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: S5557
Audit ID: 2881
Part D Sponsor Name: FOX INSURANCE COMPANY

Audit Guide Version: PDP Sponsor Part D Audit Guide Version 1
Auditing Element: ZZ95
Audit Type: Ad-Hoc Compliance Event
Audit Location: Desk Review
Date Report Issued: 10/18/2007
Date Report Due: 12/2/2007
Element Accepted Date: 3/12/2008
Element Release Date: 3/12/2008
Element Projected Completion Date: 3/12/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/28/2007
Estimated Visit Start Date: 3/31/2008
Actual Visit Start Date: 9/28/2007
Actual Visit End Date: 3/12/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 12/2/2007
CAP Release Date: 3/12/2008
CAP Accepted Date: 3/12/2008

Requirement:

Ad-Hoc Compliance Event 1

Deficiencies:

Auto-Enrollment Readiness Assessment

Corrective Action Required:

On September 6, 2007, the Centers for Medicare and Medicaid Services (CMS) issued an Auto-enrollment Readiness Self Audit request to Fox Rx Care (hereafter ¿Fox¿). We have reviewed your responses to that request, and have examined your recent performance under contract S5557. This letter describes decisions CMS has made regarding Fox¿s participation in auto-enrollment for contract year 2008. Operational deadlines require auto-enrollment decisions to be made by late September 2007, in order to provide beneficiaries sufficient notice of their new enrollment and plan election rights prior to the January 1, 2008 effective date of their new plan coverage. As you are aware, there is a subset of auto-enrollees CMS refers to as ¿reassignees.¿ These are LIS beneficiaries currently in a Part D plan who will be assigned to a different plan for 2008 because their current plan will have a premium above the benchmark starting January 1, 2008. Reassignments take place once a year in October and may represent a relatively large number of beneficiaries. In contrast, auto-enrollments, representing a smaller group of beneficiaries, occur on a monthly basis throughout the year as new beneficiaries become LIS-eligible. Based on our review of the findings from your Auto-enrollment Readiness Self Audit and your recent performance in the areas of customer service, licensure, financial stability, and administrative structure, we have determined that your organization is not prepared at this time to perform the tasks critical to ensure the effective transition of a large influx of LIS beneficiaries into your plan. As a result, CMS will not be reassigning any current LIS beneficiaries to your organization¿s plans during the fall of 2007. CMS has made this determination for the following reasons: - Fox has had increasing difficulties with maintaining the CMS requirements for the beneficiary call center. In recent weeks Fox has not had a toll-free customer service telephone number through which a caller can reach a live operator. CMS conducted a call center survey in September of the Fox customer toll free numbers and we were only able to reach a live operator one out of three times. The other two attempts resulted in receiving an Interactive Voice Response application to leave a message, after being on hold at least two to three minutes. A Part D sponsor must meet timely call center performance whereby 80% of all incoming calls are answered within 30 seconds: the abandonment rate does not exceed 5%: and the call center is able to meet the needs of non-English speaking beneficiaries. - CMS requires that Plan call centers provide multi-lingual services to Medicare beneficiaries. - As mentioned in our September 12, 2007 letter, Fox has been consistently late in submitting financial statements since the start of its Prescription Drug Plan operations. Because of our concerns described above, we have made the decision not to reassign beneficiaries to Fox in October 2007. However, we believe that with implementation of the changes you have described in your self-audit along with fulfillment of the existing and new corrective action plans, Fox will be ready to accept monthly auto-enrollments for 2008. Therefore, at this time we are allowing your organization to receive the monthly auto-enrollments in 2008. Should Fox fail to implement the changes described in your self-audit or the corrective action plans, CMS reserves the right to change our position on this matter.