# *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:** H4006
**Audit ID:** 1161
**Part D Sponsor Name:** MCS ADVANTAGE 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:** 1/9/2008
**Date Report Due:** 2/23/2008
**Element Accepted Date:** 3/20/2008
**Element Release Date:** 3/20/2008
**Element Projected Completion Date:** 3/28/2008

**3 Year Reporting Cycle:** 1/1/2006 - 12/31/2008
**Estimated Visit Start Date:**
**Estimated Visit Start Date:**
**Actual Visit Start Date:** 8/20/2007
**Actual Visit End Date:** 12/4/2007
**Part D Sponsor Response Received Date:** 2/20/2008
**Part D Sponsor Response Due Date:** 2/23/2008
**CAP Release Date:**
**CAP Accepted Date:** 3/20/2008

**Requirement:**

Plan Responsibility for Persons Employed or Contracted to Perform Marketing - The Part D sponsor must have a compensation structure that meets CMS requirements for any person directly employed or contracted to market the plan. The Part D sponsor must utilize only state licensed, certified, or registered individuals to perform marketing on behalf of the Part D sponsor, whether as an employee or under contract directly or downstream, if a state has such a marketing requirement, and it must conduct monitoring activities to ensure that individuals marketing on behalf of the Part D sponsor comply with all applicable Part D laws, all other Federal health care laws, and CMS policies, including CMS marketing guidelines, to ensure that beneficiaries receive truthful and accurate information.

**Reference:**

Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

**Deficiencies:**

Based on sample review of sales representative files (Part C), half did not possess a valid state license to sell MA-PDP products. Most licenses were provisional without proof of status update or action on behalf of the MAO in accordance to their policy and procedures. Plan did not have any policies and procedures to address who, when and how sales representative files would be audited to ensure accuracy of contents and updates. Performance data was lacking, there were no marketing statistics to demonstrate rapid disenrollment rates or chargeback's. The plan failed to demonstrate oversight of the individuals contracted to sell their products. Although some representative's files contained marketing allegations, there was no evidence in the file to demonstrate feedback or disciplinary action.

**Corrective Action Required:**

MAO must provide policies and procedures to address maintenance of sales representive files to ensure contents are consistent throughout, contain all necessary documentation and are updated and monitored regularly. Plan must demonstrate via policy and procedures how it will address sales representative's who have provisional Commonwealth licenses and what will happen to these individuals after this period expires. Policies and procedures need to be implemented to address handling of marketing allegation by including evidence of an investigation in accordance to CMS regulations. Feedback and disciplinary action need to be addressed at the compliance level and documented within the sales representative file. Performance data needs to be gathered regularly and documented in the sales representative file as well.

# *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:** H4006
**Audit ID:** 1161
**Part D Sponsor Name:** MCS ADVANTAGE 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:** 1/9/2008
**Date Report Due:** 2/23/2008
**Element Accepted Date:** 3/17/2008
**Element Release Date:**
**Element Projected Completion Date:** 2/29/2008

**3 Year Reporting Cycle:** 1/1/2006 - 12/31/2008
**Estimated Visit Start Date:**
**Estimated Visit Start Date:**
**Actual Visit Start Date:** 8/20/2007
**Actual Visit End Date:** 12/4/2007
**Part D Sponsor Response Received Date:** 2/20/2008
**Part D Sponsor Response Due Date:** 2/23/2008
**CAP Release Date:**
**CAP Accepted Date:** 3/20/2008

**Requirement:**

Complaint Categorization (Grievances vs. Coverage Determinations) - The Part D sponsor must promptly and correctly determine and inform the enrollee whether a complaint is subject to its grievance procedures or its coverage determination procedures.

**Reference:**

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

**Deficiencies:**

30% of the cases were misclassified as grievances when they should have been processed as a coverage determination. In addition, it was noted that the Pharmacy Department was using CMS approved grievance notification materials approved for the Part D stand alone plan (S5555) to address MA-PDP grievances under the H4006 product.

**Corrective Action Required:**

Plan must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. Plan should conduct an internal audit each month of its grievance process to assure that member complaints are processed according to CMS requirements. Pharmacy Department must secure those materials approved for the stand-alone plans (S5555) are not issue to enrollees under the H4006. Plan must keep these products separate to avoid confusing members. This audit should evaluate whether your grievances and coverage determinations are being classified and handled appropriately within the required timeframes. In addition, CMS is requesting that a summary report be submitted once a quarter to the Regional Office of its monthly findings until further notice. This report is due to the Regional Office within 15 days of the close of the quarter. The summary report should include: title of the auditor(s), the audit methodology and the result of the audit.

# *CMS Part D Audit Report*

## Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

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

**Findings:** Not Met
**Contract Number:** H4006
**Audit ID:** 1161
**Part D Sponsor Name:** MCS ADVANTAGE 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:** 1/9/2008
**Date Report Due:** 2/23/2008
**Element Accepted Date:** 3/17/2008
**Element Release Date:**
**Element Projected Completion Date:** 2/29/2008

**3 Year Reporting Cycle:** 1/1/2006 - 12/31/2008
**Estimated Visit Start Date:**
**Estimated Visit Start Date:**
**Actual Visit Start Date:** 8/20/2007
**Actual Visit End Date:** 12/4/2007
**Part D Sponsor Response Received Date:** 2/20/2008
**Part D Sponsor Response Due Date:** 2/23/2008
**CAP Release Date:**
**CAP Accepted Date:** 3/20/2008

**Requirement:**

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

**Reference:**

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

**Deficiencies:**

**Corrective Action Required:**

30% of the cases were misclassified as grievances when they should have been processed as a coverage determination. In addition, it was noted that the Pharmacy Department was using CMS approved grievance notification materials approved for the Part D stand alone plan (S5555) to address MA-PDP grievances under the H4006 product.

# *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:** H4006
**Audit ID:** 1161
**Part D Sponsor Name:** MCS ADVANTAGE 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:** 1/9/2008
**Date Report Due:** 2/23/2008
**Element Accepted Date:** 3/17/2008
**Element Release Date:**
**Element Projected Completion Date:** 2/22/2008

**3 Year Reporting Cycle:** 1/1/2006 - 12/31/2008
**Estimated Visit Start Date:**
**Estimated Visit Start Date:**
**Actual Visit Start Date:** 8/20/2007
**Actual Visit End Date:** 12/4/2007
**Part D Sponsor Response Received Date:** 2/20/2008
**Part D Sponsor Response Due Date:** 2/23/2008
**CAP Release Date:**
**CAP Accepted Date:** 3/20/2008

**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:**

7 out of 15 cases were misclassified. The threshold for this sample is 30%. As a result we could not access organization's response methods for accuracy. In 6 of the remaining 8 cases the organization failed to process the grievances correctly.

**Corrective Action Required:**

MCS must submit a new sample that contains all standard grievances received during the audit period (including those still pending). Although the Part D sponsor may use another term to describe it, please note that the term "grievance" is meant to include any complaint or dispute, other than that that involves coverage determination, expressing dissatisfaction with any aspect of the operation, activities, or behavior of a Part D sponsor, regardless of whether remedial action is requested. This includes issues received verbally (telephone) as well as in writing.

# *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:** H4006
**Audit ID:** 1161
**Part D Sponsor Name:** MCS ADVANTAGE 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:** 1/9/2008
**Date Report Due:** 2/23/2008
**Element Accepted Date:** 3/20/2007
**Element Release Date:**
**Element Projected Completion Date:** 2/22/2008

**3 Year Reporting Cycle:** 1/1/2006 - 12/31/2008
**Estimated Visit Start Date:**
**Estimated Visit Start Date:**
**Actual Visit Start Date:** 8/20/2007
**Actual Visit End Date:** 12/4/2007
**Part D Sponsor Response Received Date:** 2/20/2008
**Part D Sponsor Response Due Date:** 2/23/2008
**CAP Release Date:**
**CAP Accepted Date:** 3/20/2008

**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:**

7 out of 15 cases were misclassified. The threshold for this sample is 30%. As a result we could not access organization's response methods for accuracy.

**Corrective Action Required:**

MCS must submit a new sample that contains all standard grievances received during the audit period (including those still pending). Although the Part D sponsor may use another term to describe it, please note that the term "grievance" is meant to include any complaint or dispute, other than that that involves coverage determination, expressing dissatisfaction with any aspect of the operation, activities, or behavior of a Part D sponsor, regardless of whether remedial action is requested. This includes issues received verbally (telephone) as well as in writing.