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: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/8/2008
Element Release Date: 2/8/2008
Element Projected Completion Date: 6/30/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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 Auditing Element, MR06 is NOT MET. Plan Responsibility for Persons Employed or Contracted to Perform Marketing MMM has not provided sufficient proof that their employed or contracted marketing representatives meet the requirements set in the Medicare Marketing Guidelines for MA-PD and PDP plans. 6 out of 10 marketing/sales representatives files sampled are not currently licensed. Licensure is either expired, provisional (including expiration) or non existent. 2 out of 10 marketing/sales representative files sampled show no evidence of contract consisting of information concerning prohibiting payment from outside sources in terms of enrollment. 2 out of 10 marketing/sales representative¿s files sampled are missing and/or show no evidence of a contractual agreement. This includes required information concerning: provision of disclosure statement, provision for coordinated marketing and compensation structures. 7 out of 10 marketing/sales representatives files sampled do not meet CMS requirements concerning appropriate persons employed.

Corrective Action Required:

MMM must provide a CAP (Corrective Action Plan) consistent with the CMS guidelines for plan responsibility concerning persons employed or contracted to perform marketing. MMM must provide documented proof that all sales/marketing representatives have valid, current licenses. Provisional licensure must be documented and must include information concerning the ongoing progression and status for non provisional licensure. MMM must also provide updated, signed contracts with wording consistent with CMS¿s policy concerning prohibited payment from outside sources. In addition, MMM must show a plan which corrects the inconsistency and alters the format of sales/marketing representative file keeping. Sales/Marketing representative files must include a contract and that contract must include information concerning the following: Provision of disclosure statement Provision for coordinated marketing and compensation structures.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR09
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/8/2008
Element Release Date: 2/8/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

Provision of Notices Regarding Formulary Changes is NOT MET. MMM has not provided sufficient proof that 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, it has provided a written notice to affected enrollees at least 60 days prior to the date the change had become effective, or provided enrollee with a 60 day supply of the part d drug. In 10 out of 10 records sampled, MMM failed to perform the following: 1. Provide a timely notice to beneficiary of the formulary change. 2. Provide beneficiary with a 60 day supply to the affected beneficiary. 3. Supply a compliant notice consistent with CMS standard for said provision. All 10 files sampled offered no indication that beneficiaries were compensated concerning their contractual right to a timely notice of change or a 60 day supply to the affected.

Corrective Action Required:

MMM must submit a CAP inclusive of a method which provides beneficiaries with timely notices of formulary changes (at least 60 days prior to the date the change has become effective). MMM must also show documented proof that a beneficiary has been authorized to receive a 60 day supply of the affected formulary change drug.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 7/16/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

In the sample reviewed for expedited coverage determinatons, four case records pertained to the timely notification of payment determination, CMS reviewer was unable to determine when payment was made.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that grievances are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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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: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

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: 2/11/2008
Element Release Date: 7/17/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

In four of the cases reviewed, auditor was unable to determine if members were notified either orally or in writing.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance and appeals processes to assure that grievances are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD10
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 7/17/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

In 7 of 8 cases reviewed, auditor was unable to determine if the member was notified withing the required timeframes.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

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: 2/11/2008
Element Release Date:
Element Projected Completion Date: 3/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

Over 30% of the cases in the sample were misclassifed as a grievance when they should have been handled as a coverage determination and when denied, notifiying the member of appeal rights.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 5/14/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

Requirement:

Grievance Policies and Procedures - The Part D sponsor must establish and maintain policies and procedures for tracking and addressing the timely hearing and resolution of all oral and written enrollee grievances including but not limited to the following: fraud and abuse, enrollment/disenrollment, benefit package, pharmacy access/network, marketing, customer service, confidentiality/privacy, and quality of care. The Part D sponsor must also maintain records of such grievances.

Reference:

42 CFR § 423.562(a)(1)(i); § 423.564(a-b); § 423.564(g); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Reporting Requirements for Section V: Grievances

Deficiencies:

Plan unable to show provide evidence that it routinely tracks and maintains date of receipt and date the member is notified of the resolutions of a grievance.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

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: 2/11/2008
Element Release Date: 5/14/2008
Element Projected Completion Date: 3/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

Over 30% of the cases in the sample were misclassified as a grievance when they should have been handled as a coverage determination and when denied, notifying the member of appeal rights.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

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: 2/11/2008
Element Release Date: 5/14/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

Over 30% of the cases in the sample were misclassified as a grievance when they should have been handled as a coverage determination and when denied, notifying the member of appeal rights.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Audit ID: 2981
Contract Number: H4003
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 5/14/2008
Element Projected Completion Date: 3/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

Requirement:

Grievance Response ¿ Quality of Care - The Part D sponsor must respond in writing to all grievances related to the quality of care. The response must include a description of the enrollee¿s right to file a written complaint with the Quality Improvement Organization (QIO). If a complaint is submitted to the QIO, the Part D sponsor must cooperate with the QIO in resolving the complaint.

Reference:

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

Deficiencies:

Plan failed to use notice that includes a description of the member's right to file a written complaint with the QIO.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Audit ID: 2981
Contract Number: H4003
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV07
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 5/14/2008
Element Projected Completion Date: 3/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

Requirement:

Timely Response to Expedited Grievances - The Part D sponsor must respond to an enrollee¿s grievance within 24 hours if the complaint involves a refusal by the Part D sponsor to grant an enrollee¿s request for an expedited coverage determination or an expedited redetermination, and the enrollee has not yet purchased or received the drug that is in dispute.

Reference:

42 CFR § 423.564(f); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

Over 30% of the cases in the sample were misclassified as a grievance when they should have been handled as a coverage determination and when denied, notifying the member of appeal rights.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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

Findings: Not Met
Contract Number: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
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Element Release Date: 7/17/2008
Element Projected Completion Date: 3/31/2008
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Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

Requirement:

Actions Following Decision to Deny Request for Expedited Redetermination - If the Part D sponsor denies a request for an expedited redetermination, it must automatically transfer the request to the standard redetermination timeframe, provide prompt oral notice to the enrollee, according to CMS requirements, and provide equivalent written notice within 3 calendar days of the oral notice.

Reference:

42 CFR § 423.584(d-e); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

In 4 of 8 cases reviewed, auditor noted that the plan failed to notify the member within the required timeframes.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 7/17/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

In 5 of 10 cases reviewed, auditor was unable to determine if the plan took action within 7 calendar days from the date of the request.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE07
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 7/17/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

Requirement:

Timely Notification of Expedited Redetermination and Request for Medical Information - If a Part D sponsor grants a request for expedited redetermination, it must complete its redetermination and give the enrollee (and the prescribing physician involved, as appropriate), notice of its decision as expeditiously as the enrollee¿s health condition requires but no later than 72 hours after receiving the request. If medical information is necessary, the Part D sponsor must make the request within 24 hours of receiving the initial request for an expedited redetermination. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.584(e); § 423.590(d-e); § 423.638(a); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

In the situation where the plans fails to make a timely determination, it routinely fails to forward the case to the IRE as required.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.

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: H4003
Audit ID: 2981
Part D Sponsor Name: MMM HEALTHCARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE10
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 11/9/2007
Date Report Due: 12/24/2007
Element Accepted Date: 2/11/2008
Element Release Date: 7/17/2008
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 9/11/2007
Estimated Visit Start Date: 9/20/2007
Actual Visit Start Date: 9/11/2007
Actual Visit End Date: 9/20/2007
Part D Sponsor Response Received Date: 1/15/2008
Part D Sponsor Response Due Date: 12/24/2007
CAP Release Date:
CAP Accepted Date: 2/22/2008

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:

In the situation where the plans fails to make a timely determination, it routinely fails to forward the case to the IRE as required.

Corrective Action Required:

PLAN must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. PLAN should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. PLAN should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. This report is due to the regional office within 15 days of the close of the quarter. The summary report should include: title of the auditor (s), the audit methodology, and the result of the audit.