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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PC02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policy and procedures were missing the following: (1) The requirement to provide at least 60 days notice to authorized prescribers, network pharmacies, and phamacists if a covered Part D drug is removed from the formulary. (2) The requirement to provide retrospective notice of a formulary change to authorized prescribers, network pharmacies, and phamacists if a covered Part D drug is removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer.

Corrective Action Required:

APIPA must revise its policies and procedures to include the requirements noted in the deficiency above.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures, plan documentation demonstrating that the plan conducts ongoing monitoring of the marketing activities of internal and external marketing representatives, and a sample of contracts and/or compensation structures with sales representatives to determine compliance with the requirements with this review element. APIPA's policy and procedures were missing the requirement that individuals conducting marketing must provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment and APIPA did not provide sufficient documentation to show that its marketing representatives are providing the required written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment.

Corrective Action Required:

APIPA must revise its policies and procedures to include the missing requirement noted above and submit a copy of the revised policy and procedure to CMS.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

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

Findings: Not Met
Contract Number: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policy and procedures were missing the following: (1) The requirement to provide at least 60 days written notice to affected enrollees if a covered Part D drug is removed from the formulary. (2) The requirement to provide retrospective notice of a formulary change to affected enrollees if a covered Part D drug is removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer.

Corrective Action Required:

APIPA must revise its policies and procedures to include the provision noted above and resubmit the revised version to CMS as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PH03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
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Element Release Date: 10/16/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed policies and procedures and APIPA's Long Term Care (LTC) Pharmacy to Nursing Bed Ratio Analysis to determine compliance with this review element. Although APIPA's nursing bed ratio analysis showed it had adequate bed access, APIPA did not have policies and procedures stating that they must offer standard contracting terms and conditions, including performance and service criteria for LTC pharmacies that CMS specifies, to any LTC pharmacy in its service area that requests the contract.

Corrective Action Required:

APIPA must develop a policy and procedure for contracting with LTC pharmacies that includes the missing provision noted in the finding above.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: FM03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
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Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures and plan documentation demonstrating that the plan provides retrospective notice to CMS, SPAPs, and entities providing other prescription drug coverage if a covered Part D drug is removed from the formulary because it is deemed unsafe by the Food and Drug Administration or removed from the market by the manufacturer. CMS found the following: (1) Policy and procedures were missing requirements to specifically address maintenance changes, other changes, and retrospective changes, and also the method of notification of CMS, SPAPs, and other entities providing other prescription drug coverage. (2) APIPA did not submit sufficient documentation to demonstrate compliance with the requirement to provide retrospective notice to all affected parties if a covered Part D drug is deemed unsafe by the FDA or removed from the market by the manufacturer.

Corrective Action Required:

APIPA must revise its policies and procedures to include the provisions noted above and submit them to CMS as part of its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: TP02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
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Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures and systems reports regarding the transition process for LTC residents to determine compliance with the requirements for this element and found the following: (1) The policy and procedures were missing the requirement to specifically address the immediate transition drug needs of LTC beneficiaries or to provide for an emergency supply of drugs beyond 90 days if an exception is being processed. (2) APIPA did not submit adequate documentation (e.g., system reports of LTC drug utilization for individuals in the transition period) to demonstrate that it has correctly implemented the transition process for LTC residents and that it covers an emergency supply or "first-fill" of non-formulary Part D drugs to LTC residents.

Corrective Action Required:

APIPA must revise its policies and procedures to include the requirements discussed above and implement system reports as described above. APIPA must also conduct training of appropriate staff on these policies and procedures and system reports and submit documentation to CMS that details the nature of this training, including the materials used in the training, the individuals conducting the training, and the individuals being trained.

CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

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

Findings: Not Met
Audit ID: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
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Element Release Date: 10/16/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Notices in Network Pharmacies - The Part D sponsor must arrange with its network pharmacies to post or distribute notices instructing enrollees to contact their plans to obtain a coverage determination or request an exception if they disagree with the information provided by the pharmacist.

Reference:

42 CFR § 423.562(a)(3); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision for sending the Medicare Prescription Drug Coverage and Your Rights notice to the location in the LTC facility designated to accept such notices or, if the network or preferred pharmacy is on-site, it must deliver the notice described above to the location in the LTC facility designated to accept such notices. (2) A provision requiring pharmacies to post or distribute notices regarding procedures for obtaining a coverage determination or requesting an exception. (3) A provision detailing how Part D Sponsors network pharmacies meet the requirement for posting or distributing notices. (An example of acceptable documentation for this is results of pharmacy audits showing the number and percent of pharmacies that have undergone audit.)

Corrective Action Required:

APIPA must either submit documentation showing the number and percentage of network pharmacies it has audited to ensure that pharmacies are posting or distributing notices describing how members may obtain coverage determinations or request exceptions or it may develop a monitoring process and submit it along with a schedule to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) Provisions for making timely coverage determinations (standard and expedited) that address basic coverage, supplemental benefits, and cost sharing. (2) A provision stating that individuals who can request a standard or expedited coverage determination are (a) the enrollee, (b) the enrollees appointed representative, on behalf of the enrollee, and (c) the prescribing physician, on behalf of the enrollee. (3) A definition of a coverage determination in accordance with § 423.566(b)(1-5). (4) Provisions for tracking and addressing all requests for redeterminations. (5) A provision for quarterly reporting of all data requested in Reporting Requirements Section VII: Appeals. (6) Documentation demonstrating APIPA has systems to track and address in a timely manner enrollees oral and written requests for exceptions, coverage determinations, and redeterminations.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.566 (a-c) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 10.4.1, 10.4.2, and 10.5. APIPA must submit the revised policies and procedure to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that the Sponsor must notify the enrollee (and the prescribing physician involved, as appropriate) of its determination as expeditiously as the enrollees health condition requires, but no later than 72 hours after receipt of the request, or, for an exceptions request, the physician¿s supporting statement. (2) Provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse coverage determination requiring the Part D sponsor to forward the enrollees request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. (3) APIPA must use a notice consistent with CMS-issued model notice, Notice of Case Status. (4) CMS audited 10 cases of a universe of 4749 and found 6 cases mis-classified.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.568 (a), § 423.568 (e), and § 423.578 (c)(2) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 40.2 and 40.4. APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSCD_1 for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Coverage Determinations Concerning Payment - The Part D sponsor must notify the enrollee of its determination no later than 72 hours after receipt of the payment request, or, for an exceptions request, after receiving the physician's supporting statement. If the coverage determination was denied and the initial notification was provided orally, the Part D sponsor must send the written notice to the enrollee within 3 calendar days of the oral notice. For favorable determinations, the Part D sponsor must authorize payment and notify the enrollee within 72 hours after receiving the request, or, for an exceptions request, after receiving the physician's supporting statement. The Part D sponsor must also make payment (i.e., mail the payment) within 30 calendar days of the request, or, for an exceptions request, after receiving the physician's supporting statement. Failure to notify the enrollee within the 72 hour timeframe constitutes an adverse determination requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE. Note: This element also applies to out-of-network (OON) paper claims submitted by beneficiaries or their appointed representatives.

Reference:

42 CFR § 423.568(b); § 423.568(e); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that the 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 physicians supporting statement. (2) A provision stating that the 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. (3) A provision stating that the Sponsor must make payment (i.e., mail the payment) within 30 calendar days of the request, or, for an exceptions request, after receiving the physician's supporting statement. (4) Provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse determination requiring the Part D sponsor to forward the enrollees request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. (5) CMS audited 10 cases of a universe of 107 and found 3 cases where APIPA did not make timely coverage determination payments.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.568 (b) and § 423.568 (e). APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must develop procedures to make sure payments are made timely, and submit it with the CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
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Element Accepted Date: 10/16/2007
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

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

Reference:

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

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that adverse coverage determinations, in whole or in part, require written notification to the enrollee (and/or other applicable party). (2) APIPA must use a notice consistent with CMS-issued model notice, Notice of Denial of Medicare Prescription Drug Coverage. (3) CMS audited 10 cases of a universe of 4749 and found 6 cases mis-classified. (4) CMS audited 10 cases of a universe of 246 and found 9 cases where standard notice was not used.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.568 (c-d) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 40.3.3 and Appendix 1. APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSCD_1 for the same review period, 9/1/06 through 2/28/07 as part of its CAP. APIPA must either provide a copy of their Notice of Denial of Medicare Prescription Drug Coverage that meets CMS requirements or develop a notice that meets these requirements, and submit it with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Decision to Accept or Deny Request for Expedited Coverage Determination - The Part D sponsor must promptly and correctly determine whether a complaint is a standard coverage determination or an expedited coverage determination. The Part D sponsor must have a means for issuing prompt decisions on expediting a coverage determination if it determines, based on the enrollee¿s request, or as indicated in the prescribing physician¿s request, that applying the standard timeframe for making a coverage determination may seriously jeopardize the enrollee¿s life, health, or ability to regain maximum function.

Reference:

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

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision that describes a means for issuing prompt decisions on expediting determinations in accordance with CMS requirements. (2) A designated office and/or department to receive both oral and written requests, including a telephone number for oral requests, and may include a facsimile number to facilitate receipt of requests for expedited coverage determinations. (3) A provision stating that all oral requests must be documented in writing and that documentation of requests must be maintained in case file. (4) A provision that describes a means for making expedited decisions within the appropriate timeframe for requests received outside of normal business hours.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.540 (c)(3) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 50, 50.1 and 50.2. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD07
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Timely Notification Following Decision to Deny Request for Expedited Coverage Determination - If the Part D sponsor decides not to expedite a coverage determination, it must automatically transfer the request to the standard timeframe, provide prompt oral notice to the enrollee and prescribing physician of the decision not to expedite, and provide equivalent written notice within 3 calendar days of the oral notice.

Reference:

42 CFR § 423.570(d); § 423.572(a); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain a provision for timeliness of expedited coverage determination denial notification in accordance with CMS requirements.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.570 (d), § 423.572 (a) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 50.3. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD08
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

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

Reference:

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

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that oral and written notice must provide an explanation that the Part D sponsor must process the request using the 72 hour timeframe for standard determinations. (2) A provision stating that oral and written notice must inform the enrollee of the right to file an expedited grievance. (3) A provision stating that oral and written notice must inform the enrollee of the right to resubmit a request for an expedited determination with the prescribing physicians support. (4) A provision stating that oral and written notice must provide instructions about the Part D sponsors grievance process and its timeframes. (5) APIPA must use a notice consistent with CMS-issued model notice, Notice of Right to an Expedited Grievance.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.570 (d) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, Chapters 50.5 and 50.6. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD09
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Timely Notification of Expedited Coverage Determination - The Part D sponsor must make its expedited coverage determination and notify the enrollee of its decision (adverse or favorable), as expeditiously as the enrollee¿s health condition requires, but no later than 24 hours after receiving the request, or, for an exceptions request, the physician¿s supporting statement. If the decision is adverse and the Part D sponsor first notifies the enrollee of the determination orally, the Part D sponsor must mail written confirmation to the enrollee within 3 calendar days of the oral notification. Failure to notify the enrollee within the 24 hour timeframe constitutes an adverse determination requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.570(e); § 423.572(a-b); § 423.572(d); § 423.578(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that the Sponsor must make its expedited coverage determination and notify the enrollee (and/or other applicable party) of its decision (adverse or favorable), as expeditiously as the enrollee¿s health condition requires, but no later than 24 hours after receiving the request, or, for an exceptions request, the physicians supporting statement. (2) A provision stating that if the decision is adverse and the Part D sponsor first notifies the enrollee of the determination orally, the Part D sponsor must mail written confirmation to the enrollee within 3 calendar days of the oral notification. (3) A provision stating that failure to notify the enrollee within the timeframe constitutes an adverse determination requiring the Part D sponsor to forward the enrollees request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. (4) A provision stating that the Part D sponsor must inform the enrollee, within 24 hours, when the case is forwarded to the IRE.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.570 (e), § 423.572 (a-b), § 423.572 (d), § 423.578 (c)(2) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 50.6. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that if the decision is adverse, then the Sponsor must use a notice consistent with the CMS-issued standard notice, Notice of Denial of Medicare Prescription Drug Coverage. (2) A provision stating that if oral notice is provided for adverse decisions, the notices must satisfy the following requirements: Stating the specific reason for the denial and take into account the enrollee¿s presenting medical condition, disabilities, and special language requirements, if any. Provides information regarding the right to appoint a representative to file an appeal on the enrollees behalf. Provides a description of both the standard and expedited redetermination processes and timeframes, including conditions for obtaining an expedited redetermination, and the rest of the appeals process. (3) APIPA must use a notice consistent with the CMS-issued standard notice, Notice of Denial of Medicare Prescription Drug Coverage.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.572 (c) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 50.6 and Appendix 6. APIPA must submit the revised policies and procedure to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Exceptions Procedures and Criteria (Tiered Cost-Sharing) - The Part D sponsor must establish and maintain reasonable and complete exceptions procedures, subject to CMS¿ approval, for exceptions requests to the Part D sponsor¿s tiered cost-sharing structure. The exceptions procedures must address situations where a formulary¿s tiering structure changes during the year, and an enrollee is using a drug affected by the change. The Part D sponsor must grant an exception for non-preferred drugs when medically necessary and consistent with the prescribing physician¿s statement that meets CMS criteria. The Part D sponsor¿s tiered cost-sharing exceptions process and exception criteria must meet CMS requirements including for unplanned transitions.

Reference:

42 CFR § 423.578(a)(1-2); § 423.578(a)(4); MA-PD Solicitation and EP Attestation Addendum; Reporting Requirements for Section VI: Prior Authorization, Step Edits, Non-Formulary Exceptions, and Tier Exceptions; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Information for Part D Sponsors on Requirements for a Transition Process

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that an enrollee, an enrollees appointed representative, or an enrollees prescribing physician is permitted to file a request for a tiering exception. (2) A provision stating that if the Part D Sponsor requires a written statement from the enrollees prescribing physician, it must do so immediately. (3) A provision stating that the prescribing physicians statement must indicate that the preferred drug for the treatment of the enrollees condition (a) would not be effective as the requested drug and/or (b) would have adverse effects. (4) A provision stating that the prescribing physician is required to demonstrate in its written statement one of the two factors discussed above. (5) A provision stating that if the Sponsor makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted. (6) A provision stating that the Sponsor must not keep the exceptions request open indefinitely when a physician does not submit a supporting statement. (7) A provision stating that if the Sponsor is waiting on a physician¿s statement in support of a tiering exception request, the Sponsor must wait a minimum of 96 hours after receiving a standard request or a minimum of 48 hours after receiving an expedited request before issuing its determination on the tiering exception. (8) A provision stating that a Part D Sponsor must grant a tiering exception when it determines that the preferred drug for treatment of the enrollees condition would not be as effective for the enrollee as the requested drug and/or would have adverse effects. (9) A provision making sure that APIPA does not restrict the number of exception requests submitted per enrollee.

Corrective Action Required:

APIPA must develop policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.578 (a)(1-2), § 423.578 (a)(4) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 30.2.1 and Appendix 11. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Exceptions Procedures and Criteria (Non-Formulary Drugs) - The Part D sponsor must establish and maintain exceptions procedures, subject to CMS¿ approval, for receipt of an off-formulary drug. The Part D sponsor must grant an exception for a non-formulary Part D drug whenever it determines that the drug is medically necessary, consistent with the prescribing physicians¿ statement that meets CMS criteria, and that the drug would be covered but for the fact that it is an off-formulary drug. The Part D sponsor¿s formulary exceptions process and exception criteria must meet CMS requirements including for unplanned transitions.

Reference:

42 CFR § 423.578(b); § 423.578(b)(1); § 423.578(b)(2); § 423.578(b)(5); MA-PD Solicitation and EP Attestation Addendum; Reporting Requirements for Section VI: Prior Authorization, Step Edits, Non-Formulary Exceptions, and Tier Exceptions; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Information for Part D Sponsors on Requirements for a Transition Process

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that an enrollee, an enrollees appointed representative, or an enrollees prescribing physician shall be permitted to file a request for a non-formulary exception. (2) A provision stating that the prescribing physicians statement must indicate that the requested drug is medically required and other on-formulary drugs and dosage limits will not be effective. (3) A provision stating that if the Sponsor makes a request for additional supporting medical documentation, then it must clearly identify the type of information that must be submitted. (4) A provision stating that the Sponsor must not keep the exceptions request open indefinitely when a physician does not submit a supporting statement. (5) A provision stating that if the Sponsor is waiting on a physicians statement in support of a formulary exception request, the Sponsor must wait a minimum of 96 hours after receiving a standard request or a minimum of 48 hours after receiving an expedited request before issuing its determination on the formulary exception. (6) A provision stating that the Part D Sponsor must grant a formulary exception when it determines that one of the three factors discussed in (2) above has been demonstrated, and the drug would be covered but for the fact that it is an off-formulary drug. (7) A provision that does not restrict the number of exception requests submitted per enrollee.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.578 (b), § 423.578 (b)(1), § 423.578(b)(2), § 423.578 (b)(5) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 30.2.2 and Appendix 11. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Approval of Tiering and Non-Formulary Exceptions Requests - Following approval of a request for a tiering or a non-formulary exception, the Part D sponsor cannot require an approval for a refill or a new prescription following the initial prescription, provided that (i) the enrollee¿s prescribing physician continues to prescribe the drug; (ii) the drug continues to be considered safe for treating the enrollee¿s disease or medical condition; and (iii) the enrollment period has not expired. For tiering exceptions, the Part D sponsor must permit enrollees to obtain an approved non-preferred drug at the more favorable cost-sharing terms applicable to drugs in the preferred tier. For approved non-formulary exceptions, the Part D sponsor has the flexibility to determine what level of cost-sharing applies to all non-formulary drugs approved under the exceptions process, so long as the designated level is one of its existing cost-sharing tiers.

Reference:

42 CFR § 423.578(c)(3); § 423.578(c)(4)(i-ii); EP Attestation Addendum; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that coverage is provided for approved tiering exceptions at the same cost-sharing level as preferred drugs. (2) A provision stating that enrollees are not required to request an approval following the initial prescription for the remainder of the plan year. (3) A provision stating that all approved non-formulary drugs must be placed in existing cost-sharing tier(s). (4) A provision must provide that the Part D Sponsor must place all approved non-formulary drugs in existing cost-sharing tier(s). (5) A provision that coverage for approved tiering exceptions at the same cost-sharing level as preferred drugs.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.578 (c)(3), § 423.578 (c)(4)(i-ii) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 30.2.2 and Appendix 11. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found the following: (1) The policy and procedures did not demonstrate a means of informing enrollees whether their complaints are subject to grievance procedures or coverage determination procedures, such as scripts. (2) APIPA does not use a notice consistent with CMS-issued model notice, Notice of Inquiry Regarding an Excluded Drug. (3) CMS audited 9 Standard Grievance cases of a universe of 9 and found 7 cases were mis-classified. (4) CMS audited 10 Standard Coverage Determination cases of a universe of 4749 and found 6 cases mis-classified.

Corrective Action Required:

APIPA must revise its policies and procedures to include the provision noted above and resubmit the revised version to CMS as its CAP. Refer to 42 CFR § 423.564 (b). APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit corrected universes for WSGV1_D and WSCD1_D for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that they do not contain a provision for quarterly reporting of all data requested in Reporting Requirements Section V: Grievances.

Corrective Action Required:

APIPA must update its policies and procedures to correct the above noted deficiency. Refer to the Medicare Part D Reporting Requirements Contract Year 2007, section IV to obtain this information. It must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found the following: (1) The policy and procedures did not contain a provision for training relevant staff and contractors on grievance policies and procedures. (2) APIPA must verify the implementation of training on grievance policies and procedures for staff and contractors. (examples of acceptable documents are: attendance logs, sign-in sheets, description of the training program).

Corrective Action Required:

APIPA must update its policies and procedures to correct the above noted deficiency. The plan must develop and implement a training program and provide documentation of trainings. APIPA must submit the revised/new policies and procedures to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found the following: (1) The policies and procedures lack a provision stating that all concerned parties must be notified of grievance disposition as expeditiously as the enrollees case requires based on the enrollees health status, but not later than 30 days after the Sponsor receives the oral or written grievance. (2) Including a provision stating that the 30-day timeframe may be extended by 14 days or less if the enrollee requests the extension or if the Part D sponsor justifies a need for additional information and documents how the delay is in the interest of the enrollee. (3) A provision stating that the enrollee must immediately be notified in writing when the Part D sponsor extends the deadline. (4)Using a notice consistent with CMS-issued model notice, Notice of Plan's Decision to Extend the Deadline for Making a Decision Regarding a Grievance. (5)CMS audited 9 cases of a universe of 9 and found 7 cases mis-classified.

Corrective Action Required:

APIPA must either revise or develop a new policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.564 (e)(1-2) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 20.3. APIPA must submit the revised policies and procedure to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSGV1_D for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found the following: (1) The policies and procedures do not state that all grievances submitted in writing must be responded to in writing. (2) Stating that grievances submitted orally may be responded to either orally or in writing, unless the enrollee requests a written response. (3) CMS audited 9 cases of a universe of 9 and found 7 cases mis-classified.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.564 (e)(3)(i-ii) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 20.3. APIPA must submit the revised policies and procedure to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSGV1_D for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found the following: (1) The policies and procedures do not state that all grievances related to quality of care, regardless of how the grievance is filed, must be responded to in writing. (2) State the Part D sponsor¿s commitment to cooperating with the QIO in resolving grievance cases. (3) APIPA did not have examples of written responses to quality of care grievances including a description of the enrollees right to file a written complaint with the QIO in its written response. (4) APIPA did not have examples demonstrating cooperation with QIOs to resolve complaints related to quality of care.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.564 (e)(3)(iii) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 20.2.1. APIPA must submit the revised policies and procedure to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Request for Redeterminations (Standard) - The Part D sponsor must have policies, procedures, and systems in place that allow it to accept written requests for standard redeterminations of coverage determinations filed within 60 calendar days of the notice of the coverage determination. The Part D sponsor must provide the enrollee or the prescribing physician with a reasonable opportunity to hand-deliver or present in writing, evidence and allegations of fact or law related to the issue in dispute.

Reference:

42 CFR § 423.582(a-b); § 423.586; MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision for accepting written requests for standard redeterminations of coverage determinations filed by enrollees within 60 calendar days of the notice of the coverage determination. (2) A provision for providing a reasonable opportunity to receive evidence and allegations of law and fact, in person or in writing, related to the disputed issue. (3) APIPA needs to have a system in place to accept written requests from the enrollee for a redetermination within the 60 calendar day timeframe.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.582 (a-b), § 423.586 and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70, 70.2 and 70.5. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Request for Redeterminations (Expedited) - The Part D sponsor must establish and maintain an efficient and convenient means for an enrollee or a prescribing physician acting on behalf of an enrollee to submit oral or written requests for expedited redeterminations, document all oral requests in writing, and maintain the documentation in a case file. The Part D sponsor must provide the enrollee or the prescribing physician with a reasonable opportunity to present in person or in writing evidence and allegations of fact or law related to the issue in dispute. Since the opportunity to submit evidence is limited, the Part D sponsor must inform the enrollee or the prescribing physician of the conditions for submitting such evidence.

Reference:

42 CFR § 423.584(c)(1); § 423.586; MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision for maintaining an efficient and convenient means for an enrollee or a prescribing physician acting on behalf of an enrollee to submit oral or written requests for expedited redeterminations. (2) A provision that includes the name of a designated office and/or department to receive both oral or written requests and a telephone number for oral requests, and may include a facsimile number to facilitate receipt of requests for expedited appeals. (3) A provision for documenting all oral requests in writing. (4) A provision for maintaining documentation of expedited redetermination requests in a case file. (5) Documentation demonstrating its system for accepting oral and written requests for expedited redeterminations.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.584 (c)(1), § 423.586 and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.8 and 70.8.1. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Decision to Accept or Deny Request for Expedited Redetermination - The Part D sponsor must promptly decide whether to expedite the redetermination if it determines, based on the enrollee¿s request, or as indicated in the prescribing physician¿s request, that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee¿s life, health, or ability to regain maximum function.

Reference:

42 CFR § 423.584(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that that the decision to accept or deny an expedited redetermination request is based on the enrollees request indicating that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollees life, health, or ability to regain maximum function. (2) A provision stating that the Sponsor automatically expedites a request when the enrollees physician indicates that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollees life, health, or ability to regain maximum function. (3) A provision stating that any additional medical information the Part D Sponsor requires, must be requested within 24 hours of receiving the initial request for an expedited redetermination.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.584 (c) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.8.1, Appendix 3 and Appendix 11. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) Provisions stating that the Sponsor must transfer denied request for an expedited redetermination to the standard redetermination timeframe. (2) Provisions stating that the Sponsor must provide prompt oral notice to the enrollee, and provide equivalent written notice within 3 calendar days of the oral notice. (3) APIPA must use a notice consistent with CMS-issued model notice, Notice of Right to an Expedited Grievance.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.584 (d-e) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.8.1 and Appendix 3. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: 321
Contract Number: H0321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision for effectuating the favorable redetermination as expeditiously as the enrollees health condition requires or within 7 calendar days from the date it received the request for a standard redetermination. (2) Provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination requiring the Part D Sponsor to forward the enrollees complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. (3) A provision stating that the Part D Sponsor must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. (4) APIPA must use a notice consistent with CMS-issued model notice, Request for Reconsideration.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.590 (a)(1-2), § 423.590 (c), § 423.590 (g), § 423.636 (a)(1) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.7, 70.1 and 130.1. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision that states that for redeterminations favorable to the enrollee, the Part D Sponsor must authorize payment within 7 calendar days and make payment within 30 calendar days from the date it received the request for a standard redetermination. (2) Provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D Sponsor to forward the enrollee¿s complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. (3) A provision stating that the Part D Sponsor must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. (4) APIPA must use a notice consistent with CMS-issued model notice, Request for Reconsideration. (5) CMS audited 3 cases of a universe of 3 and found 3 cases mis-classified.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.590 (b-c), § 423.590 (g)(1-4), § 423.636 (a)(2) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 130.2.3. APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSRE2_D for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that the Part D Sponsor must notify the enrollee (and the prescribing physician involved, as appropriate) of its redetermination as expeditiously as the enrollees health condition requires, but no later than 72 hours after it received the request for an expedited redetermination. (2) A provision indicating that notification of a favorable decision may be made orally or in writing. (3) A provision indicating that initial notification of an adverse decision may be made orally, so long as a follow-up written decision is mailed within 3 calendar days of the oral notification. (4) A provision that states that medical information must be requested within 24 hours of the enrollees initial request. (5) Provisions stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D Sponsor to forward the enrollees request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. (6) A provision stating that the Part D Sponsor must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. (7) APIPA must use a notice consistent with CMS-issued model notice, Notice of Right to an Expedited Grievance. (8) APIPA must also use a notice consistent with CMS-issued model notice, Request for Reconsideration. (9) CMS audited 4 cases of a universe of 4 and found in 4 cases the case files submitted by APIPA lacked documentation demonstrating that APIPA used the standard notice or model language consistent with the CMS notice "Request for Reconsideration."

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.584 (e), § 423.590 (d-e), § 423.638 (a) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.8.1. APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must either provide a copy of their notice "Request for Reconsideration" that meets CMS requirements or develop a notice that meets these requirements, and submit it with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE08
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Expedited Coverage Redetermination Reversals - If, on an expedited redetermination of a request for benefit, the Part D sponsor reverses, in whole or in part, its coverage determination, it must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires, but no later than 72 hours after the date the Part D sponsor receives the request for redetermination.

Reference:

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

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision for authorizing or providing the benefits in dispute within the 72-hour required timeframe. (2) APIPA must have a system for monitoring the timely processing of expedited coverage determination reversals (Expedited redetermination logs, System reports).

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.638 (a) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 130.2.2. APIPA must submit the revised policies and procedures to CMS along with a systems report or log with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE09
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Review of Adverse Coverage Determinations - The Part D sponsor must ensure that a person or persons who were not involved in making the coverage determination conducts the redetermination. When the issue is a denial based on lack of medical necessity, the Part D sponsor must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue. The physician making the redetermination need not, in all cases, be of the same specialty or subspecialty as the prescribing physician.

Reference:

42 CFR § 423.590(f)(1-2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that a person or persons who were not involved in making the coverage determination conducts the redetermination. (2) A provision stating that if the issue is a denial based on lack of medical necessity, then the Sponsor must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to 42 CFR § 423.590 (f) and Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.6. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, 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: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

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:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision that states that case files must be sent the IRE within 24 hours (expedited requests) or 48 hours (standard requests) from the time the IRE requests the case file. (2) A provision that states that a hard copy of the case file must be delivered to the IRE by overnight delivery at its designated address, or by fax at its designated fax number. (3) CMS audited 3 cases of a universe of 3 and found 3 cases mis-classified.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 70.20, 70.30 and Appendix 6. APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSRE2_D for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV01
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

Effectuation of Third Party Reversals ¿ Benefits (Standard) - If, on appeal of a request for benefit, the Part D sponsor 's determination is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires but no later than 72 hours after the date it receives notice reversing the determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.636(b)(1); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that the benefit under dispute must be authorized or provided within 72 hours from the date it receives notice reversing the decision. (2) A provision requiring a notice to be sent informing the IRE of the effectuation. (3) APIPA must use a notice consistent with CMS-issued model notice, Notice of Effectuation to Part D Independent Review Entity.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 130.3.1and Appendix 9. APIPA must submit the revised policies and procedures to CMS with its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

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

Reference:

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

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that payment must be authorized within 72 hours from the date it receives notice reversing the decision. (2) A provision stating that payment must be made no later than 30 days from the date it receives notice reversing the decision. (3) A provision requiring a notice to be sent informing the IRE of the effectuation. (4) CMS audited 3 cases of a universe of 3 and found 3 cases mis-classified.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 130.3.3 and Appendix 9. APIPA must submit the revised policies and procedures to CMS with its CAP. APIPA must also correct its internal coding to make sure that cases are correctly coded and resubmit a corrected universe for WSRE2_D for the same review period, 9/1/06 through 2/28/07 as part of its CAP.

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: H0321
Audit ID: 321
Part D Sponsor Name: ARIZONA PHYSICIANS IPA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV03
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 8/3/2007
Date Report Due: 9/17/2007
Element Accepted Date: 10/16/2007
Element Release Date: 10/16/2007
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/19/2007
Estimated Visit Start Date: 6/20/2007
Actual Visit Start Date: 6/19/2007
Actual Visit End Date: 6/20/2007
Part D Sponsor Response Received Date: 9/19/2007
Part D Sponsor Response Due Date: 9/17/2007
CAP Release Date: 1/29/2008
CAP Accepted Date: 10/16/2007

Requirement:

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

Reference:

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

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element and found that the policies and procedures do not contain: (1) A provision stating that the benefit under dispute must be authorized or provided as expeditiously as the enrollees health requires but no later than 24 hours after the date it receives notice reversing the decision. (2) A provision requiring a notice to be sent informing the IRE of the effectuation.

Corrective Action Required:

APIPA must revise its policies and procedures to address the above noted deficiencies. Refer to Chapter 18, Part D Enrollment Grievances, Coverage Determinations, and Appeals, 130.3.2 and Appendix 9. APIPA must submit the revised policies and procedures to CMS with its CAP.