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: 2941
Contract Number: H3154
Part D Sponsor Name: HORIZON HEALTHCARE OF NEW JERSEY, 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: 2/12/2008
Date Report Due: 3/28/2008
Element Accepted Date: 4/23/2008
Element Release Date: 4/23/2008
Element Projected Completion Date: 4/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 10/29/2007
Estimated Visit Start Date: 11/2/2007
Actual Visit Start Date: 10/29/2007
Actual Visit End Date: 11/16/2007
Part D Sponsor Response Received Date: 3/28/2008
Part D Sponsor Response Due Date: 3/28/2008
CAP Release Date: 7/1/2008
CAP Accepted Date: 5/9/2008

Requirement:

Provision of Notices Regarding Formulary Changes - Prior to removing a covered Part D drug from its formulary or making any changes to the preferred or tiered cost-sharing status of a covered Part D drug, the Part D sponsor must provide a written notice to affected enrollees at least 60 days prior to the date the change becomes effective, or provide such enrollee with a 60 day supply of the Part D drug under the same terms as previously allowed, and written notice of the formulary change at the time an affected enrollee requests a refill of the Part D drug. If the change involves immediate removal of a Part D drug deemed unsafe by the Food and Drug Administration (FDA) or removed from the market by the manufacturer, the Part D sponsor must provide retrospective notice to the affected enrollees.

Reference:

42 CFR § 423.120(b)(5)(i-iii); § 423.120(b)(7); § 423.578(d); Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

The Element MR09 is NOT MET. In 2 out of 10 samples, Horizon has shown a deficiency in complying with the requirements of Element MR09. Samples contain documentation which is unclear concerning formulary changes and beneficiary information. In addition, there is no evidence that an Explanation of Benefits (EOB) was sent to the beneficiary as notification of formulary changes and timely notice information was not included in the sampled files.

Corrective Action Required:

Horizon must supply CMS with a CAP (Corrective Action Plan) that satisfies the requirements outlined in the CMS Prescription Drug Benefit Manual, 30.3.4 Provision of Notice Regarding Formulary Changes. The CAP must include provisions for the following: 1. Provide direct written notice to affected enrollees at least 60 days prior to the date the change becomes effective, or 2. At the time an affected enrollee requests a refill of the Part D drug, 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. The written notice must contain the following information: 3. The name of the affected covered Part D drug 4. Whether the plan is removing the covered Part D drug or changing it¿s preferred or tiered cost-sharing status 5. The reason why the plan is removing such covered Part D drug from the Formulary or changing its preferred or tiered cost-sharing status 6. Alternative drugs in the same therapeutic category or class or cost-sharing tier and expected cost-sharing for those drugs and 7. The means by which enrollees may obtain a coverage determination or exception.

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

Findings: Not Met
Audit ID: 2941
Contract Number: H3154
Part D Sponsor Name: HORIZON HEALTHCARE OF NEW JERSEY, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PR02
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 2/12/2008
Date Report Due: 3/28/2008
Element Accepted Date: 4/23/2008
Element Release Date: 4/23/2008
Element Projected Completion Date: 7/19/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 10/29/2007
Estimated Visit Start Date: 11/2/2007
Actual Visit Start Date: 10/29/2007
Actual Visit End Date: 11/16/2007
Part D Sponsor Response Received Date: 3/28/2008
Part D Sponsor Response Due Date: 3/28/2008
CAP Release Date: 7/1/2008
CAP Accepted Date: 5/9/2008

Requirement:

Use of SSN/HICN - The Part D sponsor must use a number other than an enrollee¿s Social Security Number (SSN) or Healthcare Insurance Claim Number (HICN) on enrollee identification cards.

Reference:

MA-PD Solicitation

Deficiencies:

The Element PR03 is NOT MET. In 2 out of 2 samples, Horizon has shown a deficiency in complying with the requirements of Element PR03. Both samples provide documentation which states that protected beneficiary health information had been released without the knowledge or permission of the said beneficiary. In both cases, private health information was dispensed due to computer program mailings. Horizon provided information consistent with standard grievances filed by both beneficiaries concerning the release of private health information. However, Horizon did not show documented proof of proper practice concerning authorization for use of protected health information. In addition, there is no documention supporting Horizon's claim that CMS was notified of the release of protected health information.

Corrective Action Required:

Horizon must supply CMS with a CAP (Corrective Action Plan) that satisfies the requirements outlined in the CMS Prescription Drug Benefit Manual, Chapter 5, 80 Privacy, Confidentiality and Accuracy of Enrollee Records. The CAP must include provisions for the following: 1. Adherence to all Federal and State laws regarding confidentiality and disclosure of Medical records or other health and enrollment information, including the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and the Privacy Rule promulgated under HIPAA 2. Ensure that medical information is released only in accordance with applicable Federal and State law 3. Maintain the records and information in an accurate and timely manner and ensure timely access by enrollees to records and information pertaining to them. In addition, Horizon must effectively secure all beneficiary information, whether in paper or electronic format. This includes ensuring that data files are not saved on public or private computers when accessing corporate e-mail through the Internet and ensuring electronic systems are properly programmed for beneficiary mailings to avoid inadvertent disclosures of individually identifiable health information. Horizon should train staff on responsibilities and consequences of failing to secure sensitive beneficiary information. Horizon should also notify CMS immediately upon discovery of any security breach compromising beneficiary personal identifiable information.

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

Findings: Not Met
Audit ID: 2941
Contract Number: H3154
Part D Sponsor Name: HORIZON HEALTHCARE OF NEW JERSEY, 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: 2/12/2008
Date Report Due: 3/28/2008
Element Accepted Date: 4/23/2008
Element Release Date: 4/23/2008
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 10/29/2007
Estimated Visit Start Date: 11/2/2007
Actual Visit Start Date: 10/29/2007
Actual Visit End Date: 11/16/2007
Part D Sponsor Response Received Date: 3/28/2008
Part D Sponsor Response Due Date: 3/28/2008
CAP Release Date: 7/1/2008
CAP Accepted Date: 5/9/2008

Requirement:

Timely Notification of Grievance Disposition - The Part D sponsor must notify the enrollee of its decision as expeditiously as the case requires, based on the enrollee¿s health status, but no later than 30 days after the date the Part D sponsor receives the oral or written grievance (or an additional 14 days if an extension is requested by the enrollee or justified by the Part D sponsor). If the Part D sponsor extends the deadline, it must immediately notify the enrollee in writing of the reason(s) for the delay.

Reference:

42 CFR § 423.564(e)(1-2); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

The Element GV04 is NOT MET In 4 out of 15 samples, Horizon failed to establish compliance concerning grievance adjudication and timely notification of grievance disposition. Samples show no indication of grievance resolution and therefore, fails to establish timeliness. In some cases, samples report resolution, however, resolution to the standard grievance was sent to the beneficiary 31 days after the grievance was reported. Also, there is no verification of notice sent included in the samples.

Corrective Action Required:

Horizon must supply CMS with a CAP (Corrective Action Plan) that satisfies the requirements outlined in the Prescription Drug Manual, 20.3 Procedures for Handling a Grievance. The CAP must include provisions for the following: Horizon must supply notification of investigation results to all concerned parties, as expeditiously as the case requires, based on the beneficiary health status, but not later than 30 days after the plan receives the oral or written grievance. All grievances submitted to Horizon in writing must be responded to in writing. Grievances submitted orally may be responded to either orally or in writing, unless the beneficiary requests a written response.

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

Findings: Not Met
Audit ID: 2941
Contract Number: H3154
Part D Sponsor Name: HORIZON HEALTHCARE OF NEW JERSEY, 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: 2/12/2008
Date Report Due: 3/28/2008
Element Accepted Date: 4/23/2008
Element Release Date: 4/23/2008
Element Projected Completion Date: 12/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 10/29/2007
Estimated Visit Start Date: 11/2/2007
Actual Visit Start Date: 10/29/2007
Actual Visit End Date: 11/16/2007
Part D Sponsor Response Received Date: 3/28/2008
Part D Sponsor Response Due Date: 3/28/2008
CAP Release Date: 7/1/2008
CAP Accepted Date: 5/9/2008

Requirement:

Method of Grievance Response - The Part D sponsor must respond to all written grievances in writing (including facsimile). If the enrollee orally submits a grievance and requests a written response, the Part D sponsor must respond in writing.

Reference:

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

Deficiencies:

The Element GV05 is NOT MET In 3 out of 15 samples Horizon failed to supply information consistent with proper methods of response concerning Part D standard grievances. Samples were missing information on the method of response utilized. Cases were also closed with no resolution, therefore the method of response was unknown. Samples also indicated improper follow up and evidence of pending cases.

Corrective Action Required:

Horizon must supply CMS with a CAP (Corrective Action Plan) that satisfies the requirements outlined in the Prescription Drug Manual, 20.3 Procedures for Handling a Grievance. The CAP must include provisions for the following: 1. The ability to accept information or evidence concerning the grievance. 2. Timely transmission of grievances to the appropriate decision making levels when appropriate. 3. Prompt, appropriate action, including a full investigation of the complaint if necessary. In addition, Horizon must disclose grievance data to Medicare beneficiaries upon request. Horizon must also be able to log or capture beneficiary grievances in an accessible, centralized location.

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

Findings: Not Met
Audit ID: 2941
Contract Number: H3154
Part D Sponsor Name: HORIZON HEALTHCARE OF NEW JERSEY, 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: 2/12/2008
Date Report Due: 3/28/2008
Element Accepted Date: 4/23/2008
Element Release Date: 4/23/2008
Element Projected Completion Date: 3/20/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 10/29/2007
Estimated Visit Start Date: 11/2/2007
Actual Visit Start Date: 10/29/2007
Actual Visit End Date: 11/16/2007
Part D Sponsor Response Received Date: 3/28/2008
Part D Sponsor Response Due Date: 3/28/2008
CAP Release Date: 7/1/2008
CAP Accepted Date: 5/9/2008

Requirement:

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

Reference:

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

Deficiencies:

The Element RE04 is NOT MET In 2 out of 10 cases, Horizon failed to perform proper actions following the decision to deny a request for an expedited redetermination. Samples are consistent with untimely non expedited notices.

Corrective Action Required:

Horizon must supply CMS with a CAP (Corrective Action Plan) that satisfies the requirement outlined in the Prescription Drug Manual, 70.7 Time Frames and Responsibilities for Conducting Standard Redeterminations. The CAP must include provision for the following: 1. If Horizon denies a request for an expedited redetermination it must automatically transfer the request to the standard redetermination timeframe and provide prompt oral notice to the beneficiary. Horizon must also provide a written notice within 3 calendar days of the oral notice. 2. Horizon must notify the beneficiary in writing of its redetermination, whether favorable or adverse, as expeditiously as the beneficiaries health condition requires, but no later than 7 calendar days from the date that Horizon receives the request.

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Findings: Not Met
Audit ID: 2941
Contract Number: H3154
Part D Sponsor Name: HORIZON HEALTHCARE OF NEW JERSEY, 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: 2/12/2008
Date Report Due: 3/28/2008
Element Accepted Date: 4/23/2008
Element Release Date: 4/23/2008
Element Projected Completion Date: 4/15/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 10/29/2007
Estimated Visit Start Date: 11/2/2007
Actual Visit Start Date: 10/29/2007
Actual Visit End Date: 11/16/2007
Part D Sponsor Response Received Date: 3/28/2008
Part D Sponsor Response Due Date: 3/28/2008
CAP Release Date: 7/1/2008
CAP Accepted Date: 5/9/2008

Requirement:

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

Reference:

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

Deficiencies:

The Element RE07 is NOT MET In 3 out of 10 cases sampled, Horizon failed to perform timely notification of expedited redeterminations and request for medical information. Samples reflect redetermination notices sent 30 days after the initial notice and notices to the IRE were also untimely. In addition, none of the 3 samples show evidence of consistent follow up, i.e. IRE and/or beneficiary contact.

Corrective Action Required:

Horizon must supply CMS with a CAP (Corrective Action Plan) that satisfies the requirement outlined in the Prescription Drug Manual, 70.7 Time Frames and Responsibilities for Conducting Standard Redeterminations. The CAP must include policies and procedures for the following: If Horizon grants a request for an expedited redetermination, it must complete its redetermination and give the beneficiary (and the prescribing provider) notice of its decision as soon as possible but no later than 72 hours after receiving the request. If medical information is necessary Horizon must make the request within 24 hours of the initial request. Failure to do so constitutes an adverse redetermination, which would require Horizon to send the beneficiary request to the IRE within 24 hours.