

Lake County Physicians' Association

Policy/Procedure Title: **LCPA Penalty Policy**

Effective Date: April 1, 2011

Reviewed Date: July 17, 2014

Revised Date: January 1, 2015

October 15, 2015, July, 28, 2017, May 14, 2019, February 25, 2021

Signature of Reviewing

And Approving Authority: _____

- I. **POLICY:** Adherence to Lake County Physicians' Association (LCPA) quality, utilization and case management program objectives as outlined in LCPA's UM/QI and Case Management Plan is critical to providing appropriate and cost-effective care in the most beneficial setting for the member. A provider's failure to comply with LCPA and/or HMO health plan requirements will result in the enforcement of the LCPA Penalty Policy.
- II. **OBJECTIVES:** To comply with health plan requirements regarding treatment and access; To provide quality care in the most cost effective and appropriate setting to LCPA members; To provide a fair and consistent approach to the manner in which penalties are assessed to LCPA providers who are not in compliance with LCPA and health plan requirements.
- III. **PROCEDURE:**
 - 1.0 Lake County Physicians' Association (LCPA) shall be notified of a participating provider's non-compliance with the UM/QI and health plan requirements.
 - 1.1 Noncompliance will be considered one of the following:
 - A) Failure to request authorization from LCPA prior to referring to a non-contracted provider (facility/physician), except for a life-threatening emergency.
 - B) Failure to pre-certify an outpatient procedure, inpatient admission, or observation stay; and to notify LCPA, as detailed in the UM/QI and Case Management Plan.

- C) Lack of cooperation with LCPA staff related to request for further medical information or discharge planning.
- D) Unwillingness to see new members when the PCP's practice is open to new members.
- E) Failure to provide proper access for a member, i.e.:
 - Routine Physical within 2 weeks.
 - Non-Urgent Symptomatic Care within 4 days of request.
 - Emergency Care response within 30 minutes of an emergency call.
 - Inability or unwillingness to schedule an in office follow-up visit within 7 days following a member's inpatient admission, outpatient procedure or emergency room visit.
- F) No response to initial or second letter from UM/QI Committee, within a month of the second notice.
- G) Unauthorized days, or a pattern of avoidable days, as determined by the UM/QI Committee, after a response is received from the physician.
- H) No response to requested information for LCPA Quality Improvement studies.
- I) No response to second request for credentialing information
- J) Non-submission of encounter data for the current quarter, such data to comprise a frequency equal to no less than twenty percent of assigned members per quarter. Such non-submitting physicians shall also be subject to withhold of their subsequent capitation checks until such time as they submit complete data. A financial penalty will also be taken.
- K) Whenever a physician is rounding, even if they are not the PCP on the case, but they are a member of LCPA, they may receive a penalty if they fail to follow LCPA guidelines or keep the patient in the hospital longer than necessary, this includes PCPs, Specialists and Hospitalists.
- L) PCPs who do not round in the hospital, will have the cost of having a Hospitalist round on their patient for them deducted from CAP. PCPs who do not have Hospitalists round for them, but make arrangements to have other physicians cover for them, are responsible for paying those physicians for those services, and to notify LCPA when another MD will be covering for them when they are out of town.

2.1 First Penalty - LCPA staff will document the penalty, communicate the penalty to the physician and discuss the issue with the LCPA Medical Director, as needed. The physician will be assessed a penalty of **\$100.**

2.1.1 The UM/QI and Case Management Committee will review each penalty.

2.1.2 A follow-up letter will be sent to the physician informing him/her of the non-compliant penalty, as reviewed by the UM/QI and Case Management Committee; and the outcome of the review.

2.2 Subsequent Penalties - If a physician has any subsequent penalties within the calendar year the UM/QI and Case Management Committee will review.

2.2.1 The physician will be requested to attend a Committee meeting to discuss the penalty.

2.2.2 The physician will be assessed a penalty of **\$100,** and 50% of the cost of the claim payment amount. The sum will be deducted from the physician's next payment.

- 3** A physician who does not agree with the decision of the Committee, can request, in writing, a reconsideration of the Committee's decision.
- 4** The physician will be requested to attend the UM/QI and Case Management Committee meeting to discuss the request for reconsideration. A majority vote of the Committee members is required to make a determination for reconsideration.
- 5** Subsequent to the Committee's meeting, the physician will be informed of its decision in writing.
- 6** If the physician does not agree with the Committee's decision, the physician can appeal to the Board of Directors. The appeal must be in writing.
- 7** The appeal will be discussed in person with the members of the Board of Directors and the physician requesting the reconsideration.
- 8** The majority vote of the Board of Directors will constitute a final decision.
- 9** On an annual basis, all penalties will be reviewed by the Board of Directors to determine if egregious physicians/groups shall continue participation with LCPA.

UM/QI and CASE MANAGEMENT COMMITTEE CHAIRMAN:
