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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 2/13/2008
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor does not meet this standard. The sponsor submitted its PBM Silverscript's policy and procedure FORMAD-0002 titled: Medicare Formulary Development and Maintenance, which focuses on the development and maintenance of the drug list along with publication and notification processes to CMS and to enrollees. The sponsor also provided CAREMARK's policy and procedure CQM-0011 titled: Drug Safety Alerts, which applies to recalls at mail and Caremark facilities. The sponsor or its PBM does not have policies and procedures that include: 1) a provision to notify authorized prescribers, network pharmacies, and pharmacists of negative formulary changes at least 60 days prior to the date the change becomes effective, 2) a provision to provide retrospective notice of formulary changes 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, and 3) a description of the method(s) used to provide notification of formulary changes.

Corrective Action Required:

The Part D sponsor or its PBM must develop and implement written policies and procedures that include the provisions required in the Prescription Drug Benefit Manual, Chapter 6, Section 30.3 and as stated in the deficiencies above. Provide a copy of the policies and procedures to CMS. The PBM 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. The sponsor needs to provide a detailed description of how it will monitor compliance with these requirements.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 4/11/2008
Element Release Date: 6/2/2008
Element Projected Completion Date: 5/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor does not meet this standard. The sponsor submitted the Amerigroup Corporation Marketing Integrity Program Special Needs Plan Addendum (no effective date shown) which states "Marketing agents and/or brokers must disclose the employment or contractual relationship with the health plan to any potential enrollees". The requirement is that this be a written disclosure stating "The person that is discussing plan options with you is either employed by or contracted with Amerigroup. The person may be compensated based on your enrollment in a plan." Documentation from the sponsor's marketing program monitoring activities did not confirm that the sponsor's marketing representatives are providing the written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. There is nothing on the field evaluations or licensed sales representative evaluations to indicate that the sponsor monitors its marketing representatives to determine if they are providing the written disclosure statement. Also, the contract/compensation structures reviewed in the sampled cases did not include a provision requiring any person directly employed or contracted to market on behalf of the Part D sponsor provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment using the language stated above. Additionally, the contracts do not include a list of the 15 prohibited marketing activities the marketing brokers and sales agents are not to participate in, as described at 42 CFR 423.50(f)(1) and the Medicare Marketing Guidelines.

Corrective Action Required:

The Part D sponsor needs to: 1) revise the Amerigroup Corporation Marketing Integrity Program Special Needs Plan Addendum (and date it) with the appropriate language to show that this must be a written disclosure to enrollees, 2) develop policies and procedures for employees for providing the written disclosures to enrollees, 3) update contracts to include language for the written disclosures and prohibited marketing activities, 4) provide a detailed description as to how the sponsor will determine the brokers and sales agents are providing appropriate written disclosures to enrollees and are not partaking in prohibited marketing activities, and 5) conduct training of appropriate staff 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. The sponsor must provide a detailed description of how it will ensure these requirements are met, including future monitoring.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 2/13/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
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Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor does not meet this requirement. The sponsor submitted its PBM Silverscript's policy and procedure FORMAD-0002 titled: Medicare Formulary Development and Maintenance. It does not include: 1) a provision to provide direct written notice to affected enrollees at least 60 days prior to the date the change becomes effective, or if no prior notice is given, to ensure that affected enrollees are provided with a 60 day supply of the Part D drug under the same terms as previously allowed at the time a refill is requested, and are provided written notice of the formulary change (it addresses the written notice for negative changes but not for non-negative changes, such as changing a drug from brand tier two to generic tier one), and 2) 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. Also, the sampled cases included pages of formulary changes. However, the date of the formulary change is not shown. Therefore, it can not be determined if the notice is being sent at least 60 days prior to the formulary change. Additionally, none of the sampled cases included the Notice of Formulary or Cost-sharing Change (Appendix 10) model language in a letter to the enrollee. All of the formulary changes were attached to the explanation of benefits (EOB). When the enrollee is affected by a formulary change, the notice to the enrollee must include all the information that is in the CMS model, which does include the effective date of the formulary change.

Corrective Action Required:

The Part D sponsor needs to work with its PBM to update its policy and procedures FORMAD-0002 to include the provisions noted above in the deficiencies, or develop and implement new policies and procedures. Provide a copy of the policies and procedures to CMS. The PBM must conduct training of appropriate staff on the 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. The sponsor must provide a detailed description of how it will ensure these requirements are met, including future monitoring of the PBM.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PH03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 6/9/2008
Element Release Date: 6/9/2008
Element Projected Completion Date: 5/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

Requirement:

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

Reference:

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

Deficiencies:

The Part D sponsor fails to meet this requirement. The sponsor submitted a one page confidential and proprietary statement from its PBM Silverscript titled: Medicare Part D, Any Willing Provider Provision. However, this document does not address LTC pharmacies. Refer to the CMS Long Term Guidance which lists the minimum performance and service criteria that LTC pharmacies must meet in order to be a Part D pharmacy in its LTC network. This guidance is located at: cms.hhs.gov/PrescriptionDrugCovContra/Downloads/LTCGuidance.pdf

Corrective Action Required:

The Part D sponsor or its PBM must develop and implement policies and procedures that include a provision stating that the PBM must offer standard contracting terms and conditions, including performance and service criteria for long-term care pharmacies that CMS specifies, to any long-term care pharmacy in its service area that requests the contract. The PBM must conduct training of appropriate staff on the 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. Provide a copy of the policies and procedures to CMS.

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Date Report Generated: 9/30/2008

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

Findings: Not Met
Contract Number: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor does not meet this requirement. The sponsor submitted its PBM Silverscript's policy and procedure FORMAD-0002 titled: Medicare Formulary Development and Maintenance, which focuses on the development and maintenance of the drug list along with publication and notification processes to CMS and to enrollees. It does not include: 1) a provision with a description of the procedures for providing a notice of "maintenance" formulary changes to entities providing other prescription drug coverage as listed at 42 CFR 423.464(f)(1) (i.e., Medicaid programs, group health plans, FEHBP, military coverage, IHS, FQHCs, RHCs). (NOTE: TX has only one SPAP which does not provide assistance to enrollees in MA-PD plans, so the SPAP does not need to be included), 2) a provision with a description of the procedures for providing a notice of "other" formulary changes to CMS and entities providing other prescription drug coverage, in accordance with CMS requirements, 3) a provision with a description of the procedures for providing retrospective notice to CMS and entities providing other prescription drug coverage if a covered Part D drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer, and 4) a description of the method(s) used to provide notification of formulary changes.

Corrective Action Required:

The Part D sponsor or its PBM must develop and implement policies and procedures that include the required provisions as shown in the deficiencies above. Provide a copy of the policies and procedures to CMS. The PBM must conduct training of appropriate staff on the 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. The sponsor must provide a detailed description of how it will ensure these requirements are met, including future monitoring of the PBM.

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: 2721
Contract Number: H5817
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 6/9/2008
Element Release Date: 6/9/2008
Element Projected Completion Date: 7/9/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor does not meet this requirement. The sponsor submitted its PBM Silverscript's policy and procedure MEDAFF-0027 titled: Medicare Transition Plan. It does not include a provision to abide by extensions to the transition period in accordance with CMS policy.

Corrective Action Required:

The Part D sponsor needs to work with its PBM to update its policy and procedures MEDAFF-0027 to include a provision to abide by extensions to the transition period in accordance with CMS' policy in the Medicare Prescription Drug Benefit Manual, Chapter 6, Section 30.4.7. Provide a copy of the updated policies and procedures to CMS. The PBM must conduct training of appropriate staff on the 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. The sponsor must provide a detailed description of how it will ensure these requirements are met, including future monitoring of the PBM.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 4/11/2008
Element Release Date: 6/9/2008
Element Projected Completion Date: 5/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor fails to meet the standard to notify all enrollees of its coverage determination within 72 hours after receipt of a request for payment. Also, the sponsor fails to forward these payment requests to the IRE within 24 hours of the expiration of the adjudication time frame. Refer to the CMS policies in the Prescription Drug Benefit Manual, Chapter 18, Sections 40.3.2, 40.3.3, and 40.4.

Corrective Action Required:

The Part D sponsor must conduct training of appropriate staff on the policies and procedures concerning Coverage Determinations and submit the 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 training. The sponsor must describe in detail the steps it is taking to ensure the compliance with these provisions, including future monitoring.

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: 2721
Contract Number: H5817
Part D Sponsor Name: AMERIGROUP TEXAS, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 6/9/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

Requirement:

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

Reference:

MA-PD Solicitation

Deficiencies:

The Part D sponsor does not have internal policies and procedures that address training relevant staff on Part D grievance policies and the sponsor's own processes. Also, the sponsor does not have documentation to demonstrate that it has developed and implemented a training program on grievance policies and procedures for staff. Therefore, the sponsor does not meet the standard.

Corrective Action Required:

The Part D sponsor must develop and implement policies and procedures on grievance process training which includes a provision for training relevant staff on grievance policies and procedures. The sponsor must conduct training of appropriate staff and submit documentation to CMS that details the nature of the training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The sponsor must describe the steps it is taking to ensure compliance with these requirements.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 6/9/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
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Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor provided a grievance universe of three case files for the CMS audit. On one case, the sponsor failed to make a decision on the grievance. Therefore, the sponsor did not notify the enrollee of the decision within 30 days. The sponsor did not process the grievance following its own policies and procedures. The sponsor failed to notify the enrollee of the decision within 30 days on 1/3 of the cases, therefore it does not meet the standard. Refer to the CMS policy in the Prescription Drug Benefit Manual, Chapter 18, Section 20.3.

Corrective Action Required:

The Part D sponsor must conduct training of appropriate staff on the grievance 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. The sponsor must describe the detailed steps it is taking to ensure compliance with these provisions, including internal auditing.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 6/9/2008
Element Projected Completion Date: 5/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
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Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor does not meet this requirement. The sponsor provided a grievance universe of three case files for the CMS audit. On one case, the sponsor failed to make a decision on the grievance. The issue was never resolved and the sponsor did not notify the enrollee of a decision. The sponsor did not process the grievance following its own policies and procedures. Refer to the CMS policy in the Prescription Drug Benefit Manual, Chapter 18, Section 20.3.

Corrective Action Required:

The Part D sponsor must conduct training of appropriate staff on the grievance 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. The sponsor must describe the detailed steps it is taking to ensure compliance with these provisions, including internal auditing.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 6/9/2008
Element Projected Completion Date: 5/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
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Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D Sponsor fails to meet this requirement by not notifying the enrollee in a timely manner of its redetermination. The sponsor notifies the physician of the decision but not the enrollee. Refer to the CMS policy in the Prescription Drug Benefit Manual, Chapter 18, Section 70.7.

Corrective Action Required:

The Part D sponsor must conduct training of appropriate staff on policies and procedures concerning Standard Redeterminations and submit the 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 training. The sponsor must make sure the staff understands the timeliness standard of the notification and who must be notified of the decision. The Sponsor must describe the detailed steps it is taking to ensure the compliance with these provisions, including monitoring.

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: H5817
Audit ID: 2721
Part D Sponsor Name: AMERIGROUP TEXAS, 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: 11/26/2007
Date Report Due: 1/10/2008
Element Accepted Date: 2/13/2008
Element Release Date: 6/9/2008
Element Projected Completion Date: 5/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/23/2007
Estimated Visit Start Date: 7/27/2007
Actual Visit Start Date: 9/13/2007
Actual Visit End Date: 10/12/2007
Part D Sponsor Response Received Date: 1/14/2008
Part D Sponsor Response Due Date: 1/10/2008
CAP Release Date: 6/9/2008
CAP Accepted Date: 6/9/2008

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:

The Part D sponsor fails to forward case files to the IRE after the enrollee requests a standard reconsideration. The sponsor has policies and procedures for forwarding the enrollee's file but does not follow them, therefore it does not meet the standard. Refer to the CMS policy in the Prescription Drug Benefit Manual, Chapter 18, Sections 70.20 and 70.30.

Corrective Action Required:

The Part D sponsor must conduct training on current policies and procedures to ensure the appropriate staff are educated on the procedures for sending case files to the IRE when they are requested. Submit the 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 training. The sponsor must describe in detail the steps it is taking to ensure compliance with these provisions, including future monitoring of staffs' actions.