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: 3041
Contract Number: H3333
Part D Sponsor Name: AMERICAN PROGRESSIVE LIFE/HLTH INS.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 1/22/2008
Element Release Date: 6/4/2008
Element Projected Completion Date: 4/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/24/2007
Estimated Visit Start Date: 9/28/2007
Actual Visit Start Date: 9/24/2007
Actual Visit End Date: 9/28/2007
Part D Sponsor Response Received Date: 12/22/2007
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date: 6/4/2008
CAP Accepted Date: 1/22/2008

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:

Part D sponsor fails to timely provide enrollees with verbal and/or written notification of its determination in instances concerning drug benefits in accordance with 42 CFR 423.568. Two (2) out of ten (10) sample case files reviewed evidence that Part D sponsor failed to timely provide enrollees with verbal and/or written notification of its determination. Two (2) out of ten (10) sample case files were misclassified.

Corrective Action Required:

Part D sponsor must adhere to its 03/2007 Renewed Standard Operating Procedures "MPA-1 Coverage Determinations" which clearly indicates that enrollees are to be provided with verbal and/or written notification. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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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: 3041
Contract Number: H3333
Part D Sponsor Name: AMERICAN PROGRESSIVE LIFE/HLTH INS.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 1/22/2008
Element Release Date: 6/4/2008
Element Projected Completion Date: 4/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/24/2007
Estimated Visit Start Date: 9/28/2007
Actual Visit Start Date: 9/24/2007
Actual Visit End Date: 9/28/2007
Part D Sponsor Response Received Date: 12/22/2007
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date: 6/4/2008
CAP Accepted Date: 1/22/2008

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:

Part D sponsor fails to have Standard Operating Procedures regarding enrollee notification of coverage determinations concerning payment in accordance 42 CFR 423.568. Part D sponsor does not have sample case files of instances where it timely notified enrollees of coverage determinations concerning payment.

Corrective Action Required:

Part D sponsor must submit for RO review and approval Standard Operating Procedures which clearly outline a process for providing enrollees with timely verbal and/or written notification of coverage determinations concerning payment. Part D sponsor must submit for review and approval the Standard Operating Procedures. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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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: 3041
Contract Number: H3333
Part D Sponsor Name: AMERICAN PROGRESSIVE LIFE/HLTH INS.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 1/22/2008
Element Release Date: 6/4/2008
Element Projected Completion Date: 4/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/24/2007
Estimated Visit Start Date: 9/28/2007
Actual Visit Start Date: 9/24/2007
Actual Visit End Date: 9/28/2007
Part D Sponsor Response Received Date: 12/22/2007
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date: 6/4/2008
CAP Accepted Date: 1/22/2008

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:

Part D sponsor fails to promptly and correctly determine and inform enrollees whether a complaint is subject to its grievance procedures or its coverage determination procedures in accordance with 42 CFR 423.564. Three (3) out of four (4) sample case files reviewed evidence that enrollees were not notified whether a complaint was subject to its grievance procedures or its coverage determination procedures. One (1) out of four (4) sample case files was misclassified.

Corrective Action Required:

Part D sponsor must submit for RO review and approval Standard Operating Procedures which clearly outline a process for promptly and correctly determining and informing enrollees whether a complaint is subject to its grievance procedures or its coverage determination procedures. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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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: 3041
Contract Number: H3333
Part D Sponsor Name: AMERICAN PROGRESSIVE LIFE/HLTH INS.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 1/22/2008
Element Release Date: 6/4/2008
Element Projected Completion Date: 4/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/24/2007
Estimated Visit Start Date: 9/28/2007
Actual Visit Start Date: 9/24/2007
Actual Visit End Date: 9/28/2007
Part D Sponsor Response Received Date: 12/22/2007
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date: 6/4/2008
CAP Accepted Date: 1/22/2008

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:

Part D sponsor fails to provide timely notification of grievance disposition in accordance with 42 CFR 423.564. Three (3) of four (4) sample case files reviewed evidence that Part D sponsor failed to timely provide enrollees with verbal and/or written notification of its determination. Two (2) out of four (4) sample case files reviewed evidence that Part D sponsor failed to address multiple grievances outlined by each enrollee. One (1) out of four (4) sample case files was misclassified.

Corrective Action Required:

Part D sponsor must adhere to its 02/22/2007 Revised Standard Operating Procedures "GA.010.01 Grievance" which clearly indicates that enrollees are to be provided with timely verbal and/or written notification. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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: 3041
Contract Number: H3333
Part D Sponsor Name: AMERICAN PROGRESSIVE LIFE/HLTH INS.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 1/22/2008
Element Release Date: 6/4/2008
Element Projected Completion Date: 4/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/24/2007
Estimated Visit Start Date: 9/28/2007
Actual Visit Start Date: 9/24/2007
Actual Visit End Date: 9/28/2007
Part D Sponsor Response Received Date: 12/22/2007
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date: 6/4/2008
CAP Accepted Date: 1/22/2008

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:

Part D sponsor fails to use the proper method to notify enrollees of grievance dispositions in accordance with 42 CFR 423.564. One (1) out of four (4) sample case files reviewed evidence that Part D sponsor failed to provide enrollees with proper verbal and/or written notification of its determination. One (1) of four (4) sample case files was misclassified.

Corrective Action Required:

Part D sponsor must adhere to its 02/22/2007 Revised Standard Operating Procedures "GA.010.01 Grievance" which clearly indicates that enrollees are to be provided with verbal and/or written notification once a determination has been made. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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

Findings: Not Met
Audit ID: 3041
Contract Number: H3333
Part D Sponsor Name: AMERICAN PROGRESSIVE LIFE/HLTH INS.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 1/22/2008
Element Release Date: 6/4/2008
Element Projected Completion Date: 4/30/1998

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/24/2007
Estimated Visit Start Date: 9/28/2007
Actual Visit Start Date: 9/24/2007
Actual Visit End Date: 9/28/2007
Part D Sponsor Response Received Date: 12/22/2007
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date: 6/4/2008
CAP Accepted Date: 1/22/2008

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:

Part D sponsor fails to have Standard Operating Procedures regarding the timely notification and effectuation of standard redeterminations concerning payment in accordance 42 CFR 423.590 Part D sponsor does not have sample case files of instances where it notified and effectuated standard redeterminations concerning payment.

Corrective Action Required:

Part D sponsor must submit for RO review and approval Standard Operating Procedures which clearly outline a process for timely notifying and effectuating standard redeterminations concerning payment. Part D sponsor must submit for review and approval the Standard Operating Procedures. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.