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: 3121
Contract Number: H1850
Part D Sponsor Name: WINDSOR HEALTH PLAN, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: ZZ95
Audit Type: Ad-Hoc Compliance Event
Audit Location: Desk Review
Date Report Issued: 10/24/2007
Date Report Due: 12/8/2007
Element Accepted Date:
Element Release Date:
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2007 - 12/31/2009
Estimated Visit Start Date: 10/19/2007
Estimated Visit Start Date: 4/30/2008
Actual Visit Start Date: 10/19/2007
Actual Visit End Date:
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 12/8/2007
CAP Release Date:
CAP Accepted Date:

Requirement:

Ad-Hoc Compliance Event 1

Deficiencies:

CY2008 Formulary Submission

Corrective Action Required:

This letter is a request for a corrective action plan (CAP) from Windsor Health Plans, Inc. (Windsor) to address Medicare Part D contract year 2008 (CY2008) formulary development issues for Medicare Advantage Prescription Drug Plan (MA-PD) contracts H1850 and H5698. Throughout the CY2008 formulary review process, the Centers for Medicare and Medicaid Services (CMS) noticed that Windsor¿s formularies consistently contained high numbers of outliers. Examples of outliers included having only one drug in a category and class instead of two without providing sufficient justification, inappropriate quantity limits on drugs, and inappropriate drug strengths in a specialty tier. During each stage of the formulary review process, CMS asked Windsor to correct all outliers: however, high numbers of outliers persisted. For example, by the third week of August 2007, late in the CY2008 formulary review process, Windsor¿s formularies, especially formulary ID 8544, still contained a significant number of outliers that remained to be corrected before CMS could grant final approval. The volume of formulary outliers was great enough to jeopardize Windsor¿s ability to have its formularies approved by CMS in time to meet Medicare and You and Part D implementation deadlines. Since an approved formulary is a component of an approvable bid, Windsor¿s ability to obtain MA-PD contracts for CY2008 was also at risk. Throughout this fall and into 2008, CMS expects Windsor will take steps to ensure that it can efficiently administer its formulary in 2008. CMS staff worked intensely with all sponsors throughout the formulary review processes during 2006 and 2007. However, during 2008, the third year of the Part D program, CMS will expect all Part D sponsors, including Windsor, to develop the expertise and resources necessary to complete the contract year 2009 (CY2009) formulary review process with a minimum of technical assistance from CMS. In response to this CAP request, CMS asks that Windsor submit the following to CMS: ¿ Updated policies and procedures regarding how Windsor will ensure its formularies meet CMS criteria and will be updated appropriately throughout 2008 consistent with CMS instructions. These policies and procedures should include a quality control process governing each step of formulary development and submission. ¿ A discussion of the steps Windsor will take to ensure it can meet the requirements for CY2009 formulary review process. This portion of the CAP should describe any arrangements Windsor has made ensure that it maintains adequate oversight and control over any organizations contracted with to provide formulary services on Windsor¿s behalf. ¿ A plan for how Windsor will ensure that the CY2008 CMS-approved formulary will be accurately reflected in marketing materials (e.g., abridged and comprehensive formularies) and processed in claims adjudication systems. This CAP will be in place through the start of the 2008 benefit year, and it will be approved once Windsor demonstrates it can consistently submit formularies that comply with CMS instructions. This CAP will be in place until at least May or June 2008. CMS requests Windsor submit the CAP by Friday, November 16, 2007 at 5:00 p.m. EDT to: Linda Gousis Medicare Drug Benefit Group Centers for Medicare and Medicaid Services 7500 Security Blvd., Mail Stop C1-26-12 Baltimore, MD 21244-1850 In the event your organization does not successfully satisfy this CAP, CMS will consider additional compliance actions, including the imposition of intermediate sanctions. CMS also notes that Windsor¿s failure to meet the Part D formulary submission and approval requirements in 2008 may result in CMS electing not to renew Windsor¿s MA-PD or PDP contracts for CY2009.