CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET
Region: 09 San Francisco
Contract Number / Name: H0838 HMO CALIFORNIA

Review ID: 7937

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: CN04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date: 04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date: 09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date: 04/30/2007
MCO Response Due Date: 12/14/2006

Requirement:

Required Contract Provisions: Abide by Federal RequirementsThe MAO's written contracts with first tier and downstream entities must contain a provision to show that the contracting entity will: comply with Medicare laws, regulations, reporting requirements, and CMS instructions; agree to audits and inspection by CMS and/or its designees; cooperate, assist, and provide information as requested; and maintain records a minimum of 10 years.

Deficiencies:

CMS reviewed 20 provider contracts from a universe of 277, finding 19 of the contracts out-of-compliance with CN04. Universal Care, Inc. staff acknowledged that Universal Care, Inc. had not sent its contracted providers revised M+C / MA Addendums, containing the new MMA language, "agree to audits and inspection by CMS and/or its designees, cooperate, assist, and provide information, as requested, and maintain records a minimum of 10 years." Rather, staff acknowledged that Universal Care, Inc. had sent its contracted providers a new, replacement page 2 to the Medicare+Choice (M+C) Addendums of their provider contracts, which old page 2 included the language "To give the Department of Health and Human Services (HHS), and the General Accounting Office (GAO) or their designees the right to audit, evaluate, inspect books, contracts, medical records, patient care documentation, other records of subcontractors, or related entities for period of six (6) years, for reasons specified in the federal regulation." The contracted providers were directed to replace the old page 2 with the new, replacement page 2, which includes the new MMA language "agree to audits and inspection by CMS and/or its designees, cooperate, assist, and provide information, as requested, and maintain records a minimum of 10 years."

Corrective Action Required:

Universal Care, Inc. must be able to document that their provider contracts have been appropriately amended to include the new MMA language "agree to audits and inspection by CMS and/or its designees, cooperate, assist, and provide information, as requested, and maintain records a minimum of 10 years." Submit to the Regional Office a corrective action plan to appropriately amend the provider contracts and to document the sending / receipt of the amendment. Provide a timeline for completion of the amending of the provider contracts.

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Findings: NOT MET
Region: 09 San Francisco
Contract Number / Name: H0838 HMO CALIFORNIA

Review ID: 7937

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 10/30/2006
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:09/22/2006
MCO Response Due Date: 12/14/2006

Requirement:

Grievance Decision Notification (Notice Content) The MAO must inform the member of the disposition of the grievance. For quality of care issues, the MAO must also include a description of the member's right to file a written compliant with the QIO.

Deficiencies:

The notice Universal Care is using to inform members of the grievance disposition does not include a description of members' rights to file a written complaint with the QIO for quality of care issues.

Corrective Action Required:

Universal Care has submitted a revised notice that includes required language describing a member's right to file a written complaint with the QIO for quality of care issues. The notice has been approved. No further action is necessary.

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Findings: NOT MET
Region: 09 San Francisco
Contract Number / Name: H0838 HMO CALIFORNIA

Review ID: 7937

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:02/13/2007
MCO Response Due Date: 12/14/2006

Requirement:

Claim Denials (Notice Content) - If an MAO denies payment, the written denial notice (CMS-10003-Notice of Denial of Payment (NDP)), or an RO-approved modification of the NDP, must be sent to the member. The written denial must clearly state the service denied and the denial reason.

Deficiencies:

Universal Care does not meet the CMS 95% compliance standard. CMS reviewed a total of 26 denied claims from non-contracted providers out of a universe of 28. Two claims were misclassified. Universal Care failed to send members denial notices in any of the cases. Since providers of these services were all non-contracted, there is no contract with hold harmless language protecting members. Providers could bill members. Additionally, in 15 of these cases, Universal Care used a denial reason on the Explanation of Benefits it sent providers that was incorrect.

Corrective Action Required:

Describe the specific actions that Universal Care is taking to ensure that it issues denial notices to members whenever it denies payment of services to a non-contracted provider and the time-frames for these actions. Denial reasons related to the majority of the cases in this sample may explain that the services in question are not covered by Medicare and therefore not payable or that Universal Care requested additional information to determine whether payment of the claim was appropriate but never received the information. Universal Care may also want to include in the denial language instructions for members to contact the plan should they receive a bill from providers for the denied services for these reasons.

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 7937

Region: 09 San Francisco

Contract Number / Name: H0838 HMO CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:06/30/2007
MCO Response Due Date: 12/14/2006

Requirement:

Standard Pre-Service Denials (Timeliness) - If the MAO makes an adverse standard pre-service organization determination, it must notify the member in writing using the CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, of its decision as expeditiously as the member's health condition requires, but no later than 14 calendar days after receiving the request (or an additional 14 days if an extension is justified).

Deficiencies:

CMS reviewed four adverse standard pre-service organization determinations from a universe of four. One case was misclassified, because it was a retrospective request. Of the remaining three cases, CMS found two out-of-compliance with OP01. They did not meet CMS's required 14 calendar day time frame for standard pre-service organization determinations.

Corrective Action Required:

Submit a corrective action plan, describing the actions Universal Care, Inc. will take to meet the 14 calendar day time frame for processing standard pre-service organization determinations.

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Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 7937

Region: 09 San Francisco

Contract Number / Name: H0838 HMO CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:06/30/2006
MCO Response Due Date: 12/14/2006

Requirement:

Standard Pre-Service Denials (Notice Content) - If the MAO makes an adverse standard pre-service organization determination, the written CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, must be sent to the member and must clearly state the service denied and denial reason.

Deficiencies:

CMS reviewed four adverse standard pre-service organization determinations determinations from a universe of four. One case was misclassified, because it was a retrospective request. Of the remaining three cases, all three Notices of Denial of Medical Coverage (NDMCs) were found to be out-of-compliance with OP02. Universal Care, Inc. is using the old Industry Collaboration Effort (ICE) NDMC.

Corrective Action Required:

Submit a corrective action plan, describing the actions Universal Care, Inc. will take to assure that it uses the CMS approved NDMC. Provide a timeline when the CMS approved NDMC will be fully adopted.

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Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET
Region: 09 San Francisco
Contract Number / Name: H0838 HMO CALIFORNIA

Review ID: 7937

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date: 04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date: 09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date: 03/01/2007
MCO Response Due Date: 12/14/2006

Requirement:

Chronic Care Improvement Program The MAO must have a chronic care improvement program (CCIP).

Deficiencies:

Universal Care, Inc. did not have a description of a chronic care improvement program.

Corrective Action Required:

Submit to the Regional Office a description of a chronic care improvement program.

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Findings: NOT MET

Review ID: 7937

Region: 09 San Francisco

Contract Number / Name: H0838 HMO CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:04/30/2007
MCO Response Due Date: 12/14/2006

Requirement:

Favorable Claims Reconsiderations (Timeliness) - If the MAO makes a reconsidered determination on a request for payment that is completely favorable to the member, it must issue written notice of its reconsidered determination to the member and pay the claim no later than 60 calendar days after receiving the reconsideration request.

Deficiencies:

Universal Care did not meet the CMS 95% compliance standard. Universal Care had one case in the universe for this sample and had not paid the claim it reversed upon reconsideration within the required 60-day time frame.

Corrective Action Required:

Universal Care must analyze its process to determine what caused the payment delay once it made the reconsideration decision and describe steps it is taking to ensure that it pays claim reconsideration reversals within the regulatory time frame. As part of the CAP, Universal Care must provide CMS with quarterly reports on its performance beginning with the first quarter of 2007.

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Findings: NOT MET

Review ID: 7937

Region: 09 San Francisco

Contract Number / Name: H0838 HMO CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:12/18/2006
MCO Response Due Date: 12/14/2006

Requirement:

Decision Not to Expedite a Reconsideration (Notice Content) - If the MAO decides not to expedite a reconsideration, the notice to the member of the decision not to expedite must explain that the MAO will process the request using the standard timeframe, inform the member of the right to file a grievance if he or she disagrees with the decision not to expedite, inform the member of the right to resubmit a request for an expedited reconsideration with any physician's support, and provide instructions about the MAO grievance process and its timeframes.

Deficiencies:

Universal Care has no approved notice to advise a member that it had decided not to expedite his/her request for an expedited reconsideration review. (It has a notice for denying a request to expedite review of an inital organization determination.)

Corrective Action Required:

Universal Care must develop and submit for CMS approval a notice advising members that it has decided not to expedite review of their reconsideration request and that it will process the reconsideration under standard reconsideration timeframes. The notice must also include language advising members of the right to file an expedited grievance if they disagree or to resubmit the request with a support from a physician.

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Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET

Review ID: 7937

Region: 09 San Francisco

Contract Number / Name: H0838 HMO CALIFORNIA

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:04/07/2008
Element Accepted Date: 09/13/2007
Element Release Date: 04/07/2008
CAP Released Date:04/07/2008

Visit Start Date: 9/11/2006
Exit Conference Date: 09/13/2006
Date Report Issued: 10/30/2006
Date Report Due: 10/28/2006
CAP Accepted Date:09/13/2007
Audit Closed Date: 04/07/2008
Element Projected Completion Date:12/18/2006
MCO Response Due Date: 12/14/2006

Requirement:

Reconsideration Extensions (Notice Content) - If the MAO grants an extension on a reconsideration, the written notice to the member must include the reasons for the delay, and inform the member of the right to file a grievance if he or she disagrees with the decision to grant an extension.

Deficiencies:

Universal Care has no CMS approved notice to advise a member that it had taken an extension on a reconsideration. (It has a notice applicable to extensions for initial organization determinations.)

Corrective Action Required:

Universal Care must develop and submit for CMS approval a notice advising members that it has decided to take an extension on their reconsideration. The notice must explain the plan's reason(s) for the delay and advise members of the right to file an expedited grievance if they disagree.