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: 5681
Contract Number: S5960
Part D Sponsor Name: UNICARE LIFE AND HEALTH INSURANCE COMPANY

Audit Guide Version: PDP Sponsor Part D Audit Guide Version 2
Auditing Element: ZZ95
Audit Type: Ad-Hoc Compliance Event
Audit Location: Desk Review
Date Report Issued: 7/22/2008
Date Report Due: 9/5/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date:

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 12/22/2007
Estimated Visit Start Date: 7/22/2008
Actual Visit Start Date: 12/22/2007
Actual Visit End Date: 7/22/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 9/5/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Ad-Hoc Compliance Event 1

Deficiencies:

Systemic errors that have resulted in episodes of non-compliance with Part C and D program requirements.

Corrective Action Required:

This letter is being sent to you to express the Centers for Medicare and Medicaid Services' (CMS) concerns about WellPoint's operation of its Medicare Advantage Prescription Drug contracts (MA-PD) and Prescription Drug Plan contracts: H0540, H0564, H1511, H1607, H1689, H1849, H2613, H3655, H4909, H5304, H5419, H5422, H5529, H5530, H5679, H5842, R5941, R9943, S5596, S5960, S2893. During 2007, CMS has become aware, through beneficiary and provider complaints, CMS' own analysis, and WellPoint's self-reporting, of numerous systemic errors that have resulted in episodes of non-compliance with Part C and D program requirements involving multiple contracts and an unknown number of beneficiaries. The problems caused by these systemic errors have been further complicated by WellPoint's failure to report these errors to CMS in a timely manner. The Part C regulation at 42 CFR §422.506(b)(4)(vi)(F) and (G) and Part D regulations at 42 CFR §423.504(b)(4)(vi)(F) and (G) require Part C and D sponsors to adopt policies and procedures for effective internal monitoring and for ensuring prompt detection and correction of noncompliance with program requirements. However, during 2007, WellPoint has failed to detect and correct several instances of non-compliance. However, the degree of past difficulty CMS has experienced in obtaining operational information, combined with more recently discovered issues, causes us to continue to question WellPoint's commitment to effective and timely communication on Part C and D matters. Most recently, CMS learned that WellPoint failed to report timely a telephonic enrollment system error. At this time, WellPoint has not provided CMS with the details of the telephonic error despite the fact that this system failure occurred in 2006. Other examples of systemic errors not reported timely by WellPoint include an error in the calculation of LIS premium amounts, resulting in erroneous premium bills being mailed to over 12,000 LIS beneficiaries, and a failure to calculate the correct true out-of-pocket (TrOOP) cost balances on explanations of beneftts (EOBs), resulting in a delay in the issuance of EOBs. CMS expects open, responsive, and prompt communication with all Part C and D sponsors. Pursuant to 42 CFR §422.504(f) and §423.505(f), Part C and D plan sponsors are required to provide "all information to CMS that is necessary for CMS to administer and evaluate the program." This includes information on any matter "CMS may require, including, hut not limited to, program monitoring and oversight" and "quality assessments." Based on WellPoint's demonstrated pattern of insufficiently responsive communication, CMS directs WellPoint to submit a corrective action plan (CAP) for coming into compliance with Part C and D requirements concerning the timely and complete reporting of information to CMS. The CAP should include a statement of WellPoint's policies and procedures for keeping CMS up to date on all matters related to WellPoint's compliance with Part C and D program requirements. The policies and procedures should contain timeframes for reporting detected issues to CMS as well as identify the WellPoint employees responsible for reporting incidents and their resolution to CMS.