CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PC02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Provision of Notice Regarding Formulary Changes - The Part D sponsor must provide at least 60 days notice to all authorized prescribers, network pharmacies, and pharmacists prior to removing a covered Part D drug from its formulary or making any changes to the preferred or tiered cost-sharing status of a covered Part D drug. If the change involves immediate removal of a Part D drug deemed unsafe by the Food and Drug Administration (FDA) or removed from the market by the manufacturer, the Part D sponsor must provide retrospective notice to all authorized prescribers, network pharmacies, and pharmacists.

Reference:

42 CFR § 423.120(b)(5)(i); § 423.120(b)(5)(iii); § 423.578(d); Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures regarding notifying authorized prescribers, network pharmacies, and pharmacists of negative formulary changes and found that they do not include a provision to provide retrospective notice of formulary change to authorized prescribers, network pharmacies, and pharmacists if a covered drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer. The Rx America policy and procedure for Formulary Submission and Maintenance indicates that Negative Formulary Changes due to FDA or manufacturer withdrawals are not subject to notification.

Corrective Action Required:

CCHP must revise its policies and procedures to include a provision to provide retrospective notice of formulary change to authorized prescribers, network pharmacies, and pharmacists if a covered drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer. CCHP must conduct training of appropriate staff on the revised policies and procedures and submit documentation to CMS that details the nature of the training, including the materials used in the training, the individuals conducting the training, and the individuals being trained.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Plan Responsibility for Persons Employed or Contracted to Perform Marketing - The Part D sponsor must have a compensation structure that meets CMS requirements for any person directly employed or contracted to market the plan. The Part D sponsor must utilize only state licensed, certified, or registered individuals to perform marketing on behalf of the Part D sponsor, whether as an employee or under contract directly or downstream, if a state has such a marketing requirement, and it must conduct monitoring activities to ensure that individuals marketing on behalf of the Part D sponsor comply with all applicable Part D laws, all other Federal health care laws, and CMS policies, including CMS marketing guidelines, to ensure that beneficiaries receive truthful and accurate information.

Reference:

Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

Citizens Choice does not meet the requirement. CMS reviewed 10 personnel files from a universe of 241. Two of them were internal sales representatives, one was a broker with a direct contract with Citizens Choice, and seven were brokers with a subcontracted broker agency. Neither of the two internal sales reps¿ employment agreements contained provisions for withholding or withdrawing payment for early disenrollments (i.e., chargebacks). None of the organization compensation structures included a provision prohibiting payments to beneficiaries by persons performing marketing. None of the employment agreements (internal sales reps) or broker contracts included a provision stating that any coordinated marketing must be done in accordance with all applicable MA and/or Part D laws, CMS policies, including CMS marketing guidelines, and all Federal health care laws.

Corrective Action Required:

Revise internal sales rep employment agreements to include a chargeback provision and provide copies of signed revised agreements for all internal sales reps. Revise employment agreements (internal sales reps) and contracts with individually contracted brokers and broker agencies to include a provision prohibiting payments to beneficiaries. Also include a provision stating that any coordinated marketing must be done in accordance with all applicable MA and/or Part D laws, CMS policies, including CMS marketing guidelines, and all Federal health care laws. Provide copies of signed revised agreements/contracts.

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Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR09
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Provision of Notices Regarding Formulary Changes - Prior to removing a covered Part D drug from its formulary or making any changes to the preferred or tiered cost-sharing status of a covered Part D drug, the Part D sponsor must provide a written notice to affected enrollees at least 60 days prior to the date the change becomes effective, or provide such enrollee with a 60 day supply of the Part D drug under the same terms as previously allowed, and written notice of the formulary change at the time an affected enrollee requests a refill of the Part D drug. If the change involves immediate removal of a Part D drug deemed unsafe by the Food and Drug Administration (FDA) or removed from the market by the manufacturer, the Part D sponsor must provide retrospective notice to the affected enrollees.

Reference:

42 CFR § 423.120(b)(5)(i-iii); § 423.120(b)(7); § 423.578(d); Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures regarding beneficiary notification of formulary changes and found that the policies and procedures in effect during the audit period did not include the following provisions: - if no prior notice is given, a provision to ensure that affected enrollees are provided with a 60 day supply of the Part D drug under the same terms as previously allowed at the time a refill is requested, and are provided written notice of the formulary change, and - a provision to provide retrospective notice to affected enrollees if a covered Part D drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer. In addition, CCHP does not meet this requirement because CMS reviewed the ten samples of beneficiaries affected by a formulary maintenance change from a universe of 56 cases and found that in all ten samples, the Explanation of Benefits (EOB) providing notice of the formulary change did not indicate the effective date of the formulary change. Because the date of the formulary change was not indicated in the notice, it was not possible to determine whether the notices were sent timely to the member, nor would members know when the formulary change become effective.

Corrective Action Required:

CCHPs policy and procedure #MS-20, dated April 28, 2007, includes the provisions described above. Therefore, no further action is required. CCHP must develop a process to ensure that EOBs clearly indicate the effective date of the formulary change. CCHP must conduct training of appropriate staff on the revised policies and procedures and submit documentation to CMS that details the nature of the training, including the materials used in the training, the individuals conducting the training, and the individuals being trained.

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Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PH03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
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Element Accepted Date: 2/8/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Access to Long-Term Care Pharmacies - The Part D sponsor must offer standard contracting terms and conditions, including performance and service criteria, to all long-term care (LTC) pharmacies in its Part D plan service area. The Part D sponsor must contract with a sufficient number of LTC pharmacies to provide all of its plans¿ institutionalized enrollees convenient access to their Part D benefits. Note: This element is waived for MA-PFFS organizations that offer a Part D Benefit if they (1) provide plan enrollees access to covered Part D drugs dispensed at all pharmacies without regard to whether they are contracted network pharmacies, and (2) do not charge cost-sharing in excess of that required for qualified prescription drug coverage.

Reference:

42 CFR § 423.120(a)(5); MA-PD Solicitation; Long Term Care Guidance

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures regarding access to long-term care pharmacies and found that they do not include a provision that states that CCHP must offer standard contracting terms and conditions, including performance and service criteria for long-term care pharmacies that CMS specifies, to any long-term care pharmacy in its service area that requests the contract.

Corrective Action Required:

CCHP must revise its policies and procedures to include a provision that states that it must offer standard contracting terms and conditions, including performance and service criteria for long-term care pharmacies that CMS specifies, to any long-term care pharmacy in its service area that requests the contract. CCHP must conduct training of its staff responsible for long-term care network contracting and any other appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained

CMS Part D Audit Report

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Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: FM03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Provision of Notice Regarding Formulary Changes - The Part D sponsor must provide at least 60 days notice to CMS, State Pharmaceutical Assistance Programs (SPAPs), and entities providing other prescription drug coverage prior to removing a covered Part D drug from its formulary or making any changes to the preferred or tiered cost-sharing status of a covered Part D drug. If the change involves immediate removal of a Part D drug deemed unsafe by the Food and Drug Administration (FDA) or removed from the market by the manufacturer, the Part D sponsor must provide retrospective notice to the parties listed above.

Reference:

42 CFR § 423.120(b)(5)(i); § 423.120(b)(5)(iii); § 423.578(d); Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures for providing notification of formulary changes to CMS, SPAPs, and entities providing other prescription drug coverage and found that they do not include: - a provision with a description of the procedures for providing a notice of 'maintenance' formulary changes to SPAPs and entities providing other prescription drug coverage, in accordance with CMS requirements, and - a provision with a description of the procedures for providing a notice of 'other' formulary changes to SPAPs and entities providing other prescription drug coverage, in accordance with CMS requirements, and - a provision with a description of the procedures for providing retrospective notice to CMS, SPAPs, and entities providing other prescription drug coverage if a covered Part D drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer, and - a description of the method(s) used to provide notification of formulary changes.

Corrective Action Required:

CCHP must revise its policies and procedures to include the provisions described above. CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

CMS Part D Audit Report

Auditing Results (Public Website Version)

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Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: TP02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
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Element Accepted Date: 11/13/2007
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Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Transition Process for Residents of Long-Term Care Facilities - The Part D sponsor must have and implement an appropriate transition process in accordance with CMS requirements for addressing the unique needs of long-term care (LTC) facility residents prescribed Part D drugs that are not on its formulary or that are on its formulary but require prior authorization or step therapy.

Reference:

42 CFR § 423.120(b)(3); MA-PD Solicitation; Information for Part D Sponsors on Requirements for a Transition Process; Transition Process Requirements for Part D Sponsors

Deficiencies:

CCHP does not meet this requirement because CMS requested system reports regarding the Part D sponsors transition process utilization for LTC residents and CCHP was unable to demonstrate through its systems reports that it implements the transition process for LTC residents as described in its policies and procedures and consistent with its contractual requirements. CCHP was also unable to demonstrate through its system reports that it has and implements a transition process that covers an emergency supply or 'first-fill' of non-formulary Part D drugs.

Corrective Action Required:

CCHP must submit system reports regarding its transition process utilization for LTC residents to demonstrate that: - it correctly implements the transition process for LTC residents as described in its policies and procedures and that is consistent with its contractual requirements, and - it has and implements a transition process that covers an emergency supply or 'first-fill' of non-formulary Part D drugs.

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Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
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Element Accepted Date: 2/8/2008
Element Release Date: 2/8/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Notices in Network Pharmacies - The Part D sponsor must arrange with its network pharmacies to post or distribute notices instructing enrollees to contact their plans to obtain a coverage determination or request an exception if they disagree with the information provided by the pharmacist.

Reference:

42 CFR § 423.562(a)(3); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures and found that they do not include a provision for arranging with its network pharmacies to post or distribute the 'Medicare Prescription Drug Coverage and Your Rights' notice instructing enrollees to contact their plans to obtain a coverage determination or request an exception if they disagree with the information provided by the pharmacist. CCHP also does not meet this requirement because the template contracts between CCHP and contracted PBM and each network pharmacy type do not include a provision requiring pharmacies to post or distribute notices regarding procedures for obtaining a coverage determination or requesting an exception. Lastly, CCHP does not meet this requirement because CMS requested CCHPs 'Medicare Prescription Drug Coverage and Your Rights' pharmacy notice and CCHP was unable to provide a CMS-approved notice template.

Corrective Action Required:

CCHPs policy and procedure #UM14, revised May 16, 2007, includes a provision stating that CCHP works with its contracted PBM to ensure that standardized notices are posted at network pharmacies to notify members of their right to request and receive detailed written notices from their plan regarding their drug coverage, including information about the exceptions process. However, this policy and procedure should clearly define the specific notice that is to be posted: `Medicare Prescription Drug Coverage and Your Rights¿. CCHP should also clearly indicate in its policy and procedure that CCHP conducts oversight of its contracted PBM to ensure that they are conducting ongoing monitoring of network pharmacies to ensure they are posting or distributing notices regarding procedures for obtaining a coverage determination or requesting an exception. CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. CCHP must also revise the template contracts between their contracted PBM and each of their network pharmacies to include a provision requiring pharmacies to post or distribute notices regarding procedures for obtaining a coverage determination or requesting an exception. Lastly, CCHP must provide CMS with a notice consistent with CMS-issued model notice, Medicare Prescription Drug Coverage and Your Rights. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP).

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Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Audit ID: 901
Contract Number: H3815
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Coverage Determination Policies and Procedures - The Part D sponsor must establish and maintain policies and procedures for tracking and addressing the timely review and resolution of all enrollee requests for coverage determinations (expedited and standard) regarding basic coverage and supplemental benefits, and the amount, including cost sharing, if any, that the enrollee is required to pay for a drug. These procedures must address unplanned transitions, and actions that are coverage determinations as defined in § 423.566(b). The Part D sponsor must establish and maintain efficient and convenient means for individuals (including enrollees, their appointed representatives, or their prescribing physicians) to submit oral or written requests for coverage determinations, document all oral requests in writing, and maintain the documentation in a case file. The Part D sponsor must establish and maintain policies and procedures for tracking and addressing the timely review and resolution of all enrollee requests for re-determinations, reconsiderations by the Independent Review Entity (IRE), and reviews by the Administrative Law Judge (ALJ) received both orally and in writing.

Reference:

42 CFR § 423.566(a); § 423.566(b); § 423.566(c); § 423.570(c)(1-2); MA-PD Solicitation; Reporting Requirements Section VII: Appeals Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Information for Part D Sponsors on Requirements for a Transition Process

Deficiencies:

CMS reviewed CCHPs policies and procedures for tracking and addressing redeterminations and found that that the policies and procedures in effect during the audit period did not contains provisions for tracking and addressing all requests for redeterminations. CMS also requested documentation demonstrating CCHPs ability to track and address in a timely manner enrollees oral and written requests for exceptions, coverage determinations, and redeterminations and found that CCHPs tracking log does not include the date of disposition and date of notification.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes provisions for tracking and addressing all requests for redeterminations. Therefore, no further action is required. CCHP must submit documentation to CMS to demonstrate that its system to track and address in a timely manner enrollees oral and written requests for exceptions, coverage determinations, and redeterminations tracks: - Date of disposition - Date of notification

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Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD03
Audit Type: Routine
Audit Location: Onsite
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Element Accepted Date: 2/8/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
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Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Notification of Coverage Determination Concerning Drug Benefit - In response to a drug benefit request, the Part D sponsor must notify the enrollee (and the prescribing physician involved, as appropriate) of its determination as expeditiously as the enrollee¿s health condition requires, but no later than 72 hours after receipt of the request, or, for an exceptions request, the physician¿s supporting statement. If the coverage determination was denied and the initial notification was provided orally, the Part D sponsor must send the written notice to the enrollee within 3 calendar days of the oral notice. Failure to notify the enrollee within the 72 hour timeframe constitutes an adverse coverage determination requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.568(a); § 423.568(e); § 423.578(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed a sample of ten requests for standard coverage determinations concerning drug benefits from a universe of 287 and found two samples that were considered 'Closed' by CCHP because the members had already filled their medication and it was not necessary for their providers to submit a prior authorization request. To account for this, CMS categorized these cases as 'misclassified' and reduced the sample size to eight. Only five of the eight cases met this requirement. CMS found that each of the four cases that had a favorable coverage decision and one of the four cases that had an adverse determination did not demonstrate compliance with notifying enrollees of standard coverage determinations concerning benefits within the CMS-approved timeframe because CCHP was unable to provide documentation of when and how the member was verbally notified of the standard coverage determination. Three of the four standard denial notices reviewed as part of the samples provided for WS-CD1_D did not contain the OMB control number, as required by CMS. Lastly, CCHP does not meet this requirement because CMS requested CCHPs notice template for enrollee notification when request is forwarded to the IRE and CCHP was unable to provide a CMS-approved notice template.

Corrective Action Required:

CCHP must develop a process to ensure that the date and time the member is notified of standard coverage determinations is documented, such as the use of screen prints of call notes/phone logs showing the date and time the member was notified. CCHP must ensure that all denial notices contain the OMB control number. CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. CCHP must provide CMS with a notice consistent with CMS-issued model notice, Notice of Case Status. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP).

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Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD04
Audit Type: Routine
Audit Location: Onsite
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Coverage Determinations Concerning Payment - The Part D sponsor must notify the enrollee of its determination no later than 72 hours after receipt of the payment request, or, for an exceptions request, after receiving the physician's supporting statement. If the coverage determination was denied and the initial notification was provided orally, the Part D sponsor must send the written notice to the enrollee within 3 calendar days of the oral notice. For favorable determinations, the Part D sponsor must authorize payment and notify the enrollee within 72 hours after receiving the request, or, for an exceptions request, after receiving the physician's supporting statement. The Part D sponsor must also make payment (i.e., mail the payment) within 30 calendar days of the request, or, for an exceptions request, after receiving the physician's supporting statement. Failure to notify the enrollee within the 72 hour timeframe constitutes an adverse determination requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE. Note: This element also applies to out-of-network (OON) paper claims submitted by beneficiaries or their appointed representatives.

Reference:

42 CFR § 423.568(b); § 423.568(e); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because Sample #2 provided for WS-CD2_D, Standard Coverage Determinations Concerning Payment, did not demonstrate compliance with notifying enrollees of standard coverage determinations concerning payments within the CMS-approved timeframe nor compliance with making payment within the CMS-approved timeframe. Because the enrollee was not notified timely, the plan should have considered this an adverse determination and should have forwarded the enrollees request to the IRE within 24 hours of the expiration of the adjudication timeframe. In addition, the plan should have notified the enrollee that their request was being forwarded to the IRE. This notification should have been sent within 24 hours of the expiration of the adjudication timeframe. CCHP also does not meet this requirement because CMS reviewed CCHP policies and procedures that were in effect during the audit period and found that they did not contain provisions that specifically address the requirements for coverage determinations concerning payment. Specifically, CCHPs policies and procedures did not include provisions stating: - CCHP must notify the enrollee of its coverage determination regarding payment decision no later than 72 hours after receipt of the payment request, or, for an exceptions request, after receiving the physician's supporting statement, and, - for favorable coverage determinations concerning payment, CCHP must authorize payment and notify the enrollee within 72 hours after receiving the request, or, for an exceptions request, after receiving the physician's supporting statement, and - for favorable coverage determinations concerning payment, CCHP must make payment (i.e., mail the payment) within 30 calendar days of the request, or, for an exceptions request, after receiving the physician's supporting statement.

Corrective Action Required:

CCHP must notify enrollees of standard coverage determinations concerning payments as well as make payments timely and provide documentation of this to CMS. CCHPs policy and procedure #UM 14, revised May 16, 2007, contains the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD08
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Notice Content Requirements for Decision to Deny Request for Expedited Coverage Determination - The notice for the decision to deny a request for an expedited coverage determination must provide an explanation that the Part D sponsor must process the request using the 72 hour timeframe for standard determinations; inform the enrollee of the right to file an expedited grievance; inform the enrollee of the right to resubmit a request for an expedited determination with the prescribing physician¿s support; and provide instructions about the Part D plan¿s grievance process and its timeframes.

Reference:

42 CFR § 423.570(d)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHP policies and procedures in effect during the audit period regarding enrollee notification following a decision to deny a request for expedited coverage determination and found they lacked a provision stating that oral and written notice must inform the enrollee of the right to resubmit a request for an expedited determination with the prescribing physician's support. In addition, CMS requested CCHPs notice template for notifying enrollees that a request for an expedited coverage determination is denied and CCHP did not provide a notice that is CMS-approved.

Corrective Action Required:

CCHPs policy and procedure #UM 14, revised May 16, 2007, contains the above provision. Therefore, no further action is required. CCHP has provided CMS with a notice consistent with CMS-issued model notice, Notice of Right to an Expedited Grievance. CCHPs notice entitled 'Pharmacy Service Requested Do Not Meet Expedited Criteria' was approved in HPMS on August 8, 2007. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD09
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Notification of Expedited Coverage Determination - The Part D sponsor must make its expedited coverage determination and notify the enrollee of its decision (adverse or favorable), as expeditiously as the enrollee¿s health condition requires, but no later than 24 hours after receiving the request, or, for an exceptions request, the physician¿s supporting statement. If the decision is adverse and the Part D sponsor first notifies the enrollee of the determination orally, the Part D sponsor must mail written confirmation to the enrollee within 3 calendar days of the oral notification. Failure to notify the enrollee within the 24 hour timeframe constitutes an adverse determination requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.570(e); § 423.572(a-b); § 423.572(d); § 423.578(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed a sample of ten requests for expedited coverage determinations concerning drug benefits from a universe of 24 and found one sample that was considered 'Closed' by CCHP because the members medication had already been approved and it was not necessary for their provider to submit a prior authorization request. To account for this, CMS categorized this case as 'misclassified' and reduced the sample size to nine. Only one of the nine cases met this requirement. CMS found that each of the five cases that had a favorable determination and three of the four cases that had an adverse determination did not demonstrate compliance with notifying enrollees of expedited coverage determinations concerning benefits within the CMS-approved timeframe because CCHP was unable to provide documentation of when the member was verbally notified of the expedited coverage determination. One of the three standard denial notices reviewed as part of the samples provided for WS-CD3_D did not contain the OMB control number, as required by CMS. CCHP also does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found they did not include a provision stating that CCHP must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. Lastly, CCHP does not meet this requirement because CMS requested CCHPs notice template for enrollee notification when request is forwarded to the IRE and CCHP was unable to provide a CMS-approved notice template.

Corrective Action Required:

CCHP must develop a process to ensure that the date and time the member is notified of standard coverage determinations is documented, such as the use of screen prints of call notes/phone logs showing the date and time the member was notified. CCHP must ensure that all denial notices contain the OMB control number. CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. CCHPs policy and procedure #MS-23, dated May 1, 2007, contains a provision stating that CCHP must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. Therefore, no further action is required. CCHP must provide CMS with a notice consistent with CMS -issued model notice, Notice of Case Status. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP).

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD10
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Notice Content Requirements for Expedited Coverage Determination - The notice of any expedited coverage determination must state the specific reasons for the determination in understandable language. If the determination is not completely favorable, the notice must also: (i) include information concerning the enrollee¿s right to a redetermination; (ii) describe both the standard and expedited redetermination processes, including the enrollee¿s right to request, and conditions for obtaining, an expedited redetermination, and the rest of the appeals process; and (iii) comply with any other requirements specified by CMS.

Reference:

42 CFR § 423.572(c); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found they did not include provisions stating that: - if the expedited coverage determination decision is adverse, CCHP must use a notice consistent with the CMS-issued standard notice, Notice of Denial of Medicare Prescription Drug Coverage, and - if oral notice is provided for adverse decision, the notice must satisfy the following requirements: - state the specific reason for the denial and take into account the enrollees presenting medical condition, disabilities, and special language requirements, if any, - provide information regarding the right to appoint a representative to file an appeal on the enrollee's behalf, and - provide a description of both the standard and expedited redetermination processes and timeframes, including conditions for obtaining an expedited redetermination, and the rest of the appeals process.

Corrective Action Required:

CCHP must revise its policies and procedures to include a provision stating that if the decision on an expedited coverage determination is adverse, CCHP must use a notice consistent with the CMS-issued standard notice, Notice of Denial of Medicare Prescription Drug Coverage. CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. CCHPs policy and procedure #UM14, revised May 16, 2007 contains the remainder of the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Exceptions Procedures and Criteria (Tiered Cost-Sharing) - The Part D sponsor must establish and maintain reasonable and complete exceptions procedures, subject to CMS¿ approval, for exceptions requests to the Part D sponsor¿s tiered cost-sharing structure. The exceptions procedures must address situations where a formulary¿s tiering structure changes during the year, and an enrollee is using a drug affected by the change. The Part D sponsor must grant an exception for non-preferred drugs when medically necessary and consistent with the prescribing physician¿s statement that meets CMS criteria. The Part D sponsor¿s tiered cost-sharing exceptions process and exception criteria must meet CMS requirements including for unplanned transitions.

Reference:

42 CFR § 423.578(a)(1-2); § 423.578(a)(4); MA-PD Solicitation and EP Attestation Addendum; Reporting Requirements for Section VI: Prior Authorization, Step Edits, Non-Formulary Exceptions, and Tier Exceptions; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Information for Part D Sponsors on Requirements for a Transition Process

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found they did not include provisions stating that: - if CCHP requires a written statement from the enrollees prescribing physician, it must do so immediately, and - if CCHP makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted, and - if the sponsor if the Sponsor is waiting on a physicians statement in support of a tiering exception request, the Sponsor must wait a minimum of 96 hours after receiving a standard request or a minimum of 48 hours after receiving an expedited request before issuing its determination on the tiering exception, and - the sponsor does not restrict the number of exception requests submitted per enrollee.

Corrective Action Required:

CCHPs policy and procedure #UM14, revised May 16, 2007, and Pharmacy/Part D Timeliness Standards ¿ Exceptions Requests Document, include the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Audit ID: 901
Contract Number: H3815
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Exceptions Procedures and Criteria (Non-Formulary Drugs) - The Part D sponsor must establish and maintain exceptions procedures, subject to CMS¿ approval, for receipt of an off-formulary drug. The Part D sponsor must grant an exception for a non-formulary Part D drug whenever it determines that the drug is medically necessary, consistent with the prescribing physicians¿ statement that meets CMS criteria, and that the drug would be covered but for the fact that it is an off-formulary drug. The Part D sponsor¿s formulary exceptions process and exception criteria must meet CMS requirements including for unplanned transitions.

Reference:

42 CFR § 423.578(b); § 423.578(b)(1); § 423.578(b)(2); § 423.578(b)(5); MA-PD Solicitation and EP Attestation Addendum; Reporting Requirements for Section VI: Prior Authorization, Step Edits, Non-Formulary Exceptions, and Tier Exceptions; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Information for Part D Sponsors on Requirements for a Transition Process

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found they did not include provisions stating that: - if the Sponsor makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted, and - If the Sponsor is waiting on a physicians statement in support of a formulary exception request, the Sponsor must wait a minimum of 96 hours after receiving a standard request or a minimum of 48 hours after receiving an expedited request before issuing its determination on the formulary exception, and - The Part D sponsor must grant a formulary exception when it determines that one of the three factors needed in the prescribing physicians has been demonstrated and the drug would be covered but for the fact that it is an off-formulary drug, and - The sponsor does not restrict the number of exception requests submitted per enrollee.

Corrective Action Required:

CCHPs policy and procedure #UM14, revised May 16, 2007 and Pharmacy/Part D Timeliness Standards - Exceptions Requests Document, include the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Approval of Tiering and Non-Formulary Exceptions Requests - Following approval of a request for a tiering or a non-formulary exception, the Part D sponsor cannot require an approval for a refill or a new prescription following the initial prescription, provided that (i) the enrollee¿s prescribing physician continues to prescribe the drug; (ii) the drug continues to be considered safe for treating the enrollee¿s disease or medical condition; and (iii) the enrollment period has not expired. For tiering exceptions, the Part D sponsor must permit enrollees to obtain an approved non-preferred drug at the more favorable cost-sharing terms applicable to drugs in the preferred tier. For approved non-formulary exceptions, the Part D sponsor has the flexibility to determine what level of cost-sharing applies to all non-formulary drugs approved under the exceptions process, so long as the designated level is one of its existing cost-sharing tiers.

Reference:

42 CFR § 423.578(c)(3); § 423.578(c)(4)(i-ii); EP Attestation Addendum; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found that they did not include provisions stating that: - coverage is provided for approved tiering exceptions at the same cost-sharing level as preferred drugs, and - all approved non-formulary drugs must be placed in existing cost-sharing tiers.

Corrective Action Required:

CCHPs policy and procedure #UM14, revised May 16, 2007 contains the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Complaint Categorization (Grievances vs. Coverage Determinations) - The Part D sponsor must promptly and correctly determine and inform the enrollee whether a complaint is subject to its grievance procedures or its coverage determination procedures.

Reference:

42 CFR § 423.564(b); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs documentation demonstrating its methods for informing enrollees of complaint categorization and CCHP was not able to demonstrate that it has means of informing enrollees whether their complaints are subject to grievance procedures or coverage determination procedures. CCHP also does not meet this requirement because CMS requested CCHPs notice template for informing about inquiries involving excluded drugs and CCHP was unable to provide a CMS-approved notice template. Lastly, CCHP does not meet this requirement because Sample #1 provided for WS-CD2_D, Standard Coverage Determinations Concerning Payments was incorrectly categorized as a coverage determination. With regard to this Sample, a determination to issue a refund payment for incorrect co-payments charged to the member does not constitute a coverage determination.

Corrective Action Required:

CCHP has demonstrated that it has a means of informing enrollees whether their complaints are subject to grievance procedures or coverage determination procedures. CCHP submitted grievance acknowledgement letters on HPMS that inform enrollees whether their complaint is subject to grievance or coverage determination procedures. These letters were approved in HPMS on August 29, 2007. Therefore, no further action is required. CCHP has provided CMS with a notice consistent with CMS-issued model notice, Notice of Inquiry Regarding an Excluded Drug. This notice was approved in HPMS on August 28, 2007. Therefore, no further action is required. CCHP must provide CMS with an analysis and explanation of why the universe submitted for WS-CD2_D contains an incorrectly categorized sample. Based on the analysis, CCHP is to provide to CMS a corrective action plan to ensure that cases will be correctly categorized.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Grievance Policies and Procedures - The Part D sponsor must establish and maintain policies and procedures for tracking and addressing the timely hearing and resolution of all oral and written enrollee grievances including but not limited to the following: fraud and abuse, enrollment/disenrollment, benefit package, pharmacy access/network, marketing, customer service, confidentiality/privacy, and quality of care. The Part D sponsor must also maintain records of such grievances.

Reference:

42 CFR § 423.562(a)(1)(i); § 423.564(a-b); § 423.564(g); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Reporting Requirements for Section V: Grievances

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs grievance policies and procedures and found that they do not include a provision requiring prompt, appropriate action, including a full investigation of the complaint if necessary. CCHP also does not meet this requirement because CMS reviewed CCHP¿s documentation demonstrating its system for logging or capturing enrollees grievances in a centralized location and found that its grievance log does not track: - Date of disposition of grievance - Date the enrollee was notified of disposition

Corrective Action Required:

CCHP must revise its grievance policies and procedures to include a provision requiring prompt, appropriate action, including a full investigation of the complaint if necessary. CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. CCHP must also submit documentation to CMS to demonstrate that its system for logging or capturing enrollees grievances tracks: - Date of disposition of grievance - Date the enrollee was notified of disposition

CMS Part D Audit Report
Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Grievance Process Training - The Part D sponsor will train relevant staff and subcontractors on its grievance policies and procedures.

Reference:

MA-PD Solicitation

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs documentation demonstrating that it has and implements training on grievance policies and procedures and CCHP was unable to provide documentation demonstrating that it had a training program in place during the audit period.

Corrective Action Required:

CCHPs Appeals and Grievances Training policy and procedure dated April 29, 2007 demonstrates that the Plan has and implements training on grievance policies and procedures. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Notification of Grievance Disposition - The Part D sponsor must notify the enrollee of its decision as expeditiously as the case requires, based on the enrollee¿s health status, but no later than 30 days after the date the Part D sponsor receives the oral or written grievance (or an additional 14 days if an extension is requested by the enrollee or justified by the Part D sponsor). If the Part D sponsor extends the deadline, it must immediately notify the enrollee in writing of the reason(s) for the delay.

Reference:

42 CFR § 423.564(e)(1-2); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures and found that they do not include the following provisions: - a provision stating that the enrollee must immediately be notified in writing when CCHP extends the deadline, and - a provision stating that the 30-day timeframe may be extended by 14 days or less if the enrollee requests the extension or if the Part D sponsor justifies a need for additional information and documents how the delay is in the best interest of the enrollee. In addition, CCHP does not meet this requirement because CMS requested CCHPs notice template for informing enrollees of grievance deadline extension and CCHP was unable to provide a CMS-approved notice template.

Corrective Action Required:

CCHP must revise its policies and procedures to include a provision stating that the enrollee must immediately be notified in writing when CCHP extends the deadline. CCHPs policy and procedure #MS-21A entitled 'Standard Grievances' includes a provision stating that 'CCHP may take up to an additional fourteen (14) days if the member requests it or the delay would be in the best interests of the member.' However, CCHP should revise the verbiage for this provision to state specifically that 'the 30 day timeframe may be extended by 14 days or less if the enrollee requests the extension or if the Part D sponsor justifies a need for additional information and documents how the delay is in the best interest of the enrollee.' CCHP must conduct training of its staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. CCHP has provided CMS with a notice consistent with CMS-issued model notice for ¿Notice of Plan¿s Decision to Extend the Deadline for Making a Decision Regarding a Grievance.¿ This notice was approved in HPMS on August 1, 2007. Therefore, no further action is required

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Grievance Response ¿ Quality of Care - The Part D sponsor must respond in writing to all grievances related to the quality of care. The response must include a description of the enrollee¿s right to file a written complaint with the Quality Improvement Organization (QIO). If a complaint is submitted to the QIO, the Part D sponsor must cooperate with the QIO in resolving the complaint.

Reference:

42 CFR § 423.564(e)(3)(iii); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS requested CCHPs notice template for notification of grievance disposition which includes instructions to describe the enrollees right to file a written complaint with the QIO for grievances related to quality of care and CCHP was unable to provide a CMS-approved notice template.

Corrective Action Required:

CCHP has provided CMS with a notice consistent with CMS-issued model notice, Notice of Plans Decision Regarding a Grievance, which includes instructions to describe the enrollees right to file a written complaint with the QIO for grievances related to quality of care. This notice was approved in HPMS on August 8, 2007. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV07
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Response to Expedited Grievances - The Part D sponsor must respond to an enrollee¿s grievance within 24 hours if the complaint involves a refusal by the Part D sponsor to grant an enrollee¿s request for an expedited coverage determination or an expedited redetermination, and the enrollee has not yet purchased or received the drug that is in dispute.

Reference:

42 CFR § 423.564(f); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures regarding timely response to expedited grievances and found that the policies and procedures in effect during the audit period did not include a 24-hour timeframe for responding to an enrollee¿s expedited grievance if the complaint involves a refusal by the Part D sponsor to grant an enrollees request for an expedited coverage determination or an expedited redetermination, and the enrollee has not yet purchased or received the drug that is in dispute.

Corrective Action Required:

CCHPs policy and procedure #MS-21B, dated April 29, 2007, includes the above provision. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Request for Redeterminations (Standard) - The Part D sponsor must have policies, procedures, and systems in place that allow it to accept written requests for standard redeterminations of coverage determinations filed within 60 calendar days of the notice of the coverage determination. The Part D sponsor must provide the enrollee or the prescribing physician with a reasonable opportunity to hand-deliver or present in writing, evidence and allegations of fact or law related to the issue in dispute.

Reference:

42 CFR § 423.582(a-b); § 423.586; MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found they do not include provisions for: - accepting written requests for standard redeterminations of coverage determinations filed by enrollees within 60 calendar days of the notice of the coverage determination, and - providing a reasonable opportunity to receive evidence and allegations of law and fact, in person or in writing, related to the disputed issue.

Corrective Action Required:

CCHPs policy and procedure #UM14, revised May 16, 2007, includes the provisions described above. Therefore, no further action is required

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Request for Redeterminations (Expedited) - The Part D sponsor must establish and maintain an efficient and convenient means for an enrollee or a prescribing physician acting on behalf of an enrollee to submit oral or written requests for expedited redeterminations, document all oral requests in writing, and maintain the documentation in a case file. The Part D sponsor must provide the enrollee or the prescribing physician with a reasonable opportunity to present in person or in writing evidence and allegations of fact or law related to the issue in dispute. Since the opportunity to submit evidence is limited, the Part D sponsor must inform the enrollee or the prescribing physician of the conditions for submitting such evidence.

Reference:

42 CFR § 423.584(c)(1); § 423.586; MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found that they do not include the following provisions: - a provision for maintaining an efficient and convenient means for an enrollee or prescribing physician acting on behalf of an enrollee to submit oral or written requests for expedited redeterminations, and - the name of a designated office and/or department to receive both oral or written requests and a telephone number for oral requests, and may include a facsimile number to facilitate receipt of requests for expedited appeals, and - a provision for documenting all oral requests in writing, and - a provision for maintaining documentation of expedited redetermination requests in a case file.

Corrective Action Required:

CCHP must revise its policies and procedures to include the following provisions: - a provision for maintaining an efficient and convenient means for an enrollee or prescribing physician acting on behalf of an enrollee to submit oral or written requests for expedited redeterminations, and - a provision for maintaining documentation of expedited redetermination requests in a case file. CCHP must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training and the individuals being trained. CCHPs policy and procedure #MS-23, dated May 1, 2007 includes the remainder of the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Audit ID: 901
Contract Number: H3815
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Decision to Accept or Deny Request for Expedited Redetermination - The Part D sponsor must promptly decide whether to expedite the redetermination if it determines, based on the enrollee¿s request, or as indicated in the prescribing physician¿s request, that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee¿s life, health, or ability to regain maximum function.

Reference:

42 CFR § 423.584(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found they do not include provisions stating that: - the decision to accept or deny an expedited redetermination request is based on the enrollees request indicating that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollees life, health, or ability to regain maximum function, and - CCHP automatically expedites a request when the enrollee's physician indicates that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee's life, health, or ability to regain maximum function, and - any additional medical information CCHP requires, must be requested within 24 hours of receiving the initial request for an expedited redetermination.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Actions Following Decision to Deny Request for Expedited Redetermination - If the Part D sponsor denies a request for an expedited redetermination, it must automatically transfer the request to the standard redetermination timeframe, provide prompt oral notice to the enrollee, according to CMS requirements, and provide equivalent written notice within 3 calendar days of the oral notice.

Reference:

42 CFR § 423.584(d-e); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found they did not include provisions stating that: CCHP must transfer denied requests for an expedited redetermination to the standard redetermination timeframe, and CCHP must provide prompt oral notice to the enrollee, and provide equivalent written notice within 3 calendar days of the oral notice. CMS also does not meet this requirement because CMS requested CCHPs notice template for notifying enrollees that a request for an expedited redetermination is denied and CCHP did not provide a notice that is CMS-approved.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the provisions described above. Therefore, no further action is required. CCHP has provided CMS with a notice consistent with CMS-issued model notice, Notice of Right to Expedited Grievance. This notice was submitted in HPMS under File and Use on August 3, 2007. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Notification and Effectuation of Standard Redetermination Concerning Covered Drug Benefit - If the Part D sponsor makes a redetermination that is favorable for the enrollee, or affirms in whole or in part its original adverse coverage determination, it must notify the enrollee in writing of its redetermination as expeditiously as the enrollee¿s health condition requires, but no later than 7 calendar days from the date it received the request for a standard redetermination, meeting CMS requirements. For favorable redeterminations for the enrollee, the Part D sponsor must effectuate it as expeditiously as the enrollee¿s health condition requires, but no later than 7 calendar days from the date it receives the request. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.590(a)(1-2); § 423.590(c); § 423.590(g)(1-4); § 423.636(a)(1); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found they did not include: - a provision for effectuating the favorable redetermination as expeditiously as the enrollees health condition requires or within 7 calendar days from the date it received the request for a standard redetermination, and - provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination requiring the Part D sponsor to forward the enrollees complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - a provision stating that the Part D sponsor must inform the enrollee within 24 hours, when the case is forwarded to the IRE. CCHP also did not meet this requirement because CMS requested CCHPs notice template for notifying enrollees of an adverse standard redetermination and CCHP did not provide a notice that is CMS-approved. Lastly, CMS requested CCHPs notice template for requesting a reconsideration and CCHP did not provide a notice that is CMS-approved.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the provisions described above. Therefore, no further action is required. CCHP must provide CMS with a notice consistent with CMS-issued model notice, Notice of Redetermination. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP). CCHP must also provide CMS with a notice consistent with CMS-issued model notice, Request for Reconsideration. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP).

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Notification and Effectuation of Standard Redetermination Concerning Payment - If the Part D sponsor makes a redetermination that is favorable for the enrollee, or affirms in whole or in part its adverse coverage determination, it must issue its redetermination (in writing for the adverse redeterminations) no later than 7 calendar days from the date it received the request, meeting CMS requirements. For favorable redeterminations for the enrollee, the Part D sponsor must authorize the payment within 7 calendar days from the date it receives the request for redetermination. It must then make the payment no later than 30 calendar days after the date it receives the request for redetermination. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.590(b-c); § 423.590(g)(1-4); § 423.636(a)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found they did not state that: - for redeterminations favorable to the enrollee, the Part D sponsor must authorize payment within 7 calendar days and make payment within 30 calendar days from the date it received the request for a standard redetermination, and - failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollees complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - the Part D sponsor must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. CMS also did not meet this requirement because CMS reviewed CCHPs notice template for notifying enrollees of an adverse standard redetermination and CCHP did not provide a notice that is CMS-approved. Lastly, CMS requested CCHPs notice template for requesting a reconsideration and CCHP did not provide a notice that is CMS-approved.

Corrective Action Required:

CCHP must revise its policies and procedures to include a provision stating that for redeterminations favorable to the enrollee, the Part D sponsor must authorize payment within 7 calendar days and make payment within 30 calendar days from the date it received the request for a standard redetermination. CCHP must conduct training of appropriate staff on these policies and procedures and this system and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training and the individuals being trained. Policy and procedure #MS-23, dated May 1, 2007, includes the remainder of the provisions described above. Therefore, no further action is required. CCHP must provide CMS with a notice consistent with CMS-issued model notice, Notice of Redetermination. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP). CCHP must also provide CMS with a notice consistent with CMS-issued model notice, Request for Reconsideration. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP).

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE07
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Notification of Expedited Redetermination and Request for Medical Information - If a Part D sponsor grants a request for expedited redetermination, it must complete its redetermination and give the enrollee (and the prescribing physician involved, as appropriate), notice of its decision as expeditiously as the enrollee¿s health condition requires but no later than 72 hours after receiving the request. If medical information is necessary, the Part D sponsor must make the request within 24 hours of receiving the initial request for an expedited redetermination. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.584(e); § 423.590(d-e); § 423.638(a); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found they did not include provisions indicating that: - the Part D sponsor must notify the enrollee (and the prescribing physician involved, as appropriate) of its redetermination as expeditiously as the enrollees health condition requires, but no later than 72 hours after it received the request for an expedited redetermination, and - notification of a favorable decision may be made orally or in writing, and - initial notification of an adverse decision may be made orally, so long as a follow-up written decision is mailed within 3 calendar days of the oral notification, and - medical information must be requested within 24 hours of the enrollee¿s initial request, and - failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollees request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - the Part D sponsor must inform the enrollee, within 24 hours, when the case is forwarded to the IRE CCHP also did not meet this requirement because CMS requested CCHPs notice template for notifying enrollees of an adverse standard redetermination and CCHP did not provide a notice that is CMS-approved. Lastly, CMS requested CCHPs notice template for requesting a reconsideration and CCHP did not provide a notice that is CMS-approved.

Corrective Action Required:

CCHP must revise its policies and procedures to include a provision stating that notification of a favorable decision may be made orally or in writing. CCHP must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training and the individuals being trained. CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the remainder of the provisions described above. Therefore, no further action is required. CCHP must provide CMS with a notice consistent with CMS-issued model notice, Notice of Redetermination. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP). CCHP must also provide CMS with a notice consistent with CMS-issued model notice, Request for Reconsideration. This notice should be submitted in HPMS for regional office review. Please also include a copy of the notice with your Corrective Action Plan (CAP).

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE08
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Expedited Coverage Redetermination Reversals - If, on an expedited redetermination of a request for benefit, the Part D sponsor reverses, in whole or in part, its coverage determination, it must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires, but no later than 72 hours after the date the Part D sponsor receives the request for redetermination.

Reference:

42 CFR § 423.638(a); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found that they did not include a provision for authorizing or providing the benefit in dispute within 72 hours of receiving the request for redetermination.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007 includes the provision described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE09
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Review of Adverse Coverage Determinations - The Part D sponsor must ensure that a person or persons who were not involved in making the coverage determination conducts the redetermination. When the issue is a denial based on lack of medical necessity, the Part D sponsor must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue. The physician making the redetermination need not, in all cases, be of the same specialty or subspecialty as the prescribing physician.

Reference:

42 CFR § 423.590(f)(1-2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found that they did not include provisions indicating that: - a person or persons who were not involved in making the coverage determination conducts the redetermination, and - if the issue is a denial based on lack of medical necessity, then the Sponsor must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE10
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Timely Transfer to IRE Upon Reconsideration Request - In cases where an enrollee has filed a reconsideration request and the IRE has requested the enrollee's file, the Part D sponsor must transfer the case file to the IRE within 24 hours (expedited requests) or 48 hours (standard requests) from the time it receives the IRE¿s request for the case file.

Reference:

Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found that they did not include provisions stating that: - case files must be sent to the IRE within 24 hours (expedited requests) or 48 hours (standard requests) for the time the IRE requests a case file, and - a hard copy of the case file must be delivered to the IRE by overnight delivery at its designated address, or by fax at its designated fax number.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Effectuation of Third Party Reversals ¿ Benefits (Standard) - If, on appeal of a request for benefit, the Part D sponsor 's determination is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires but no later than 72 hours after the date it receives notice reversing the determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.636(b)(1); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found that they did not include provisions stating that: - the benefit under dispute must be authorized or provided within 72 hours from the date it receives notice reversing the decision, and - a notice be sent informing the IRE of the effectuation.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007, includes the provisions described above. Therefore, no further action is required.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Effectuation of Third Party Reversals ¿ Payment (Standard) - If, on appeal of a request for payment, the Part D sponsor 's determination is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize the payment within 72 hours, but make payment no later than 30 calendar days from the date it receives notice reversing the coverage determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.636(b)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures that were in effect during the audit period and found that they did not include provisions stating that: - payment must be authorized within 72 hours from the date it receives notice reversing the decision, and - Payment must be made no later than 30 days from the date it receives notice reversing the decision, and - a notice be sent informing the IRE of the effectuation.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007 includes the provisions described above. Therefore, no further action is required

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: H3815
Audit ID: 901
Part D Sponsor Name: CITIZENS CHOICE HEALTHPLAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/30/2007
Date Report Due: 10/14/2007
Element Accepted Date: 11/13/2007
Element Release Date: 11/13/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/24/2007
Actual Visit Start Date: 7/23/2007
Actual Visit End Date: 7/24/2007
Part D Sponsor Response Received Date: 10/18/2007
Part D Sponsor Response Due Date: 10/14/2007
CAP Release Date: 2/8/2008
CAP Accepted Date: 2/8/2008

Requirement:

Effectuation of Third Party Reversals ¿ Benefits (Expedited) - If the expedited determination or expedited redetermination for benefits by the Part D sponsor is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires but no later than 24 hours after the date it receives notice reversing the determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.638(b); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CCHP does not meet this requirement because CMS reviewed CCHPs policies and procedures in effect during the audit period and found that they did not include provisions stating that: - the benefit under dispute must be authorized or provided as expeditiously as the enrollees health requires but no later than 24 hours after the date it receives notice reversing the decision, and - a notice be sent informing the IRE of the effectuation.

Corrective Action Required:

CCHPs policy and procedure #MS-23, dated May 1, 2007 includes the provisions described above. Therefore, no further action is required.