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: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: DN01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date:
Element Release Date:
CAP Released Date:

Visit Start Date: 6/16/2008
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Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date: 10/31/2008
MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan disenrolls Medicare members, when appropriate, upon receipt of a request for disenrollment. The Cost plan annotates its own system and the CMS system with the correct disenrollment effective date.

Deficiencies:

Deficiency Medica does not meet the CMS compliance standard because CMS audited 15 cases from a universe of 311 and found 4 cases where Medica did not have the date of disenrollment on the disenrollment notice letter.

Corrective Action Required:

Training Medica must conduct training of appropriate staff on determining the appropriate date of disenrollment for it's members. Submit documentation of the training to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Improve Oversight Medica must revise its oversight procedures to ensure that the appropriate date of disenrollment is correct. Submit revised oversight procedures to the regional office. Policies and Procedures Policies and procedures must be revised to reflect these improvements. Medica must submit the revised poilicies and procedures which describe the oversight activities. Audits Medica should conduct an internal audit each month on the appropriate disenrollment date for members who are to be disenrolled. This audit should evaluate whether the disenrollment date for members is correct. Medica should submit a summary report once a quarter to the regional office of its monthly findings until further notified. The summary report should include: title of auditor(s), the audit methodology, and the results of the audit.

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Date Report Generated: 9/30/2008

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

Findings: NOT MET
Region: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: DN05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date:
Element Release Date:
CAP Released Date:

Visit Start Date: 6/16/2008
Exit Conference Date: 06/19/2008
Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date: 10/31/2008
MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan may involuntarily disenroll Medicare members who fail to pay premiums. The Cost plan must send a written notice of nonpayment to the member and allow the member at least 20 days from the date of the notice to pay in full. If the member does not pay in full within the 20 days allowed, the Cost plan may disenroll the member as of the last day of the month following the expiration of the 20 days.

Deficiencies:

Medica does not meet the CMS compliance standard because the policy and procedures did not address whether the plan does not disenroll beneficiaries for non-payment of premiums if the member elected to have premiums withheld from their Social Security checks, State Pharmacy Assistance Program (SPAP), or other payer.

Corrective Action Required:

Policies and Procedures Medica must develop and implement policies and procedures that address the process to follow to involuntary disenroll members for non-payment of premium. Medica must conduct training of appropriate staff these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Develop oversight Medica must establish and maintain effective oversight controls over its delegated entities to ensure that beneficiaries are not involuntary disenrolled for non-payment of premiums. The MCO must submit a policy and procedure which describes the types of oversight activities it will implement over its delegated entities.

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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

Review ID: 10977

Region: 05 Chicago

Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1

Auditing Element: DN06

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date:

Element Accepted Date:

Element Release Date:

CAP Released Date:

Visit Start Date: 6/16/2008

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Date Report Issued: 07/31/2008

Date Report Due: 08/03/2008

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 10/31/2008

MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan must disenroll Medicare members who permanently leave the approved plan service area, or who reside outside the approved plan service area for more than 90 days. Member notice is required prior to transmission of the disenrollment to CMS. (exception: cost plans may retain members under the extended absence rule. Extended absence is when a member leaves the service area for more than 90 days, but returns within one-year.)

Deficiencies:

Medica does not meet the CMS compliance standard because CMS audited 10 cases from a universe of 20 and found 2 cases did not follow the proper move out-of-service timeframes for members who permanently left the approved plan service area or who resided outside the approved plan service area for more than 90-days.

Corrective Action Required:

Training Medica must conduct training of appropriate staff on the correct timeframes the move-out-of service area notice of disenrollment must be sent to it's members. Submit documentation of the training to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Improve Oversight Medica must revise its oversight by ensuring that the proper move out-of-service procedure is followed. Submit revised oversight procedures to the regional office. Policies and Procedures Policies and procedures must be revised to reflect these improvements. Medica must submit the revised poilicies and procedures which describe the oversight activities. Audits Medica should conduct an internal audit each month on the appropriate date of disenrollment when members permanently leave the approved plan service area or who resided outside the approved plan service area for more than 90-days. This audit should evaluate whether the move out-of-service area disenrollment date for members is correct. Medica should submit a summary report once a quarter to the regional office of its monthly findings until further notified. The summary report should include: title of auditor(s), the audit methodology, and the results of the audit.

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Date Report Generated: 9/30/2008

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

Findings: NOT MET
Region: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: DN07
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date:
Element Release Date:
CAP Released Date:

Visit Start Date: 6/16/2008
Exit Conference Date: 06/19/2008
Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date: 11/15/2008
MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan correctly submits requests to the CMS Central Office for retroactive disenrollments in instances where, due to CMS error, there was never a legally valid enrollment or a valid request for disenrollment was properly made but not processed or acted upon. Supporting information is included in accordance with CMS policy.

Deficiencies:

Medica does not meet the CMS compliance standard because their policies and procedures indicate a 30-day reinstatement window for beneficiaries who erroneously lost their Part A or Part B eligibility.

Corrective Action Required:

Policies and Procedures Medica must revise its policies and procedures to outline the process they follow for retroactive disenrollments for members in instances where, due to CMS error, there was never a legally valid enrollment or valid request for disenrollment was properly made but not processed or acted upon. Medica must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Develop oversight Medica must establish and maintain effective oversight controls over its delegated entities to ensure that retroactive disenrollments due to CMS error are correctly processed. The MCO must submit a policy and procedure which describes the types of oversight activities it will implement over its delegated entities.

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Date Report Generated: 9/30/2008

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

Findings: NOT MET
Region: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: DN08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date:
Element Release Date:
CAP Released Date:

Visit Start Date: 6/16/2008
Exit Conference Date: 06/19/2008
Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date: 10/31/2008
MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan may disenroll Medicare members for disruptive behavior only when their behavior is disruptive, unruly, abusive, or uncooperative to the extent that continuing membership seriously impairs the Cost plan's ability to furnish services to the member or other members. Disruptive behavior includes threats of violence by the member to employees of the Cost plan. The Cost plan disenrolls Medicare members for disruptive behavior only after serious efforts to resolve the problem, including the use of internal grievance procedures, consideration of extenuating circumstances, and CMS' advance approval of the proposed disenrollment, have been made. The Cost plan disenrolls members effective the first day of the calendar month after the month in which notice is sent to the members of the intended action.

Deficiencies:

Medica does not meet the CMS compliance standard because their policies and procedures does not address the process they follow to involuntary disenroll a member who has displayed disruptive behavior.

Corrective Action Required:

Policies and Procedures Medica must revise its policies and procedures to outline the process they follow to involuntary disenroll a member for disruptive behavior only when their behavior is disruptive, unruly, abusive, or uncooperative to the extent that continuing membership seriously impairs the Cost plan¿s ability to furnish services to the member or other members. Medica must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Develop oversight Medica must establish and maintain effective oversight controls over its delegated entities to ensure that beneficiaries are correctly involuntary disenrolled due to distruptive behavior. The MCO must submit a policy and procedure which describes the types of oversight activities it will implement over its delegated entities.

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

Review ID: 10977

Region: 05 Chicago

Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1

Auditing Element: DN09

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date:

Element Accepted Date:

Element Release Date:

CAP Released Date:

Visit Start Date: 6/16/2008

Exit Conference Date: 06/19/2008

Date Report Issued: 07/31/2008

Date Report Due: 08/03/2008

CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 10/31/2008

MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan may disenroll Medicare members when they commit fraud or permit abuse of their enrollment cards. Fraud is limited to knowingly providing, on the election form, fraudulent information that materially affects the members' eligibility to enroll in a Cost plan. Abuse of members' enrollment cards includes intentionally permitting others to use their enrollment cards to obtain services under the Cost plan. The Cost plan disenrolls Medicare members for fraud or abuse only after the Cost plan mails the members a written notice that includes an explanation of the members' right to a hearing under the Cost plan's grievance procedures. The Cost plan disenrolls members effective the first day of the calendar month after the month in which notice is sent to the members of the intended action.

Deficiencies:

Medica does not meet the CMS compliance standard because their policies and procedures do not detail their processes to disenroll beneficiaries who commit fraud or permit abuse of their enrollment cards.

Corrective Action Required:

Policies and Procedures Medica must revise its policies and procedures to outline the process they follow to disenroll beneficiaries who commit fraud or permit abuse of their enrollment cards. Medica must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Develop oversight Medica must establish and maintain effective oversight controls over its delegated entities to ensure that beneficiaries who commit fraud or permit abuse of their enrollment cards are correctly disenrolled. The MCO must submit a policy and procedure which describes the types of oversight activities it will implement over its delegated entities.

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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: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: ER04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date:
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Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date:11/15/2008
MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan must correctly identify incomplete enrollment forms and follow CMS requirements for requesting information from the beneficiaries to make the forms complete.

Deficiencies:

Medica does not meet the CMS compliance standard because Medica routinely resubmitted the incorrect enrollment election type when the correct enrollment type was not accepted by CMS systems.

Corrective Action Required:

Corrective Action Plan Policies and Procedures Medica must revise its policies and procedures to outline the process they follow when the correct enrollment election type is not accepted by CMS. Medica must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Develop oversight Medica must establish and maintain effective oversight controls over its delegated entities to ensure that the correct enrollment election type is the correct enrollment election type on the member¿s application and in CMS¿s system. The MCO must submit a policy and procedure which describes the types of oversight activities it will implement

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

Findings: NOT MET
Region: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: ER07
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
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CAP Released Date:

Visit Start Date: 6/16/2008
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Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date:11/15/2008
MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan correctly notifies beneficiaries of denial of enrollment within timeframes specified by CMS.

Deficiencies:

Medica does not meet the CMS compliance standard because CMS audited 15 cases from a universe of 47 and found that 4 cases did not send the denial notice prior to transmission to CMS.

Corrective Action Required:

Training Medica must conduct training of appropriate staff on the correct process to follow on the denial of enrollment prior to transmission to CMS. Submit documentation of the training to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Improve Oversight Medica must revise its oversight to ensure that the denial notice is sent within the timeframes specified by CMS. Submit revised oversight procedures to the regional office. Policies and Procedures Policies and procedures must be revised to reflect these improvements. Medica must submit the revised poilicies and procedures which describe the oversight activities. Audits Medica should conduct an internal audit each month on whether the correct process was followed on the denial notice prior to transmission to CMS. This audit should evaluate whether the disenrollment date for its members is correct. Medica should submit a summary report once a quarter to the regional office of its monthly findings until further notified. The summary report should include: title of the auditor(s), the audit methodology, and the results of the audit.

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

Findings: NOT MET
Region: 05 Chicago
Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Review ID: 10977

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1
Auditing Element: ER09
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date:
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CAP Released Date:

Visit Start Date: 6/16/2008
Exit Conference Date: 06/19/2008
Date Report Issued: 07/31/2008
Date Report Due: 08/03/2008
CAP Accepted Date:
Audit Closed Date:
Element Projected Completion Date: 11/15/2008
MCO Response Due Date: 09/14/2008

Requirement:

When the Cost plan receives information from CMS, it promptly, within timeframes specified by CMS, notifies beneficiaries in writing of CMS' acceptance of enrollment.

Deficiencies:

Medica does not meet the CMS compliance standard because CMS audited 30 cases from a universe of 4178 and found that 7 cases did not send the final noitce of enrollment within timeframes specified by CMS.

Corrective Action Required:

Training Medica must conduct training of appropriate staff on the correct timeframes the final notice of enrollment must be sent to it's members. Submit documentation of the training to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Improve Oversight Medica must revise its oversight to ensure that the final notice of enrollment follows CMS timeframes. Submit revised oversight procedures to the regional office. Policies and Procedures Policies and procedures must be revised to reflect these improvements. Medica must submit the revised poilicies and procedures which describe the oversight activities. Audits Medica should conduct an internal audit each month on the correct timeframes the final notice of enrollment must be sent to it's members. This audit should evaluate whether the disenrollment date for members who were disenrolled is correct. Medica should submit a summary report once a quarter to the regional office of its monthly findings until further notified. The summary report should include: title of the auditor(s), the audit methodology, and the results of the audit.

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Findings: NOT MET

Review ID: 10977

Region: 05 Chicago

Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1

Auditing Element: MR08

Review Type: Routine

Review Status: Confirmed

MCO Response Received Date:

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Date Report Issued: 07/31/2008

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CAP Accepted Date:

Audit Closed Date:

Element Projected Completion Date: 11/15/2008

MCO Response Due Date: 09/14/2008

Requirement:

The Cost plan does not engage in activities which materially mislead, confuse, or misrepresent the Cost plan and: -May not claim recommendation or endorsement by CMS or that CMS recommends that beneficiaries enroll in the plan; -May not make erroneous written or oral statements including any statement, claim, or promise that conflicts with, materially alters, or erroneously expands upon the information contained in CMS-approved materials; -May not use providers or provider groups to distribute printed information comparing benefits of different health plans, unless the materials have the concurrence of all Cost plan involved and unless the materials have received prior approval from CMS; -May not accept plan applications in provider offices or other places where health care is delivered; -May not employ Cost plan plan names which suggest that a plan is not available to all Medicare beneficiaries (Does not apply to plan names in effect on or before July 31, 2000); -May not offer gifts or payment as an inducement to enroll in the organization; -May not engage in any discriminatory marketing practice, such as attempting to enroll individuals from higher income areas, without a similar effort in lower income areas; and -May not conduct door-to-door solicitation of Medicare beneficiaries.

Deficiencies:

Medica does not meet the CMS compliance standard. Medica does not have a test in place to test the understanding of the Medicare program by all individuals who sell Cost plans.

Corrective Action Required:

Policies and Procedures Medica must develop and implement policies and procedures that test the understanding of the Medicare program by all individuals who sell Cost Plans. The policies and procedures must also explain the consequence of an individual's inability to pass the test. Submit these policies and procedures and the test to the regional office. Training Medica must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Develop Oversight Medica must establish and maintain effective oversight controls of all individuals who sell Cost Plans to ensure they understand the Medica program specifically Cost plans. Submit these policies and procedures which describes the types of oversight activities it will implement over all individuals who sell Cost Plans to the regional office. Audits Medica should submit a summary report once a month to the regional office of its progress towards developing a test for all individuals who sell Cost plans until the test has been completed. The summary report should include: title of the auditor(s), the audit methodology, and the results of the audit.

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

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Review ID: 10977

Region: 05 Chicago

Contract Number / Name: H2450 MEDICA INSURANCE COMPANY

Auditing Guide Version: 1876 Cost Plan Monitoring Review Guide, Version 1

Auditing Element: OC06

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CAP Accepted Date:

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MCO Response Due Date: 09/14/2008

Requirement:

If a Cost plan denies payment, an RO approved written denial notice must be sent to the member. The written denial must clearly state the service denied, the denial reason, and the appropriate appeal rights.

Deficiencies:

Medica does not meet the CMS compliance standard because CMS audited 30 cases from a universe of 7222 and found that the notice for all 30 cases did not provide a complete denial reason as outlined in 417.608(b)(1).

Corrective Action Required:

Training Medica must conduct training of appropriate staff on including a complete denial reason in member notices and submit documentation to the regional office that details the nature of this training including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Policies and Procedures The policies and procedures must be updated to reflect these improvements. Medica must submit the revised policies and procedures to the regional office. Audits Medica should conduct an internal audit each month to ensure the notice states the specific reasons for the determination. This audit should evaluate whether the language used for the denial reason fully describes the reason the reason the service was denied. Medica should submit a summary report once a quarter to the regional office of its monthly findings until further notified. The summary report should include: title of the auditor(s), the audit methodology, and the results of the audit.