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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PC02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/18/2008
Element Release Date:
Element Projected Completion Date: 6/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding notifying authorized prescribers, network pharmacies, and pharmacists of negative formulary changes (RX01 and RX08) and found they do not contain the following provisions: - to notify authorized prescribers, network pharmacies, and pharmacists of negative formulary changes at least 60 days prior to the date the change becomes effective, and - to provide retrospective notice of formulary change to authorized prescribers, network pharmacies, and pharmacists 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. Specifically, policy RX08 contains a provision for notifying pharmacists and providers, but does not speak to notifying pharmacies and does not state that notification will occur `at least 60 days prior to the date the change becomes effective' as required by CMS. Additionally, policy RX01 only speaks to notifying enrollees of formulary changes.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding notifying authorized prescribers, network pharmacies, and pharmacists of negative formulary changes (RX08) to contain the required provisions: - to notify authorized prescribers, network pharmacies, and pharmacists of negative formulary changes at least 60 days prior to the date the change becomes effective, and - to provide retrospective notice of formulary change to authorized prescribers, network pharmacies, and pharmacists 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. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding its responsibility for and oversight of persons employed or contracted to perform marketing (MAPM-9) and found it does not include: - provision to conduct ongoing monitoring of all persons directly employed or contracted to perform marketing to ensure that they comply with all applicable laws and CMS policies, including CMS marketing guidelines, - a requirement that all persons marketing on behalf of Freedom Health be state licensed, certified or registered individuals, and - a requirement that any person directly employed or contracted to market on behalf of Freedom Health provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. During Staff Discussions, Freedom Health staff stated that Freedom Health conducts ongoing monitoring of all persons directly employed or contracted to perform marketing to ensure that they comply with all applicable laws and CMS policies, including CMS marketing guidelines, and that marketing licensure is checked quarterly. However, this must be reflected in policies and procedures. Additionally, CMS reviewed documentation demonstrating that Freedom Health conducts ongoing monitoring of the marketing activities of internal and external marketing representatives (Note of Marketing and Sales and Member Retention) which do not meet this requirement as neither demonstrates that Freedom Health's marketing representatives are providing the written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. CMS reviewed 10 sample contracts provided by Freedom Health for individuals who perform marketing from a universe of 416 and found that: - Two samples did not provide a signed contract or compensation structure between Freedom Health and the contracted agency. - Two samples did not demonstrate the individuals performing marketing were state licensed, certified or registered. - Eight samples did not include: a provision for prohibiting payment by the individual/agency performing marketing to beneficiaries, and a provision requiring any individual contracted to market on behalf of Freedom Health provide a written disclosure statement to all potential enrollees prior to or at the time of enrollment. The written disclosure statement must state the following: `The person that is discussing plan options with you is either employed by or contracted with Freedom Health Plan. The person may be compensated based on your enrollment in a plan.'

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding its responsibility for and oversight of persons employed or contracted to perform marketing (MAPM-9) to include the required provisions: - a provision to conduct ongoing monitoring of all persons directly employed or contracted to perform marketing to ensure that they comply with all applicable laws and CMS policies, including CMS marketing guidelines, - a requirement that all persons marketing on behalf of Freedom Health be state licensed, certified or registered individuals, and - a requirement that any person directly employed or contracted to market on behalf of Freedom Health provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. Freedom Health 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. Freedom Health must provide documentation to CMS demonstrating that it's Marketing Program monitoring activities confirm that Freedom Health's marketing representatives are providing the written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. Freedom Health must also provide CMS with evidence that it has a current contract/compensation structure in effect for persons conducting marketing for its Part D plans that includes the following provisions: - any coordinated marketing must be done in accordance with all applicable Part D laws, CMS policies, including CMS marketing guidelines and the prohibited activities listed in MR05, and all Federal health care laws (including civil monetary penalty laws), - requiring any person directly employed or contracted to market on behalf of Freedom Health provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment, and states that the written disclosure statement must state the following: `The person that is discussing plan options with you is either employed by or contracted with Freedom Health. The person may be compensated based on your enrollment in a plan.' - a compliant incentive structure avoiding incentives toward misleading beneficiaries, cherry picking certain beneficiaries, or churning beneficiaries between plans, - a person/agency performing marketing to beneficiaries is prohibited from making payments to beneficiaries, and - payment will be withheld or withdrawn if an enrollee disenrolls in an unreasonably short time frame. Freedom Health must also ensure that all individual performing marketing are state licensed, certified, or registered. Freedom Health must provide CMS with a copy of the language in the contract/compensation structures and inform CMS when all contract/compensation structures are issued and in effect.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/18/2008
Element Release Date:
Element Projected Completion Date: 6/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding beneficiary notification of formulary changes (RX01 and RX08) and found they do not include 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.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding beneficiary notification of formulary changes to include 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. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: FM03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/18/2008
Element Release Date:
Element Projected Completion Date: 6/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures for providing notification of formulary changes to CMS, SPAPs, and entities providing other prescription drug coverage (RX06) and found it does not include 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.

Corrective Action Required:

Freedom Health must revise its policies and procedures for providing notification of formulary changes to CMS, SPAPs, and entities providing other prescription drug coverage (RX06) to include 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. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: TP02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/4/2008
Element Release Date:
Element Projected Completion Date: 6/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed system reports regarding Freedom's transition process utilization for LTC residents (`Transition File') and found Freedom Health does not have a system that demonstrates that it has and implements a transition process that covers an emergency supply or `first-fill' of non-formulary Part D drugs. Although during Staff Discussions, Freedom Health staff stated that the system could have the capability of identifying LTC members, this system was unable to demonstrate that Freedom Health correctly implements the transition process for LTC residents and that it covers an emergency supply or `first-fill' of non-formulary Part D drugs.

Corrective Action Required:

Freedom Health must develop a system to track and provide reports regarding Freedom Health's transition process utilization for LTC residents and provide documentation demonstrating this to CMS. This documentation must demonstrate to CMS that Freedom Health correctly implements the transition process for LTC residents as described in its policies and procedures and consistent with its contractual requirements, as well as the ability to document that Freedom Health has and implements a transition process that covers an emergency supply or `first fill' of non-formulary Part D drugs.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CB03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

Requirement:

TrOOP Status at Disenrollment - The Part D sponsor must provide the beneficiary¿s true out-of-pocket (TrOOP) status to the beneficiary as of the effective date of disenrollment.

Reference:

MA-PD Solicitation

Deficiencies:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding providing enrollees with their TrOOP status as of the effective date of disenrollment and found they were dated outside the audit period. Specifically, they were dated 06/28/07. Freedom Health was unable to provide auditors with a document that contained the required provisions that was in effect during the audit period.

Corrective Action Required:

Freedom Health submitted to the auditors a policy and procedure (Part D Coordination of Benefits) dated post-audit period that includes the required provisions. Therefore, no corrective action is required for this element.

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

Findings: Not Met
Audit ID: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/22/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS requested documentation demonstrating that Freedom Health conducts ongoing monitoring of network pharmacies to ensure they are posting or distributing notices regarding procedures for obtaining a coverage determination or requesting an exception. No documentation was provided demonstrating that Freedom Health's network pharmacies meet the requirement for posting or distributing notices. During Staff Discussions Freedom Health staff stated that Freedom Health is not conducting ongoing monitoring of network pharmacist to ensure they are posting or distributing notices regarding procedures for obtaining a coverage determination or requesting an exception.

Corrective Action Required:

Freedom Health must provide documentation to CMS that demonstrates Freedom Health has developed and implemented procedures to conduct ongoing monitoring of network pharmacies to ensure they are posting or distributing notices regarding procedures for obtaining a coverage determination or requesting an exception and more specifically that Freedom Health's network pharmacies meet the requirement for posting or distributing notices. An example of acceptable documentation for this is results of pharmacy audits showing the number and percent of pharmacies that have undergone audit.

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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
Audit ID: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures for receiving, tracking, addressing, and maintaining records of coverage determinations (GA 6.1 Coverage Determination and Redeterminations, Medicare Part D) and found it did not include: - provisions for making timely coverage determinations (standard and expedited) that address basic coverage, supplemental benefits, and cost sharing, - a provision stating that individuals who can request a standard or expedited coverage determination are (1) the enrollee, (2) the enrollee's appointed representative, on behalf of the enrollee, and (3) the prescribing physician, on behalf of the enrollee, and - the definition of a coverage determination in accordance with § 423.566(b)(1-5). Although during Staff Discussions, Freedom Health staff stated that individuals who can request a standard or expedited coverage determination are (1) the enrollee (2) the enrollee's appointed representative, on behalf of the enrollee, and (3) the prescribing physician, on behalf of the enrollee. However this must be written in policies and procedures. Additionally, CMS reviewed documentation demonstrating Freedom Health's ability to track and address in a timely manner enrollees' oral and written requests for exceptions, coverage determinations, and redeterminations. The documentation submitted by Freedom Health was unable to demonstrate that its system tracks and addresses in a timely manner enrollees' oral and written requests for exceptions, coverage determinations, and redeterminations. Freedom Health's `Call Log' did not demonstrate that it tracks, at a minimum: date of notification, disposition of request, and date of disposition.

Corrective Action Required:

Freedom Health must revise its policies and procedures (GA 6.1 Coverage Determination and Redeterminations, Medicare Part D) to include the following: - provisions for making timely coverage determinations (standard and expedited) that address basic coverage, supplemental benefits, and cost sharing, - a provision stating that individuals who can request a standard or expedited coverage determination are (1) the enrollee, (2) the enrollee's appointed representative, on behalf of the enrollee, and (3) the prescribing physician, on behalf of the enrollee, and - the definition of a coverage determination in accordance with § 423.566(b)(1-5). Specifically, the following actions must be considered coverage determinations by Freedom Health: - A decision not to provide or pay for a Part D drug (including a decision not to pay because the drug is not on Freedom Health's formulary, because the drug is determined not to be medically necessary, because the drug is furnished by an out-of-network pharmacy, or because Freedom Health determines that the drug is otherwise excludable) that the enrollee believes may be covered by the plan - Failure to provide a coverage determination in a timely manner, when a delay would adversely affect the health of the enrollee, - A decision concerning an exceptions request regarding a plan's tiered cost-sharing structure, - A decision concerning an exceptions request regarding a non-formulary drug. Freedom Health 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. Freedom Health must revise its `Call Log' to have the ability to track and address in a timely manner enrollees' oral and written requests for exceptions, coverage determinations, and redeterminations. Specifically, this system must be able to demonstrate that it tracks, at a minimum, the date of notification, disposition of the request, and date of disposition. Freedom Health must provide documentation demonstrating this to CMS.

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

Findings: Not Met
Audit ID: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding enrollee notification of coverage determinations concerning drug benefit (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D' ) and found it does not include provisions stating that: - failure to notify the enrollee within the timeframe `constitutes an adverse coverage determination' requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - Freedom Health 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. Specifically, the language in quotation marks was not found. Over 30% of samples provided for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must revise its policies and procedures (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include the following provisions in their entirety: - failure to notify the enrollee within the timeframe constitutes an adverse coverage determination requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - Freedom Health 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. Freedom Health 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. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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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
Audit ID: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD04
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/23/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding enrollee notification of coverage determinations concerning payment and found they do not contain: - a provision stating that Freedom Health 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', - a provision stating that Freedom Health 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', - a provision stating that Freedom Health 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', and - provisions stating that failure to notify the enrollee within the timeframe `constitutes an adverse determination' requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks was not found in policy GA6.1 `Coverage Determination and Redeterminations, Medicare Part D'. Additionally, during Staff Discussions, Freedom Health staff stated that Freedom does not 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. Freedom Health staff stated that Freedom Health does not 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. Freedom Health staff stated that Freedom Health's PBM, NMHC, can take up to 60 days to issue payment to enrollee. Over 30% of samples provided for WS-CD2_D, Coverage Determinations Concerning Payment, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding enrollee notification of coverage determinations concerning payment to contain: - a provision stating that Freedom Health 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', - a provision stating that Freedom Health 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', - a provision stating that Freedom Health 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', and - provisions stating that failure to notify the enrollee within the timeframe `constitutes an adverse determination' requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks must be added to policy GA6.1 `Coverage Determination and Redeterminations, Medicare Part D'. Freedom Health 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. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD2_D, Standard Coverage Determinations Concerning Payment, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD05
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/23/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

Requirement:

Denial Notice Requirements for Coverage Determinations - If the Part D sponsor makes an adverse determination, in whole or in part, it must provide the enrollee with written notification, using approved notice language that is readable and understandable, states the specific reasons for the denial, and informs the enrollee of his or her right to a redetermination.

Reference:

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

Deficiencies:

Freedom Health does not meet this requirement. Over 30% of samples provided for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance. Over 30% of samples provided for WS-CD2_D, Coverage Determinations Concerning Payment, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD2_D, Standard Coverage Determinations Concerning Payment, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/24/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

Requirement:

Decision to Accept or Deny Request for Expedited Coverage Determination - The Part D sponsor must promptly and correctly determine whether a complaint is a standard coverage determination or an expedited coverage determination. The Part D sponsor must have a means for issuing prompt decisions on expediting a coverage determination 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 coverage determination may seriously jeopardize the enrollee¿s life, health, or ability to regain maximum function.

Reference:

42 CFR § 423.570(c)(3); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding decisions to accept or deny requests for expedited coverage determinations and found they do not discuss the means for making expedited decisions within the appropriate timeframe for requests received outside of normal business hours. During Staff Discussions, Freedom Health staff stated that Freedom is providing a 3-day temporary supply of medication when a request is received over the weekend. However, per CMS guidelines, Freedom Health may not extend the applicable adjudication timeframe by dispensing a temporary supply of the requested medication.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding decisions to accept or deny requests for expedited coverage determinations to discuss the means for making expedited decisions within the appropriate timeframe for requests received outside of normal business hours. Freedom Health 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. Additionally, Freedom Health must develop a procedure to process expedited coverage determination requests when a request is received over the weekend that complies with CMS regulations.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/24/2007
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding enrollee notification following decision on expedited coverage determination (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not include: - a provision stating that Freedom Health must make its expedited coverage determination and notify the enrollee `(and/or other applicable party)' 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', and - a provision stating that failure to notify the enrollee within the timeframe `constitutes an adverse determination' requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks was not found. Additionally, policy GA6.1, under the section entitled `Failure to Provide Timely Notice' does not include `expedited' coverage determinations.

Corrective Action Required:

Freedom Health must revise its policy GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D' to include the following: - a provision stating that Freedom Health must make its expedited coverage determination and notify the enrollee `(and/or other applicable party)' 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', and - a provision stating that failure to notify the enrollee within the timeframe `constitutes an adverse determination' requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks must be added. Additionally, the term `expedited coverage determination' must be added to policy GA6.1 under the section entitled `Failure to Provide Timely Notice'. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD10
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding enrollee notification following decision on expedited coverage determination (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it does not include a provision stating that if oral notice is provided for an adverse decision, the notice must satisfy the following requirements: - state the specific reason for the denial and take into account the enrollee's 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. Specifically, this policy does not address oral notification.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding enrollee notification following decision on expedited coverage determination (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include a provision stating that if oral notice is provided for adverse decision, the notices must satisfy the following requirements: - state the specific reason for the denial and take into account the enrollee's 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. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding processing requests for exceptions to its tiered cost-sharing structure (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not include the following: - a provision stating that if Freedom Health makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted, - a provision stating that Freedom Health must not keep the exceptions request open indefinitely when a physician does not submit a supporting statement, and - a provision stating that if Freedom Health is waiting on a physician's statement in support of a tiering exception request, Freedom Health 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.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding processing requests for exceptions to its tiered cost-sharing structure (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include the following: - a provision stating that if Freedom Health makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted, - a provision stating that Freedom Health must not keep the exceptions request open indefinitely when a physician does not submit a supporting statement, and - a provision stating that if Freedom Health is waiting on a physician's statement in support of a tiering exception request, Freedom Health 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. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding processing requests for exceptions for non-formulary drugs (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not include provisions stating that: - if Freedom Health makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted, - Freedom Health must not keep the exceptions request open indefinitely when a physician does not submit a supporting statement - if Freedom Health is waiting on a physician's statement in support of a formulary exception request, it 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.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding processing requests for exceptions for non-formulary drugs (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include provisions stating that: - if Freedom Health makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted, - Freedom Health must not keep the exceptions request open indefinitely when a physician does not submit a supporting statement - if Freedom Health is waiting on a physician's statement in support of a formulary exception request, it 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. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding determining cost-sharing for approved exceptions (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it does not include: a provision stating that enrollees are not required to request an approval following the initial prescription for the remainder of the plan year, and - a provision stating that all approved non-formulary drugs must be placed in existing cost-sharing tier(s). During Staff Discussions, Freedom Health staff stated that enrollees are not required to request an approval following the initial coverage determination for the remainder of the plan year, and that all approved non-formulary drugs are placed in existing cost-sharing tier(s). However these provisions must be included in a policy and procedure. Over 30% of samples provided for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance. Over 30% of samples provided for WS-CD2_D, Coverage Determinations Concerning Payment, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding determining cost-sharing for approved exceptions to include: - a provision stating that enrollees are not required to request an approval following the initial prescription for the remainder of the plan year, and - a provision stating that all approved non-formulary drugs must be placed in existing cost-sharing tier(s). Freedom Health 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. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD2_D, Standard Coverage Determinations Concerning Payment, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/31/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed documentation demonstrating Freedom Health's communication methods for informing enrollees of complaint categorization and did not find that Freedom Health has a means of informing enrollees whether their complaints are subject to grievance procedures or coverage determination procedures. (Acceptable documentation would include copies of phone scripts or the notice template for informing enrollees of complaint categorization.) Moreover, during Staff Discussions Freedom Health staff stated that enrollees are notified of whether their complaints are subject to grievance procedures or coverage determination procedures at the time of the oral grievance, but that this isn't documented within their systems. Additionally, during Staff Discussions Freedom Health staff stated that only when an enrollee requests it does Freedom Health send out a written notice informing enrollees of whether their complaints are subject to grievance procedures or coverage determination procedures. CMS reviewed Freedom Health's notice template for informing enrollees about inquiries involving excluded drugs. The notice was consistent with CMS-issued model notice, Notice of Inquiry Regarding an Excluded Drug. However, it did not display the contract number and CMS approval date in the lower left-hand corner in accordance with CMS Marketing guidelines. CMS reviewed 15 standard grievance samples from a universe of 21 and found that 15 did not demonstrate that enrollees were informed whether their complaint was subject to grievance or coverage determination procedures, resulting in non-compliance with CMS requirements. Over 30% of samples provided for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance. Over 30% of samples provided for WS-CD2_D, Coverage Determinations Concerning Payment, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must demonstrate, and provide documentation of this to CMS, that it has a means of informing enrollees whether their complaints are subject to grievance procedures or coverage determination procedures. Acceptable documentation would include copies of phone scripts or the notice template for informing enrollees of complaint categorization. Freedom Health must provide CMS with a CMS-approved notice to inform enrollees about inquiries involving excluded drugs (i.e., a notice consistent with the CMS-issued model notice, `Notice of Inquiry Regarding an Excluded Drug'). If Freedom Health does not have a notice template that has been approved by CMS (i.e., a notice consistent with the CMS-issued model notice, `Notice of Inquiry Regarding an Excluded Drug'), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. Freedom Health must conduct training of appropriate staff on the use of this notice template 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. Freedom Health must provide documentation to CMS demonstrating that it has developed and implemented a means of informing enrollees whether their complaints are subject to grievance procedures or coverage determination procedures. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD1_D, Standard Coverage Determinations Concerning Drug Benefits, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-CD2_D, Standard Coverage Determinations Concerning Payment, contained misclassified cases. Based on the analysis, Freedom Health is to provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/29/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement. CMS reviewed Freedom Health's grievances system documentation demonstrating its means for ensuring the timely resolution of enrollee grievances (`Call Log') and found it did not demonstrate that its system has the capability of tracking and addressing the timely resolution of enrollee grievances. Additionally, CMS reviewed Freedom Health's documentation demonstrating its systems for logging or capturing enrollees grievances in a centralized location and found the system did not track and maintain, at a minimum: - Date of receipt of the grievance - Mode of receipt of grievance (i.e. fax, telephone, letter, etc.) - Person or entity that filed the grievance - Subject of the grievance - Disposition of the grievance - Date the enrollee was notified of the disposition Specifically, auditors reviewed grievance `Call Log', and found this documentation does not include a field to track: mode of receipt of grievance, entity that filed the grievance, disposition of the grievance, and the date the enrollee was notified of grievance resolution.

Corrective Action Required:

Freedom Health must demonstrate, and provide documentation of this to CMS, that its grievances system has a means for ensuring the timely resolution of enrollee grievances. The `Call Log' must be modified to include fields to track: mode of receipt of grievance, entity that filed the grievance, disposition of the grievance, and the date the enrollee was notified of grievance resolution.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV04
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/30/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement. CMS reviewed 15 standard grievance samples from a universe of 21 and found that 5 of those samples were noncompliant. Specifically, five out of those five samples did not demonstrate the date the enrollee was notified. Additionally, three out of those five samples did not demonstrate the issue was resolved.

Corrective Action Required:

Freedom Health must notify enrollees of grievance resolution, and document this notification, within the CMS-approved timeframe, and provide CMS documentation of this.

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: H5427
Audit ID: 2621
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV05
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/1/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

Requirement:

Method of Grievance Response - The Part D sponsor must respond to all written grievances in writing (including facsimile). If the enrollee orally submits a grievance and requests a written response, the Part D sponsor must respond in writing.

Reference:

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

Deficiencies:

Freedom Health does not meet this requirement. CMS reviewed 15 standard grievance samples from a universe of 21 and found that in 5 samples Freedom Health was unable to demonstrate the enrollee was notified of grievance resolution.

Corrective Action Required:

Freedom Health must always notify the enrollee of grievance resolution and provide documentation demonstrating this to CMS.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/1/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement. CMS reviewed the system submitted by Freedom Health (`Call Log_11-06 thru 04-07') demonstrating its system for accepting requests for standard redeterminations. The system does not appear to track whether a request was submitted in writing or filed within 60 days of the notice of the coverage determination.

Corrective Action Required:

Freedom Health must revise its `Call Log' system to be able to track whether a request was submitted in writing or filed within 60 days of the notice of the coverage determination and provide documentation demonstrating this to CMS.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/1/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding decisions to accept or deny requests for expedited redeterminations (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not include a provision stating that any additional medical information Freedom Health requires, must be requested within 24 hours of receiving the initial request for an expedited redetermination.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding decisions to accept or deny requests for expedited redeterminations (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include a provision stating that any additional medical information Freedom Health requires, must be requested within 24 hours of receiving the initial request for an expedited redetermination. Freedom Health 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.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE05
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/31/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding timely notification and effectuation of standard redeterminations concerning covered drug benefit (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it does not include a provision stating that failure to notify the enrollee within the timeframe `constitutes an adverse redetermination' requiring Freedom Health to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks was not found. CMS reviewed Freedom Health's notice template for requesting a reconsideration. The notice was consistent with CMS-issued model notice, Request for Reconsideration. However, it did not display the contract number and CMS approval date in the lower left-hand corner in accordance with CMS Marketing guidelines. Additionally, over 30% of the samples provided for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding timely notification and effectuation of standard redeterminations concerning covered drug benefit (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include a provision stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination requiring Freedom Health to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Freedom Health 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. Freedom Health must provide CMS with a CMS-approved notice for requesting a reconsideration (i.e., a notice consistent with the CMS-issued model notice, `Request for Reconsideration'). If Freedom Health does not have a notice template that has been approved by CMS (i.e., a notice consistent with the CMS-issued model notice, `Request for Reconsideration'), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. Freedom Health must conduct training of appropriate staff on the use of this notice template 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. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, contained misclassified samples. Based on the analysis, Freedom Health must provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 1/31/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding timely notification and effectuation of standard redeterminations concerning payment (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not include a provision stating that failure to notify the enrollee within the timeframe `constitutes an adverse redetermination' decision requiring Freedom Health to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks was not found. CMS reviewed Freedom Health's notice template for requesting a reconsideration. The notice was consistent with CMS-issued model notice, Request for Reconsideration. However, it did not display the contract number and CMS approval date in the lower left-hand corner in accordance with CMS Marketing guidelines.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding timely notification and effectuation of standard redeterminations concerning payment (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include a provision stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring Freedom Health to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Freedom Health 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. Freedom Health must provide CMS with a CMS-approved notice for requesting a reconsideration (i.e., a notice consistent with the CMS-issued model notice, `Request for Reconsideration'). If Freedom Health does not have a notice template that has been approved by CMS (i.e., a notice consistent with the CMS-issued model notice, `Request for Reconsideration'), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. Freedom Health must conduct training of appropriate staff on the use of this notice template 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)

Date Report Generated: 9/30/2008

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

Findings: Not Met
Audit ID: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE07
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/4/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding enrollee notification following decision on expedited redetermination and requesting medical information required for making a decision on an expedited redetermination (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not state that medical information must be requested within 24 hours of the enrollee's initial request. Additionally, this policy did not include provisions stating that failure to notify the enrollee within the timeframe `constitutes an adverse redetermination' decision requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Specifically, the language in quotation marks was not found. CMS reviewed Freedom Health's notice template for requesting a reconsideration. The notice was consistent with CMS-issued model notice, Request for Reconsideration. However, it did not display the contract number and CMS approval date in the lower left-hand corner in accordance with CMS Marketing guidelines.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding enrollee notification following decision on expedited redetermination and requesting medical information required for making a decision on an expedited redetermination (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to: - state that medical information must be requested within 24 hours of the enrollee¿s initial request, and - include provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring Freedom Health to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. Freedom Health 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. Freedom Health must provide CMS with a CMS-approved notice for requesting a reconsideration (i.e., a notice consistent with the CMS-issued model notice, `Request for Reconsideration'). If Freedom Health does not have a notice template that has been approved by CMS (i.e., a notice consistent with the CMS-issued model notice, `Request for Reconsideration'), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. Freedom Health must conduct training of appropriate staff on the use of this notice template 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)

Date Report Generated: 9/30/2008

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

Findings: Not Met
Audit ID: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE08
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/4/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement. CMS reviewed Freedom Health's system for expedited coverage determination reversals (`Call Log') and found that it did not demonstrate the capability for tracking timeliness. Therefore, Freedom Health did not demonstrate the capability for authorizing or providing a benefit under dispute within 72 hours of receiving the request for redetermination.

Corrective Action Required:

Freedom Health must modify its system for expedited coverage determination reversals to have the capacity for tracking timeliness and provide documentation demonstrating this to CMS.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/4/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures regarding personnel conducting redeterminations (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not include a provision stating that if the issue is a denial based on lack of medical necessity, then Freedom Health 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. Additionally, over 30% of the samples provided for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must revise its policies and procedures regarding personnel conducting redeterminations (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to include a provision stating that if the issue is a denial based on lack of medical necessity, then Freedom Health 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. Freedom Health 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. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, contained misclassified samples. Based on the analysis, Freedom Health must provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE10
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/4/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement because CMS reviewed Freedom Health's policies and procedures for forwarding case files to the IRE upon the IRE's request in a timely manner (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') and found it did not state that 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. Additionally, over 30% of the samples provided for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Corrective Action Required: Freedom Health must revise its policies and procedures for forwarding case files to the IRE upon the IRE's request in a timely manner (GA 6.1 `Coverage Determination and Redeterminations, Medicare Part D') to state that 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. Freedom Health 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. Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, contained misclassified samples. Based on the analysis, Freedom Health must provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.

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: 2621
Contract Number: H5427
Part D Sponsor Name: FREEDOM HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/1/2007
Date Report Due: 11/15/2007
Element Accepted Date: 2/4/2008
Element Release Date:
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/31/2007
Estimated Visit Start Date: 8/2/2007
Actual Visit Start Date: 8/14/2007
Actual Visit End Date: 8/17/2007
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 11/15/2007
CAP Release Date:
CAP Accepted Date: 2/29/2008

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:

Freedom Health does not meet this requirement. Over 30% of the samples provided for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, were misclassified. The universe provided by Freedom Health is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

Freedom Health must provide CMS with an analysis and explanation of why the universe submitted for WS-RE1_D, Standard Redeterminations concerning Drug Benefits, contained misclassified samples. Based on the analysis, Freedom Health must provide to CMS the root cause as well as a detailed corrective action plan to ensure that this element will be met consistently.