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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PC02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network did not include a provision in their SOP to provide a 60 day notice to network pharmacies and pharmacists of negative formulary changes. The quarterly notice sent to pharmacies did not always contain the drugs affected by negative formulary changes. For example: during the audit period Zelnorm was removed from the formulary. That negative formulary change was not communicated to pharmacies and pharmacists.

Corrective Action Required:

Blue Care Network must develop and implement policies and procedures that include a provision to notify network pharmacies and pharmacists of negative formulary changes. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: FM03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network did not describe the procedures for providing a notice of "maintenance" formulary changes to CMS, State Pharmaceutical Assistance Programs, and entities providing other drug coverage in accordance with CMS requirements.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to include a provision with a description of the procedures for providing a notice of maintenance formulary changes to CMS, SPAPs and entities providing prescription drug coverage. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PT02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

Requirement:

P&T Committee Membership - The Part D sponsor¿s P&T Committee must include a majority of members who are practicing physicians and/or practicing pharmacists; include at least one practicing physician and at least one practicing pharmacist who are independent and free of conflict with the Part D plan organization and pharmaceutical manufacturers; and include at least one practicing physician and one practicing pharmacist who are experts regarding care of elderly or disabled individuals.

Reference:

42 CFR § 423.120(b)(1)(i-iii); MA-PD Solicitation

Deficiencies:

Blue Care Network did not include a provision requiring at least one practicing physician and one practicing pharmacist who are experts regarding care of elderly or disabled individuals as members of their Pharmacy and Therapeutics Committee (P and T). I was unable to ascertain if their P and T Committee contained those individuals.

Corrective Action Required:

Blue Care Network must revise its policies and procedures on P and T Committee membership to include a provision requiring the inclusion of one practicing physician and one practicing pharmacist who are experts regarding the care of the elderly or disabled. They should also define the term "expert" within the policy. Blue Care Network 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.

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Date Report Generated: 9/30/2008

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

Findings: Not Met
Audit ID: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 12/31/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

CMS has not received sufficient documentation from Blue Care Network to support its efforts to be compliant with CD01-Notice in Network Pharmacies. The plan had not put a provision in place for the posting and distribution of the notice instructing enrollees to contact their plans to obtain a coverage determination or request an exception if they disagree with the information provided by the pharmacist in the long term care setting. In addition, they have not included this provision in their contracts for network pharmacies (retail, home infusion, long-term care and I/T/U) to post this notice. Currently Blue Care Network does not monitor pharmacies for compliance with the distribution and posting of notices.

Corrective Action Required:

Blue Care Netowrk must develop and implement policies and procedures that put a provision in place for the posting and distribution of the notice instructing enrollees to contact their plans to obtain a coverage determination or request an exception if they disagree with the information provided by the pharmacist in the long term care setting. They need to include the provision in their contracts for network pharmacies (retail, home infusion, long-term care and I/T/U) to post the notice. Blue Care Network also must monitor pharmacies for compliance with the distribution and posting of notices. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
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Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network's policies and procedures regarding coverage determinations did not include "the enrollee's appointed representative" in the section stating who may request a standard or expedited coverage determination. In addition the sponsor did not document any oral notification between the plan and the enrollee, enrollee's representative or the physician.

Corrective Action Required:

Blue Care Network must revise its policies and procedures regarding coverage determinations to include "the enrollee's appointed representative" in the section stating who may request a standard or expedited coverage determination. In addition, the sponsor needs to document any oral notification between the plan and the enrollee, enrollee's representative or the physician. They should incorporate the oral notification into their policies and procedures. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/4/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

CMS has not received sufficient documentation from Blue Care Network to support its efforts to be compliant with CD-4 Timely Notification of Coverage Determination Concerning Payment. The plan had 30% or more cases misclassified on worksheet CD2_D making me unable to review question 19 (Coverage Determination Payment timely?) of the coverage determination case files for compliance.

Corrective Action Required:

Blue Care Network should establish a mechanism for monitoring in this area to ensure they are able to evaluate timely notification of coverage determination concerning payment.

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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network had 30% or more cases misclassified on worksheet CD2_D making me unable to review question 13 (Notice Compliant?)of the coverage determination case files for compliance.

Corrective Action Required:

Blue Care Network should establish a mechanism for ongoing monitoring in this area to ensure they are able to evaluate if the notice is compliant for denial notice requirements for coverage determinations.

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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD08
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

Requirement:

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

Reference:

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

Deficiencies:

Blue Care Network's policies and procedures did not address timeframes for enrollee notification following a decision to deny a request for an expedited coverage determination. They did also not include provisions stating that an oral and written notice must inform the enrollee: the right to file an expedited grievance, the right to resubmit a request for an expedited determination with the prescribing physician's support, instructions about the plan's grievance process and timeframes.

Corrective Action Required:

Blue Care Network must develop and implement policies and procedures that address timeframes for enrollee notification following a decision to deny a request for an expedited coverage determination. They also need to include a provision stating that an oral and written notice must inform the enrollee: the right to file an expedited grievance, the right to resubmit a request for an expedited determination with the prescribing physician's support, instructions about the plan's grievance process and timeframes. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD10
Audit Type: Routine
Audit Location: Onsite
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Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network did not include a provision in their policies and procedures regarding enrollee notification following a decision on expedited coverage determinations. This includes: if the decision is adverse, the sponsor must use a notice consistent with a CMS standard notice and a provision stating that if oral notice is provided for an adverse decision, the reason for denial, the right to file an appeal and explanation of the redetermination process and the rest of the appeals process must be provided to the beneficiary.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to include a provision in their policies and procedures regarding enrollee notification following a decision on expedited coverage determinations. This includes: if the decision is adverse, the sponsor must use a notice consistent with a CMS standard notice and a provision stating that if oral notice is provided for an adverse decision, the reason for denial, the right to file an appeal and explanation of the redetermination process and the rest of the appeals process must be provided to the beneficiary. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network did not include in their policies and procedures the ability for an enrollee's representative to file a request for a tiering exception on their behalf.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to include the ability for an enrollee's appointed respresentative to request a tiering exception on their behalf. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE02
Audit Type: Routine
Audit Location: Onsite
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Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network's policies and procedures did not include a provision allowing for an enrollee's appointed representative to file a request for a non-formulary exception. The procedure was also missing a provision that the Sponsor must wait a minimum of 96 hours for a supporting statement from a physician prior to making a decision for a standard exception request or 48 hours for an expedited request.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to include a provision allowing for an enrollee¿s appointed representative to file a request for a non-formulary exception. They must also include a provision that the Sponsor must wait a minimum of 96 hours for a supporting statement from a physician prior to making a decision for a standard exception request or 48 hours for an expedited request. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 11/30/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
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Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network did not include a provision in their policy and procedures to state approved tiering and non -formulary exception requests remain in effect the rest of the plan year.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to include a provision in their policy and procedures to state approved tiering and non-formulary exception requests remain in effect the rest of the plan year. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/2/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 9/28/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited eight cases from a universe of eight and found one case that did not meet the notice and effectuation requirements in a timely manner.

Corrective Action Required:

BCN Advantage must conduct training of appropriate staff on the timely notification and effectuation of standard redeterminations concerning drug benefits. This should include situations where 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. The Part D sponsor must effectuate and 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. BCN Advantage must submit documentation to the Chicago Regional Office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/2/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 9/28/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

BCN Advantage does not meet the CMS 95% compliance standard because CMS audited one case from a universe of one and found one case that did not meet the notice and effectuation requirements in a timely manner.

Corrective Action Required:

BCN Advantage must conduct training of appropriate staff on the timely notification and effectuation of standard redeterminations concerning payment. This should include situations where the Part D sponsor makes a redetermination that is favorable for the enrollee, or affirms in whole or in part its adverse coverage determination. The Part D sponsor 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. BCN Advantage must submit documentation to the Chicago Regional Office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. BCN Advantage must also establish a mechanism for ongoing monitoring of this area to ensure continued compliance.

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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 9/28/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

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:

Blue Care Network's policies and procedures stated they had 14 days to authorize or provide notice regarding a third party reversal on an appeal. Regulation states that this action must be taken within 72 hours from the date it receives notice reversing the decision.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to state that the benefit under dispute must be authorized or provided within 72 hours from the date it receives notice reversing the decision. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 9/28/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

Requirement:

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

Reference:

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

Deficiencies:

Blue Care Network's policies and procedures stated they had 14 days to authorize or provide notice regarding a third party reversal on an appeal of a request for payment. Regulation states that this action must be taken within 72 hours from the date it receives notice reversing the decision.

Corrective Action Required:

Blue Care Network must revise its policies and procedures to state that the benefit under dispute must be authorized or provided within 72 hours from the date it receives notice reversing the decision. Blue Care Network 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: 341
Contract Number: H5883
Part D Sponsor Name: BLUE CARE NETWORK OF MICHIGAN

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 7/25/2007
Date Report Due: 9/8/2007
Element Accepted Date: 10/1/2007
Element Release Date: 1/4/2008
Element Projected Completion Date: 9/28/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/11/2007
Estimated Visit Start Date: 6/15/2007
Actual Visit Start Date: 6/11/2007
Actual Visit End Date: 6/14/2007
Part D Sponsor Response Received Date: 9/7/2007
Part D Sponsor Response Due Date: 9/8/2007
CAP Release Date: 1/4/2008
CAP Accepted Date: 1/4/2008

Requirement:

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

Reference:

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

Deficiencies:

Blue Care Network's policies and procedures stated they had 72 hours to authorize or provide notice regarding a third party reversal on an appeal for an expedited request for a benefit. Regulation states that this action must be taken as expeditiously as the enrollee's health requires but no later than 24 hours from the date it receives notice reversing the decision.

Corrective Action Required:

Blue Care Network must revise its policies and procedures regarding a third party reversal on an appeal for an expedited request for a benefit to state the Sponsor must take action as expeditiously as the enrollee's health requires but no later than 24 hours from the date it receives notice reversing the decision. Blue Care Network 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.