

TONI PRECKWINKLE
PRESIDENT, COOK COUNTY
BOARD OF COMMISSIONERS

RANJIT HAKIM
EXECUTIVE DIRECTOR



BOARD OF ETHICS MEMBERS
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COOK COUNTY BOARD OF ETHICS
69 W. WASHINGTON STREET, SUITE 3040
CHICAGO, ILLINOIS 60602
312/603-4304 OFFICE
312/603-9988 FAX

January 4, 2018

VIA EMAIL AND U.S. MAIL

Michael Alvarez
214 W. Erie
Chicago, IL 60654
michael@alvarezaffairs.com

RE: Notice of Violation of Cook County Lobbyist Registration Ordinance, Case No. 16I09

Dear Mr. Alvarez:

You are required by the Cook County Lobbyist Registration Ordinance (the "Ordinance") to file a report of all lobbying activity with the Cook County Clerk every six months. *See* County Code § 2-634. It has come to the attention of the Cook County Board of Ethics that you have failed to report the following activity:

1. An August 24, 2015 email to Cook County Commissioner Deborah Sims re: "IlliniCare" with an attached fact sheet, which "addresses some of the major issues with the recent action taken by the CCHS to terminate the current CountyCare contract." (*See* Exhibit A.) Cook County Health & Hospital Systems had previously confirmed on August 4, 2015 that it had intended to replace IlliniCare, a subsidiary of your client, Centene Corporation, as its third-party administrator.
2. An August 24, 2015 email to Cook County Commissioner Joan Murphy re: "IlliniCare Fact Sheet and meeting request" which states, "We hope to schedule a brief meeting with you soon to discuss so [sic] of these issues in greater detail." (*See* Exhibit B.)
3. A September 8, 2015 email to Commissioner Murphy re: "questions," with attached document entitled "CountyCare Operational Disruptions," which contains a list of questions related to the termination of a contract with "the current vendor," IlliniCare. (*See* Exhibit C.)
4. September 8, 2015 email to Commissioner Sims re: "Questions," with attached document entitled "CountyCare Operational

Disruptions,” stating “you may want to consider as you prepare for the board meeting tomorrow.” (*See Exhibit D.*)

5. September 8, 2015 email to Peg Walsh (staff to Cook County Commissioner Sean Morrison) re: “questions on CountyCare,” stating “Please see the attached questions that may be helpful as you prepare for tomorrow’s board meeting.” with an attached “CountyCare Operational Disruptions” document. (*See Exhibit E.*)
6. October 19, 2015 email to Commissioner Sims re: “Amusement tax impact on residential customers,” stating “Please see the attached talking points.” (*See Exhibit F.*)
7. October 19, 2015 email to Commissioner Murphy re: “Amusement tax,” stating “Please see the attached points we have on the amusement tax. Please call me when you have a moment at [phone number]. Thanks, Mike” (*See Exhibit G.*)

Pursuant to Section 2-637(b), violations of the Ordinance (other than late registration or reporting) are punishable by fines of \$250 per occurrence. Thus, the Board is imposing a \$1,750 fine in this matter. Violators also “shall be prohibited for a period of three years from engaging, directly or indirectly, in any Lobbying activities” covered by the Ordinance. Because this is your first violation of the Ordinance, the Cook County Board of Ethics will not impose a bar on your lobbying activities at this time. However, this notice constitutes a warning that future failures to report all lobbying activity will result in a prohibition on your lobbying activity on Cook County matters up to a period of three years.

This constitutes the final notice on this matter. You can resolve this matter by choosing one of two options:

Option 1: Voluntarily admit to the violation(s) above and (1) affirm that you have filed an amended lobbying registration and report to include the foregoing and any other unreported activity, and (2) pay the \$1,750 fine due.

Option 2: Contest the violation(s) at a hearing before the Cook County Department of Administrative Hearings.

You must indicate your selection on the enclosed Response to Notice of Violation Form and mail it to the Cook County Board of Ethics within 30 days of the date of this letter.

Should you fail to report and pay or contest these fines within 30 days of the date of this letter, the Cook County Board of Ethics shall refer this matter to the Cook County State’s Attorney to institute enforcement proceedings in the Department of Administrative Hearings. If such an enforcement action is necessary, the Cook County Board of Ethics reserves the right to seek additional penalties, interest, and other applicable fees.

Michael Alvarez

Case No. 16I09

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If you have questions regarding the violation above, please contact Cook County Board of Ethics Deputy Director Amy Crawford at (312) 603-1108. If you have questions regarding the Administrative Hearings process, please call (312) 603-2120.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ranjit Hakim', with a horizontal line extending to the right.

Ranjit Hakim
Executive Director

cc: Cook County Clerk Ethics Unit

Response to Notice of Violation of Lobbyist Registration Ordinance

Michael Alvarez 214 W. Erie Chicago, IL 606054 michael@alvarezaffairs.com	Violation No.: 16I09 Date Issued: January 4, 2018 Fine Due: \$1,750 Allocation Code: 5822
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_____ **Option 1:** I voluntarily admit to the violation(s) above and affirm that I have updated my registration and filed an amended lobbying activity report. I am enclosing a cashier's check or money order payable to the Cook County Department of Revenue.

_____ **Option 2:** I wish to contest the violation(s) at a hearing before the Cook County Department of Administrative Hearings.

Lobbyist signature

RETURN TO: **COOK COUNTY BOARD OF ETHICS**
 69 W. WASHINGTON, SUITE 3040
 CHICAGO, IL 60602

EXHIBIT A

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Monday, August 24, 2015 9:11 PM
To: Deborah Sims (Board of Commissioners)
Subject: IlliniCare
Attachments: IlliniCare Fact Sheet.docx

Hi Commissioner,

Please see the attached IlliniCare fact sheet. This fact sheet addresses some of the major issues with the recent action taken by the CCHS to terminate the current CountyCare contract.

Thanks,
Mike

Cook County Health and Hospital System plans to terminate the current CountyCare contract with a single vendor, IlliniCare, after only one full year of operations and abruptly switch to a multiple vendor system. This change will result in major disruption for members and providers currently aligned with CountyCare, CCHHS and the County Board of Commissioners.

This action may cause significant risks to citizens who rely on CountyCare for their insurance coverage.

- 1. CountyCare members may experience disruption as a result of the movement of the program to new and possibly non-integrated vendors.**
 - a. Over 171,000 members currently rely on CountyCare for their insurance coverage.
 - b. Administrative transitions for complex programs of this size involve significant risk, with potential for disruptions to members and providers that can directly affect member care.
 - c. Members who suffer the most during complex transitions are the most vulnerable, such as members with mental health issues, those who are in the hospital or those who are on life-saving medications. These members stand a high probability of having their care disrupted and having adverse health outcomes as a result.
 - d. Member confusion has already begun and will grow larger as people try to understand their options and whether they can keep their care coordinator, plan and formulary. Ultimately, this could put Cook County's collective hard work on managing their care at risk.
 - e. Provider abrasion, through claim payment timeliness, quality deterioration and new adjudication rules, will be significant as CountyCare "starts over."
- 2. Operating a complex health plan like CountyCare requires a high level of experience. This experience is necessary to maintain the processes and systems required to manage the business and assure the delivery and financing of health care. For example:**
 - a. HFS and State requirements are ever changing and significant. CountyCare currently has all necessary processes, reports and technology to maintain licensure, including a rigorous compliance program, which provided over 370 detailed regulatory reports to the State in the past year. This is not something a standard vendor who specializes in claims payment can do.
 - b. In just one year under the current system, CountyCare has seen major accomplishments, including:
 - Holding 2,934 face-to-face encounters with CountyCare members;
 - Performing 37,893 health risk screens and 14,765 health assessments;
 - Making and receiving 246,420 calls with CountyCare members for purposes of care coordination and mailing 821,000 care and education pieces to members;
 - Creating 7,906 new care plans for CountyCare members and updated those plans more than 43,631 times in the last year;
 - Filling 1.1 million prescriptions;
 - Establishing a credentialed network of 8,739 providers;
 - And adjudicating more than 1.6 million claims.
- 3. There is the potential for an adverse impact on Cook County financials that have benefited from the improvements in the CountyCare program since the partnership began with IlliniCare and its parent company, Centene.**
 - a. As the *Chicago Tribune* noted on August 7, 2015: "The timing of such a big change could be disruptive, as the health system finds itself on solid financial footing for the first time in decades."

- b. Movement to a new platform(s) will result in disruption for up to two years. This will result in dissatisfied members moving to other health plans during this time and will put the hard earned operational success of CountyCare in jeopardy.
- c. Operational and financial controls have been brought to CountyCare along with detailed reporting and analysis. Losing these will result in once again having a lack of transparency in the program.

4. There are multiple ways to structure the IlliniCare role to address CCHHS goals related to the management of CountyCare and competitive issues. Since CountyCare has gone to a single vendor, membership has increased 68 percent, from 103,000 to 171,000 in a single year.

- a. Membership has increased due to the significant investments in the local market under the current system. This local presence has greatly benefited CountyCare and dismantling the current program would mean vendor(s) from outside of Cook County. At stake is:
 - The jobs of more than 370 employees who have been hired to work for CountyCare with over 270 of those employees, or 70 percent, based in Cook County.
 - The physical presence of CountyCare as these employees occupy over 100,000 square feet of office space that has been leased in Cook County for the CountyCare health plan.
- b. Moving the business to non-integrated vendors would be especially risky, since solving for an integrated solution was a key driver of the original RFP for this program in 2013.

EXHIBIT B

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Monday, August 24, 2015 9:10 PM
To: Joan Murphy (Board of Commissioners)
Subject: IlliniCare Fact Sheet and meeting request
Attachments: IlliniCare Fact Sheet.docx

Hi Commissioner,

Please see the attached IlliniCare fact sheet. This fact sheet addresses some of the major issues with the recent action taken by the CCHS to terminate the current CountyCare contract. We hope to schedule a brief meeting with you soon to discuss some of these issues in greater detail.

Please let me know when we might be able to schedule some time in person or a call.

Thanks,
Mike

Cook County Health and Hospital System plans to terminate the current CountyCare contract with a single vendor, IlliniCare, after only one full year of operations and abruptly switch to a multiple vendor system. This change will result in major disruption for members and providers currently aligned with CountyCare, CCHHS and the County Board of Commissioners.

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 - c. Members who suffer the most during complex transitions are the most vulnerable, such as members with mental health issues, those who are in the hospital or those who are on life-saving medications. These members stand a high probability of having their care disrupted and having adverse health outcomes as a result.
 - d. Member confusion has already begun and will grow larger as people try to understand their options and whether they can keep their care coordinator, plan and formulary. Ultimately, this could put Cook County's collective hard work on managing their care at risk.
 - e. Provider abrasion, through claim payment timeliness, quality deterioration and new adjudication rules, will be significant as CountyCare "starts over."
- 2. Operating a complex health plan like CountyCare requires a high level of experience. This experience is necessary to maintain the processes and systems required to manage the business and assure the delivery and financing of health care. For example:**
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- a. Membership has increased due to the significant investments in the local market under the current system. This local presence has greatly benefited CountyCare and dismantling the current program would mean vendor(s) from outside of Cook County. At stake is:
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 - The physical presence of CountyCare as these employees occupy over 100,000 square feet of office space that has been leased in Cook County for the CountyCare health plan.
- b. Moving the business to non-integrated vendors would be especially risky, since solving for an integrated solution was a key driver of the original RFP for this program in 2013.

EXHIBIT C

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Tuesday, September 08, 2015 12:50 PM
To: Deborah Sims (Board of Commissioners)
Subject: Questions
Attachments: CCare disruption final 9-4-15 (2).docx

Please see the attached questions you may want to consider as you prepare for the board meeting tomorrow.

Thanks,
Mike

CountyCare Operational Disruptions

General Questions:

- Can you tell me what conversations you had with the current vendor over competitive or performance concerns you may have had? Did you have any conversations with them before terminating their contract? Why not?
- For the first time, many of my constituents are now receiving coverage through County Care and are accessing health care for the first time. How do you plan to transition CountyCare's 170K members to new care coordinators in a way that does not disrupt their care?
- CountyCare has played a significant role in stabilizing Cook County finances. I am uncomfortable with the idea that we need, or even should, make drastic changes to the program right now. How can you guarantee that the new, multiple vendor arrangement, managed by CountyCare staff is going to succeed in maintaining our membership and revenue?
- I've been told that you pulled the Care Coordination Scope of Work from the RFP – why is that?
- My understanding is that the RFP breaks up the CountyCare contract back into multiple vendors. What capabilities does your staff have to review and negotiate and prepare for implementing all of these new vendors by April 1st? That seems like an extremely aggressive timeline – especially when we know how things slow down between Thanksgiving and the New Year?

Operational Questions (details to each question on following pages):

1. How can we be sure that CountyCare members' claims will continue to be paid on a timely and accurate basis, especially with such a fast transition?
2. How can we be sure that CountyCare members and providers will continue to get first-rate service every time they call or see a provider?
3. How can we be sure that CountyCare members will have well-integrated care coordination services?
4. How can we be sure that CountyCare members will continue to get their prescriptions filled as soon as they need them?
5. How can we be sure that CountyCare and all the subcontracted vendors will be able to pass the State's Readiness Review under this new Contractual arrangement?
6. How can you be certain that the TPA has the ability to meet ALL standard and Adhoc reporting requirements for CountyCare?

CountyCare Operational Disruptions

7. How can we be sure that the large network of CountyCare providers will be accurately loaded into the TPA's systems to ensure proper claims payment? How will you educate them on new processes and procedures in time?

Question 1:

How can we be sure that CC members' claims are paid on a timely and accurate basis?

Potential for Disruptions:

ILHP Claims Processing and Payment for CC
 % of clean claims processed within 30 days: 100%
 % of clean claims processed within 90 days: 100%

- When members' claims are not paid, continuity of care is affected.
- When local community-based providers are not paid, their cash flow is negatively impacted.
- Overpayment and underpayment of claims result in increased administrative work and costs; it can also increase unnecessary referrals for Fraud, Waste and Abuse.
- Member files and information may not match across multiple vendors. How will these multiple vendors talk to each other?
- Members and Providers uncertain of covered benefits and what authorizations are needed.
- State complaints and sanctions for failure to meet timely payment requirements.
- Providers leave CountyCare network due to service problems.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can make all the necessary systems communicate easily and consistently by 4/1/2016. Details below.

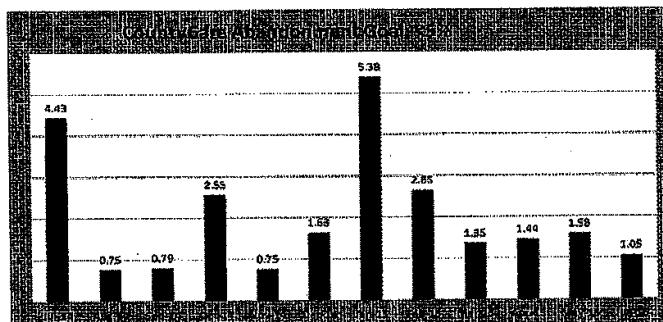
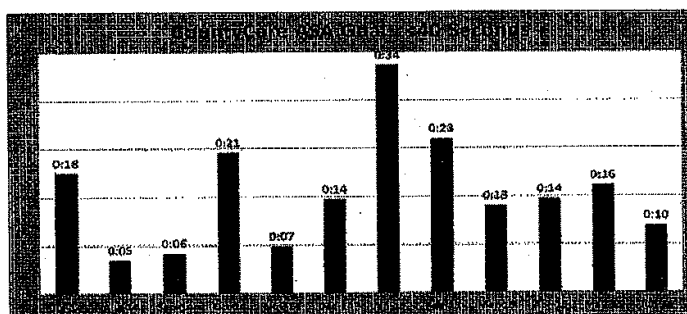
Critical Elements for Success	Current Contract	RFP Citation
Member & Provider service Inquiries	ILHP Integrated systems ensure consistency across these areas	SOW 1.4
Utilization Management/ Prior Authorization		SOW 1.5
Member Eligibility		SOW 1.3
Provider Contract Load		SOW 1.7 (Dependent Quality & Accuracy of CCHHS Data)
Benefits		
• Medical & Behavioral		SOW 1.0
• Pharmacy providers		SOW 4.0

CountyCare Operational Disruptions

• Optical providers		SOW 5.0
• Dental providers		SOW 3.0
• Transportation vendor		SOW 6.0

Question 2:

How can we be sure that CountyCare members and providers will get first-rate service every time they call?



Potential for Disruptions:

- Long hold and wait times frustrate members and providers.
- Long hold times impact compliance with state contract requirements.
- Long hold times and wait times increase complaints and grievances.
- Poor service can lead to members choosing another health plan and doctors leaving network.
- Inability of call center service vendor to access all needed information from other vendor systems may result in delay of care for the members.
- Poor continuity of care for members if after-hour service does not easily communicate to TPA and care coordination entity.

CountyCare Operational Disruptions

Answer:

- We cannot be assured because the RFP allows multiple vendors for parts of the Member Service function. The RFP assumes they can make all the necessary systems communicate easily and consistently by 4/1/2016. Details below.

Critical Elements for Success	Current Contract	RFP Citation
Member & Provider Inquiries	ILHP Integrated systems allow Member services team has access to Enrollment, Claims, Provider and care coordination information. 24-Hour Nurse advice line provides daily report of members that needed f/up information to member services care coordinators.	SOW 1.4
Enrollment & Benefit questions		SOW 1.3
Claims inquiries		SOW 1.2
PCP Change requests		SOW 1.4
ID Card replacement		SOW 1.4
Medical & Behavioral		SOW 1.0
Pharmacy inquiries		SOW 4.0
After hours calls		SOW 1.5

CountyCare Operational Disruptions

Question 3:

How can we be sure that CountyCare members have well-integrated care coordination services?

Potential for Disruptions:

- Current members have developed strong relationships with their care coordinator and many have integrated care plans they are working on together. There is risk in gaps in care as they transition to a new care coordination entity.
- Members may not develop and/or maintain a relationship with his/her new care coordination team.
- If a member gets cancer or is diagnosed with a substance abuse problem, their care coordination company will change or be disjointed due to multiple vendors.
- It is unclear how CountyCare will capture, track and report data on care coordination.
- Providers may not know who to contact for care coordination or discharge planning assistance.

Answer:

- We cannot be assured; the care coordination SOW was withdrawn from the RFP. The plan for providing care coordination and assuring integration is unclear at this time.

Critical Elements for Success	Current Contract	RFP Citation
Continuity of care coordination as member needs change.	ILHP Integrated systems allow for consistent and effective care coordination as member conditions and needs change. Specialized programs include StartSmart and Sickie cell. Dedicated team for LTSS/Waiver population.	Removed from RFP
Specialized medical management programs for TANF population.		Removed from RFP
Seamless care coordination across Medical and behavioral health needs.		Removed from RFP
Specialized care coordination for LTSS/Waiver services/TBI/AIDS etc		Removed from RFP

CountyCare Operational Disruptions

Question 4:

How can we be sure that CountyCare members have their prescriptions filled immediately?

Potential for Disruptions:

- Current prescription volume is 5,000 per day; can new vendors ensure that all systems are able to meet that need?
- If a prescription is not filled on a timely basis, it may lead to an ER visit or hospitalization.
- When system does not work efficiently, member is asked to pay out-of-pocket for medicines
- Pharmacy may be unable to verify member enrollment/eligibility
- If pharmacy is not paid on a timely basis, may refuse to fill CountyCare prescriptions.
- If pharmacy cannot confirm member eligibility, it may delay member getting needed medicines.
- Unclear if new vendor will "advance" funding to pharmacies until County releases money, as happens with current vendor.
- Member frustration may lead to disenrollment from CountyCare.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can make all the necessary systems communicate easily and consistently by 4/1/2016. Details below.

Critical Elements for Success	Current Contract	RFP Citation
Verify member eligibility	ILHP advances funding to pharmacies \$19 Mil (more than \$3 mil per week) for 5 weeks.	SOW 1.3
Verify member and provider benefits		SOW 1.4
Claims payment		SOW 1.2
Ability to respond to Pharmacy inquiries	ILHP Integrated systems allow for seamless pharmacy needs for members.	SOW 4.0
After hours pharmacy calls from members and providers	24-Hour Nurse advice line provides warm transfer to Pharmacy vendor.	SOW 1.5

CountyCare Operational Disruptions

Question 5:

How can we be sure that CountyCare and all the subcontracted vendors will be able to pass the Readiness Review for the new Contractual arrangement?

Potential for Disruptions:

- If not approved by 4/1/2016, CountyCare cannot operate.
- If all contracted vendors do not meet requirements, CountyCare does not operate.
- Vendors from states not under HSAG framework may not know HSAG standards or review teams.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can be fully prepared for a complete Readiness Review. Details below.

HSAG Review Requirements	Current Contract	RFP Citation
Program Descriptions, Policies and Procedures, Reports & Dashboards for ALL operational units	ILHP and Centene have successfully completed multiple HSAG readiness reviews. ILHP's HSAG review for CountyCare was completed in 2 days in March, 2014 (3+ months prior to "go live" date)	The potential of multiple vendors in multiple states to meet the requirement is a challenge. Will need to be managed closely. If HSAG review is 90 days before "go live" date; would need to occur in January 2016.
Provider Network and Credentialing documentation		
Delegation agreements/documentation		

CountyCare Operational Disruptions

Question 6:

- How can you be certain that the TPA has the ability to meet ALL standard and Adhoc reporting requirements for CountyCare?

Potential for Disruptions:

- Inability of any single vendor to produce required reports undermines CCHHS's ability to be in compliance.
- Validating data from multiple sources increases risk of errors.
- Data feeds across multiple vendor increases validation concerns and likelihood of errors.
- Managing data dictionaries, crosswalks, process flow and interfaces across many vendors increases risk.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can make all the necessary systems communicate easily and consistently by 4/1/2016 and that all data is validated. Details below.

Examples of Reporting	Current Contract	RFP Citation
<ul style="list-style-type: none">• Adjudicated Claims• Care Management/Disease Management• Critical Incidents• Pharmacy Monitoring• Prior Authorization• Monthly Disenrollment• Monthly Call Center Metrics• Fraud and Abuse Reports• Grievances and Appeals	ILHP Integrated systems assist in developing reports and dashboards.	RFP anticipates reporting capabilities, but integration of data across multiple platforms is complex.

CountyCare Operational Disruptions

Question 7:

- **How can we be sure that all Providers will be accurately loaded into the TPA's systems to ensure proper claims payment?**

Potential for Disruptions:

- Claims not paid.
- Inability to pay claims timely and accurately.
- Provider dissatisfaction may lead them to leave the network.
- Provider confusion and dissatisfaction.
- Members being denied services for covered benefits.
- Extensive rework and reprocessing of claims
- Inaccurate claims data.
- Inability to identify Fraud, Waste and Abuse.

Answer:

- We cannot be assured because the loading of provider contracts is highly dependent on the completeness and accuracy of CCHHS' provider contracts and documentation shared with vendor.

EXHIBIT D

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Monday, October 19, 2015 10:21 AM
To: Deborah Sims (Board of Commissioners)
Subject: Amusement tax impact on residential customers
Attachments: Cook County Amusement -- Residential 101515.pdf

Please see the attached talking points.

CountyCare Operational Disruptions

General Questions:

- Can you tell me what conversations you had with the current vendor over competitive or performance concerns you may have had? Did you have any conversations with them before terminating their contract? Why not?
- For the first time, many of my constituents are now receiving coverage through County Care and are accessing health care for the first time. How do you plan to transition CountyCare's 170K members to new care coordinators in a way that does not disrupt their care?
- CountyCare has played a significant role in stabilizing Cook County finances. I am uncomfortable with the idea that we need, or even should, make drastic changes to the program right now. How can you guarantee that the new, multiple vendor arrangement, managed by CountyCare staff is going to succeed in maintaining our membership and revenue?
- I've been told that you pulled the Care Coordination Scope of Work from the RFP – why is that?
- My understanding is that the RFP breaks up the CountyCare contract back into multiple vendors. What capabilities does your staff have to review and negotiate and prepare for implementing all of these new vendors by April 1st? That seems like an extremely aggressive timeline – especially when we know how things slow down between Thanksgiving and the New Year?

Operational Questions (details to each question on following pages):

1. How can we be sure that CountyCare members' claims will continue to be paid on a timely and accurate basis, especially with such a fast transition?
2. How can we be sure that CountyCare members and providers will continue to get first-rate service every time they call or see a provider?
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5. How can we be sure that CountyCare and all the subcontracted vendors will be able to pass the State's Readiness Review under this new Contractual arrangement?
6. How can you be certain that the TPA has the ability to meet ALL standard and Adhoc reporting requirements for CountyCare?

CountyCare Operational Disruptions

7. How can we be sure that the large network of CountyCare providers will be accurately loaded into the TPA's systems to ensure proper claims payment? How will you educate them on new processes and procedures in time?

Question 1:

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Potential for Disruptions:

ILHP Claims Processing and Payment for CC
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- Members and Providers uncertain of covered benefits and what authorizations are needed.
- State complaints and sanctions for failure to meet timely payment requirements.
- Providers leave CountyCare network due to service problems.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can make all the necessary systems communicate easily and consistently by 4/1/2016. Details below.

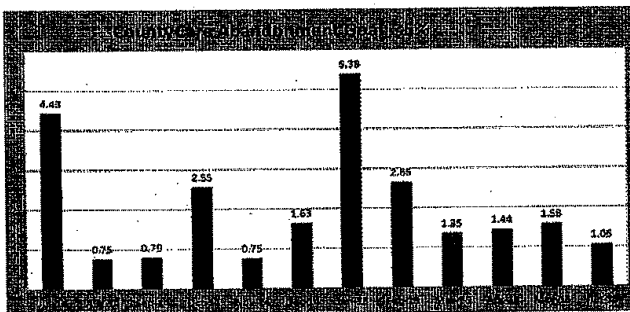
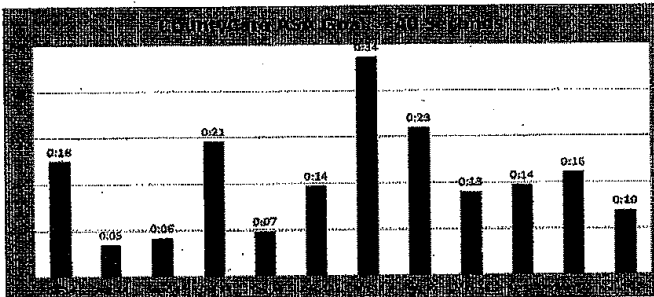
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CountyCare Operational Disruptions

• Optical providers		SOW 5.0
• Dental providers		SOW 3.0
• Transportation vendor		SOW 6.0

Question 2:

How can we be sure that CountyCare members and providers will get first-rate service every time they call?



Potential for Disruptions:

- Long hold and wait times frustrate members and providers.
- Long hold times impact compliance with state contract requirements.
- Long hold times and wait times increase complaints and grievances.
- Poor service can lead to members choosing another health plan and doctors leaving network.
- Inability of call center service vendor to access all needed information from other vendor systems may result in delay of care for the members.
- Poor continuity of care for members if after-hour service does not easily communicate to TPA and care coordination entity.

CountyCare Operational Disruptions

Answer:

- We cannot be assured because the RFP allows multiple vendors for parts of the Member Service function. The RFP assumes they can make all the necessary systems communicate easily and consistently by 4/1/2016. Details below.

Critical Elements for Success	Current Contract	RFP Citation
Member & Provider Inquiries	ILHP Integrated systems allow Member services team has access to Enrollment, Claims, Provider and care coordination information. 24-Hour Nurse advice line provides daily report of members that needed f/up information to member services care coordinators.	SOW 1.4
Enrollment & Benefit questions		SOW 1.3
Claims inquiries		SOW 1.2
PCP Change requests		SOW 1.4
ID Card replacement		SOW 1.4
Medical & Behavioral		SOW 1.0
Pharmacy inquiries		SOW 4.0
After hours calls		SOW 1.5

CountyCare Operational Disruptions

Question 4:

How can we be sure that CountyCare members have their prescriptions filled immediately?

Potential for Disruptions:

- Current prescription volume is 5,000 per day; can new vendors ensure that all systems are able to meet that need?
- If a prescription is not filled on a timely basis, it may lead to an ER visit or hospitalization.
- When system does not work efficiently, member is asked to pay out-of-pocket for medicines
- Pharmacy may be unable to verify member enrollment/eligibility
- If pharmacy is not paid on a timely basis, may refuse to fill CountyCare prescriptions.
- If pharmacy cannot confirm member eligibility, it may delay member getting needed medicines.
- Unclear if new vendor will "advance" funding to pharmacies until County releases money, as happens with current vendor.
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After hours pharmacy calls from members and providers	24-Hour Nurse advice line provides warm transfer to Pharmacy vendor.	SOW 1.5

CountyCare Operational Disruptions

Question 5:

How can we be sure that CountyCare and all the subcontracted vendors will be able to pass the Readiness Review for the new Contractual arrangement?

Potential for Disruptions:

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- If all contracted vendors do not meet requirements, CountyCare does not operate.
- Vendors from states not under HSAG framework may not know HSAG standards or review teams.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can be fully prepared for a complete Readiness Review. Details below.

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Delegation agreements/documentation		

CountyCare Operational Disruptions

Question 6:

- How can you be certain that the TPA has the ability to meet ALL standard and Adhoc reporting requirements for CountyCare?

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- Inability of any single vendor to produce required reports undermines CCHHS's ability to be in compliance.
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CountyCare Operational Disruptions

Question 7:

- How can we be sure that all Providers will be accurately loaded into the TPA's systems to ensure proper claims payment?

Potential for Disruptions:

- Claims not paid.
- Inability to pay claims timely and accurately.
- Provider dissatisfaction may lead them to leave the network.
- Provider confusion and dissatisfaction.
- Members being denied services for covered benefits.
- Extensive rework and reprocessing of claims
- Inaccurate claims data.
- Inability to identify Fraud, Waste and Abuse.

Answer:

- We cannot be assured because the loading of provider contracts is highly dependent on the completeness and accuracy of CCHHS' provider contracts and documentation shared with vendor.

EXHIBIT E

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Tuesday, September 08, 2015 12:55 PM
To: Peg Walsh (Board of Commissioners)
Subject: questions on CountyCare
Attachments: CCare disruption final 9-4-15 (2).docx

Please see the attached questions that may be helpful as you prepare for tomorrow's board meeting.

CountyCare Operational Disruptions

General Questions:

- Can you tell me what conversations you had with the current vendor over competitive or performance concerns you may have had? Did you have any conversations with them before terminating their contract? Why not?
- For the first time, many of my constituents are now receiving coverage through County Care and are accessing health care for the first time. How do you plan to transition CountyCare's 170K members to new care coordinators in a way that does not disrupt their care?
- CountyCare has played a significant role in stabilizing Cook County finances. I am uncomfortable with the idea that we need, or even should, make drastic changes to the program right now. How can you guarantee that the new, multiple vendor arrangement, managed by CountyCare staff is going to succeed in maintaining our membership and revenue?
- I've been told that you pulled the Care Coordination Scope of Work from the RFP – why is that?
- My understanding is that the RFP breaks up the CountyCare contract back into multiple vendors. What capabilities does your staff have to review and negotiate and prepare for implementing all of these new vendors by April 1st? That seems like an extremely aggressive timeline – especially when we know how things slow down between Thanksgiving and the New Year?

Operational Questions (details to each question on following pages):

1. How can we be sure that CountyCare members' claims will continue to be paid on a timely and accurate basis, especially with such a fast transition?
2. How can we be sure that CountyCare members and providers will continue to get first-rate service every time they call or see a provider?
3. How can we be sure that CountyCare members will have well-integrated care coordination services?
4. How can we be sure that CountyCare members will continue to get their prescriptions filled as soon as they need them?
5. How can we be sure that CountyCare and all the subcontracted vendors will be able to pass the State's Readiness Review under this new Contractual arrangement?
6. How can you be certain that the TPA has the ability to meet ALL standard and Adhoc reporting requirements for CountyCare?

CountyCare Operational Disruptions

7. How can we be sure that the large network of CountyCare providers will be accurately loaded into the TPA's systems to ensure proper claims payment? How will you educate them on new processes and procedures in time?

Question 1:

How can we be sure that CC members' claims are paid on a timely and accurate basis?

Potential for Disruptions:

ILHP Claims Processing and Payment for CC

% of clean claims processed within 30 days: 100%

% of clean claims processed within 90 days: 100%

- When members' claims are not paid, continuity of care is affected.
- When local community-based providers are not paid, their cash flow is negatively impacted.
- Overpayment and underpayment of claims result in increased administrative work and costs; it can also increase unnecessary referrals for Fraud, Waste and Abuse.
- Member files and information may not match across multiple vendors. How will these multiple vendors talk to each other?
- Members and Providers uncertain of covered benefits and what authorizations are needed.
- State complaints and sanctions for failure to meet timely payment requirements.
- Providers leave CountyCare network due to service problems.

Answer:

- We cannot be assured because the RFP assumes multiple vendors can make all the necessary systems communicate easily and consistently by 4/1/2016. Details below.

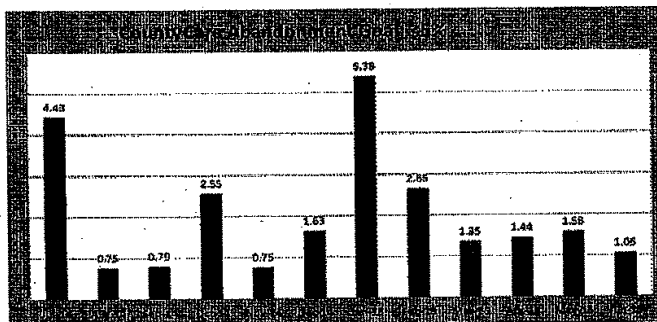
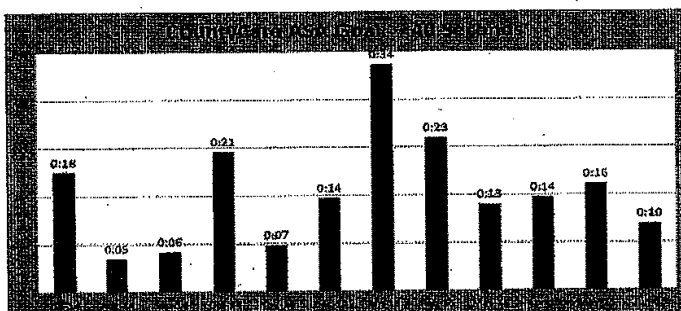
Critical Elements for Success	Current Contract	RFP Citation
Member & Provider service Inquiries	ILHP Integrated systems ensure consistency across these areas	SOW 1.4
Utilization Management/ Prior Authorization		SOW 1.5
Member Eligibility		SOW 1.3
Provider Contract Load		SOW 1.7 (Dependent Quality & Accuracy of CCHHS Data)
Benefits		
• Medical & Behavioral		SOW 1.0
• Pharmacy providers		SOW 4.0

CountyCare Operational Disruptions

• Optical providers		SOW 5.0
• Dental providers		SOW 3.0
• Transportation vendor		SOW 6.0

Question 2:

How can we be sure that CountyCare members and providers will get first-rate service every time they call?



Potential for Disruptions:

- Long hold and wait times frustrate members and providers.
- Long hold times impact compliance with state contract requirements.
- Long hold times and wait times increase complaints and grievances.
- Poor service can lead to members choosing another health plan and doctors leaving network.
- Inability of call center service vendor to access all needed information from other vendor systems may result in delay of care for the members.
- Poor continuity of care for members if after-hour service does not easily communicate to TPA and care coordination entity.

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EXHIBIT F

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Monday, October 19, 2015 10:21 AM
To: Deborah Sims (Board of Commissioners)
Subject: Amusement tax impact on residential customers
Attachments: Cook County Amusement -- Residential 101515.pdf

Please see the attached talking points.

Cook County Amusement Tax

Impacts on Residential Customers

What is being proposed?

Two months after securing a sales tax increase that cost Cook County consumers \$470 million, President Toni Preckwinkle is looking to increase the amusement tax on consumers by \$18 million. As proposed, for the first time ever a 3% amusement tax would be applied to paid TV customers who subscribed to services such as ATT&Ts U-Verse, Comcast Xfinity, RCN and Mediacom. In addition, the new amusement tax definition would include family entertainment options such as bowling and golf, but continue to exclude amusements such as professional sports tickets.

For paid TV customers, this new tax comes on top of the county's existing 5% franchise fee that is already borne by consumers and any existing municipal taxes or fees, such as the existing 9% amusement tax already paid by more than 400,000 households in the city of Chicago. If it stands, the consumers in the city of Chicago would now pay 18% in taxes and fees for cable TV.

In addition to taking more money out of the pockets of families, the increased taxes also further exacerbate the uneven playing field for franchised tv providers because the Illinois General Assembly has failed to act on a pending proposal to include satellite providers (vis., Dish Network or DirecTV) or over the top providers (Netflix, Hulu, AppleTV) under state tax and fee rules – a move more than a dozen states have already taken. The General Assembly is actively considering authorization, which presents another option for the County's advocacy.

How is the existing Amusement Tax applied?

There exists a 3% County tax imposed upon the patrons of every amusement which takes place within Cook County, but the current definition for "amusement" does not include "paid television." As of October 2015, the County Code subsection 74-392(d)(3) does not incorporate amusement that occurs within the confines of the patron's home.

This is not the first time the Preckwinkle Administration has tried to extract more money from consumers of these services. In fact, despite the absence of authority, the Cook County Revenue Department earlier this year moved to expand administratively the amusement definition to apply to commercial locations. And, previous attempts to add paid TV to commercial and residential consumers in Cook County by ordinance were turned back by the County Board.

Why should a Cook County Resident be concerned with this?

Unlike a use tax or other fee, an Amusement Tax applied to residential customers enjoying video services in their home cannot be directly connected to any expenditure of County resources. It represents an additional tax and fee on citizens applied simply because of where they live. In addition, the inequity in the tax code would penalize consumers of wired services and, in the city of Chicago, establish a rate of 18%, making tv one of the most taxed products in the city and county.

What is the average impact on a customer?

An average residential customer in Cook County would now pay \$90 or more in taxes and fees, a significant increase. In the City of Chicago, the average paid tv customer would now pay over \$200 in taxes and fees.

What differentiates paid television from other forms of amusement?

Public forms of amusement (including sporting events, concerts, boat and bus tours) all have demonstrable impacts on County resources for public safety and health. Viewing television within one's own home has little to no impact on the provision of public services.

Who would be subjected to this tax should "paid television" be included?

Cook County residents pay the tax. The tax would require local and statewide video franchise holders who operate paid television services in Cook County to collect the tax from consumers. The tax would apply to customers in incorporated municipalities, regardless of Home Rule authority status. Other video providers—namely Dish Network, DirecTV, AppleTV, Netflix, Roku, and the like—may also be subject to the tax because the ordinance definition references "other screens" as being subject to the fees.

If this tax is imposed, how might it impact municipalities within Cook County?

The additional tax would likely hasten "cord-cutting" by the more technologically mobile populations, who would migrate to untaxed providers (such as the satellite companies), resulting in lessened franchise fee revenue for the county and its municipalities. Further, the tax would likely have a disparate impact on seniors, as they are far less likely to migrate from cable TV to other video based video platforms, which are untaxed.

Concerns are Strong and Opposition Highly Visible

- Chicago Tribune's Phil Rosenthal "Cook County's bowling for dollars? This is state we're in." October 15, 2015
- Chicago Tribune Editorial Board "Don't have fun. It's taxed." October 15, 2015
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Figure 1: Cook County Commissioners Projected Support								
District	Commissioner	Support	District	Commissioner	Support	District	Commissioner	Support
1	Richard R. Boykin		7	Jesús "Chuy" García		13	Larry Suffredin	
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5	Deborah Sims		11	John P. Daley		17	Liz Doody Gorman	
6	Joan Patricia Murphy		12	John Fritchey		Total Support =		

Figure 2: Current Potential Cook County Amusement Tax Impact – Residential Customers					
Impacted Subscribers	Average Video MRC	Monthly Impact Per Sub	Yearly Impact (Per Sub)	Total Monthly Impact (All Subs)	Total Yearly Impact (All Subs)
720,648	\$83.50	\$2.51	\$30.06	\$1,805,223	\$21,662,679

Notes: Subscriber numbers are approximated. Biller doesn't include County field so zip code and SPA data was used. Some zip codes/SPAs are shared by adjacent counties meaning these numbers should be a bit strong. Data pulled from CSG, December 2014.

EXHIBIT G

From: Michael Alvarez <michael@alvarezaffairs.com>
Sent: Monday, October 19, 2015 10:44 AM
To: Joan Murphy (Board of Commissioners)
Subject: Amusement tax
Attachments: Cook County Amusement -- Residential 101515.pdf

Please see the attached points we have on the amusement tax.

Please call me when you have a moment at 847-791-4105.

Thanks,
Mike

Cook County Amusement Tax

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