure staff are following appropriate case process guidelines by including necessary information and documents in the case file, ensuring case file completeness and maintenance of regulatory compliance, a communication will be shared with Member Relations management to review requirements and the associated findings from the exam to ensure awareness of requirements and work to identify coaching opportunities. This was completed in Q4 2022.*

Recommendation: The insurer submit accurate, timely, and complete information is provided to claim inquiries by the director of the Department of Consumer and Business Services or their delegate.

KFHPNW Response: *These exam findings were related to processes that were tracked and captured in an old business system known as CIDARS. During the examination period, the Company underwent a system update to a new platform for processing and tracking complaints, grievances, and appeals, known as METRS. The required fields for accurate reporting and controls to ensure that required documentation is included in the case file are available in the new system. To ensure staff are following appropriate case process guidelines by including necessary information and documents in the case file, ensuring case file completeness and maintenance of regulatory compliance, a communication will be shared with Member Relations management to review requirements and the associated findings from the exam to ensure awareness of requirements and work to identify coaching opportunities. This was completed in Q4 2022.*

Recommendation: The insurer adheres to its complaint and grievance process to timely resolve complaints within 30 calendar days.

KFHPNW Response: *These exam findings were related to processes that were tracked and captured in an old business system known as CIDARS. During the examination period, the Company underwent a system update to a new platform for processing and tracking complaints, grievances, and appeals, known as METRS. The required fields for accurate reporting and controls to ensure that required documentation is included in the case file are available in the new system. To ensure staff are following appropriate case process guidelines by including necessary information and documents in the case file, ensuring case file completeness and maintenance of regulatory compliance, a communication will be shared with Member Relations management to review requirements and the associated findings from the exam to ensure awareness of requirements and work to identify coaching opportunities. This was completed in Q4 2022.*

Recommendation: The complaint and grievance processes include timely written resolution letters and closing communications.

KFHPNW Response: *These exam findings were related to processes that were tracked and captured in an old business system known as CIDARS. During the examination period, the Company underwent a system update to a new platform for processing and tracking complaints, grievances, and appeals, known as METRS. The required fields for accurate reporting and controls to ensure that required documentation is included in the case file are available in the new system. To ensure staff are following appropriate case process guidelines by including necessary information and documents in the case file, ensuring case file completeness and maintenance of regulatory compliance, a communication will be shared with Member Relations management to review requirements and the associated findings from the exam to ensure awareness of requirements and work to identify coaching opportunities. This was completed in Q4 2022.*

We accept the draft report as written and do not wish to request a hearing.

Sincerely,



Jeffrey A. Collins
Regional President
Kaiser Foundation Health Plan of the Northwest