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: 06 Dallas
Contract Number / Name: H4525 SHA, L.L.C

Review ID: 8517

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: CN04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
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CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date: 12/31/2007
MCO Response Due Date: 11/11/2007

Requirement:

Required Contract Provisions: Abide by Federal RequirementsThe MAO's written contracts with first tier and downstream entities must contain a provision to show that the contracting entity will: comply with Medicare laws, regulations, reporting requirements, and CMS instructions; agree to audits and inspection by CMS and/or its designees; cooperate, assist, and provide information as requested; and maintain records a minimum of 10 years.

Deficiencies:

The MAO's contracts with the first tier and downstream entities do not include all of the language required at 42 CFR 422.504(i)(2) and Chapter 11 Section 6 of the Medicare Managed Care Manual. The missing language is that the entity agrees to: 1) audits and inspections by HHS, CMS, and/or their designees, 2) cooperate, assist and provide information, as requested, and 3) maintain records for a minimum of 10 years.

Corrective Action Required:

The MAO must execute an amendment which includes the required language with all contracted first tier and downstream entities. A copy of the amendment must be submitted to the CMS Regional Office. The corrective action plan (CAP) needs to contain the MAO's detailed plans for obtaining the amendments, including how many contract amendments are required and when the MAO expects to receive the amendments. Monthly progress reports are due to the CMS Regional Office beginning November 15, 2007.

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Region: 06 Dallas
Contract Number / Name: H4525 SHA, L.L.C

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Auditing Guide Version: MA Audit Review Guide, Version 4
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Date Report Issued: 09/27/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date: 03/14/2008
MCO Response Due Date: 11/11/2007

Requirement:

Appropriate Submission and Distribution of Marketing Materials -The MAO follows the requirements contained in the regulations and the Medicare Guidelines for submission and distribution of marketing materials, including appropriate timelines and content of model, non-model, and File & Use materials.

Deficiencies:

For the 12 months ending May 31, 2007, the MAO submitted 67% of qualified materials via File and Use certification. CMS requires at least a 90% submission rate as stated in Section 9 of the Medicare Marketing Guidelines (MMG).

Corrective Action Required:

The MAO must conduct training of appropriate staff on the correct procedures to follow when identifying and submitting File and Use materials to CMS. Submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The corrective action plan must include a detailed description of the steps the MAO is taking to ensure compliance with these requirements.

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Contract Number / Name: H4525 SHA, L.L.C

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Auditing Guide Version: MA Audit Review Guide, Version 4
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Date Report Due: 10/01/2007
CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date:
MCO Response Due Date: 11/11/2007

Requirement:

Information Provided to Beneficiaries Upon Request - An MAO must provide the information required by CMS upon the request of a beneficiary.

Deficiencies:

The MAO's website does not have correct links to Medicare documents or a current enrollment application. The first example is when one is at the URL firstcare.com/167/enroll.htm, the document that is propagated when one clicks ENROLL is the 2006 version of the enrollment application (Material ID # H4525 102.03 09/2005). CMS approved the 2007 version (Material ID # H4525 102_05) on August 1, 2006, which is the appropriate version to be on the website during the review period through the present. The second example is when one clicks on the Abilene Region Advantage Gold Summary of Benefits 2006 plan year, the link takes one to the 2006 version of the FirstCare Advantage Gold Abilene Region EOC (Material ID # H4525 248_02 01 2006.doc). This is incorrect as it links to an EOC instead of an SB. The noted examples are not all inclusive of the problems the CMS auditor discovered with the MAO's website that need to be corrected. The CMS instructions are included under the Internet Marketing topic in Section 6 of the MMG.

Corrective Action Required:

The MAO must review its website and every link to determine what needs corrected and which documents are out-of-date. The CAP must include: 1) the problems identified, 2) details of how the problems will be resolved with a timeline, and 3) what steps the MAO is taking to ensure compliance in the future.

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Contract Number / Name: H4525 SHA, L.L.C

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Date Report Due: 10/01/2007
CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date: 03/14/2008
MCO Response Due Date: 11/11/2007

Requirement:

Marketing Materials: Enrollment and Understanding of Plan Rules - The MAO establishes and maintains a system for confirming that enrolled members are enrolled in an MA plan and that they understand the rules applicable under the plan.

Deficiencies:

The MAO does not maintain a system to ensure that beneficiaries understand the rules applicable under the plan as required at 42 CFR 422.80(e)(2)(ii). The MAO does take some steps in that it conducts beneficiary verification calls after enrollment, tracks rapid disenrollments, and reviews grievances and appeals. The MAO's Policy 038.01 Marketing Requirements.doc describes additional steps it will take to ensure the integrity of its marketing activities and confirm that members understand the rules under the plan they enrolled in. However, since the contract with CMS became effective July 1, 2005, the MAO has not completed all steps it identified in its own Policy. The MAO has not conducted audits such as telephone monitoring, sales presentation ride-alongs, or member satisfaction surveys.

Corrective Action Required:

The MAO must review its Policy 038.01 Marketing Requirements.doc to determinine if it describes the types of audits the MAO will conduct to confirm that members understand the rules applicable under the plan they enrolled in. If appropriate, revise the Policy and submit it for CMS review. The CAP must include a detailed description of the types and numbers of audits the MAO will conduct, a timeline for completing the audits, and a plan for sharing the audit results with CMS.

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Contract Number / Name: H4525 SHA, L.L.C

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Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 09/27/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date: 03/14/2008
MCO Response Due Date: 11/11/2007

Requirement:

No Engagement in Activities which Mislead, Confuse or Misrepresent the MAO - The MAO does not engage in activities which materially mislead, confuse, or misrepresent the MAO. The MAO may not: Claim recommendation or endorsement by CMS or Medicare or the Department of Health and Human Services, or that CMS, Medicare, or the Department of Health and Human Services recommend that beneficiaries enroll in the plan; · 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; · Use providers or provider groups to distribute printed information comparing benefits of different health plans, unless the materials have the concurrence of all MAO's involved and unless the materials have received prior approval from CMS; · Accept plan applications in provider offices or other places where health care is delivered;· Employ MA 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);· Offer gifts or payment as an inducement to enroll in the organization;·Engage in any discriminatory marketing practice, such as attempting to enroll individuals from higher income areas, without a similar effort in lower income areas; or · Conduct door-to-door solicitation of Medicare beneficiaries.

Deficiencies:

42 CFR 422.80(e)(iv) states that MAOs may not engage in activities that could mislead or confuse Medicare beneficiaries or misrepresent the MAO. The MAO will not know if this is taking place unless it has oversight and/or management control over all individuals who sell MAO plans, including marketing representatives, agents, and brokers. The MAO has a mechanism in place to ensure the integrity of its marketing activities (Policy 038.01). However, since the contract with CMS began July 1, 2005, the MAO has not completed all steps identified in its Policy. The MAO has not conducted any telephone monitoring or sales presentation ride-alongs. After the MAO contracts with the marketing agent/broker, the MAO has no oversight of the agent/broker to ensure that the plan rules are completely explained during the enrollment process so that the beneficiary is making an election decision based on complete and accurate information. The MAO is conducting enrollment verification calls to beneficiaries, reviewing appeals and grievances, and monitoring rapid disenrollments. These are indications as to whether marketing agents/brokers are describing the plan benefits to the beneficiary. However, the MAO also needs to focus on the agents/brokers sales presentations and how they respond to beneficiary questions.

Corrective Action Required:

The MAO must review its Policy 038.01 Marketing Requirements.doc to decide if it describes the types of agents/brokers audits the MAO will conduct to determine if they are engaging in activities which materially mislead, confuse, or misrepresent the MAO. If appropriate, revise the Policy and submit it for CMS review. The MAO also should consider auditing the accuracy of the agents/brokers enrollment applications. The CAP must include a detailed description of: 1) the MAO's oversight of the agents/brokers activities, 2) the types and numbers of audits the MAO will conduct, 3) a timeline for the audits, and 4) the plan for sharing the audit results with CMS.

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Date Report Due: 10/01/2007
CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date: 02/01/2008
MCO Response Due Date: 11/11/2007

Requirement:

Standard Pre-Service Denials (Notice Content) - If the MAO makes an adverse standard pre-service organization determination, the written CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, must be sent to the member and must clearly state the service denied and denial reason.

Deficiencies:

The MAO incorrectly classifies Part D cases as Medicare Advantage standard pre-service denials. Additionally, one correctly classified standard pre-service denial sampled case lacks required member notification per 42 CFR 422.568(d) and (e) in that the MAO did not send a notice. The notice must be sent to the members on a timely basis, identify the service that is being denied, and state the reason for the denial. CMS-10003-NDMC contains the model language.

Corrective Action Required:

The MAO must conduct training of appropriate staff on the correct procedures: 1) to identify standard pre-service denials, 2) to notify the beneficiary of a pre-service denial, and 3) on how to properly document the case file. Submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must perform monthly internal audits of its universe of pre-service denial cases each month for October, November and December 2007, with the results submitted to the CMS Regional Office by the 7th day of the following month. The audits are to determine whether the MAO is notifying the enrollee of its decision to deny the service as required by regulation. The CAP must include a detailed description of the steps the MAO is taking to ensure compliance with the notification requirements and to ensure that each case file is properly documented.

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CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
Element Projected Completion Date: 12/01/2007
MCO Response Due Date: 11/11/2007

Requirement:

Participation and Termination Procedures - The MAO must have written policies and procedures and a process for rules of physician participation and adverse participation decisions.

Deficiencies:

The MAO does not have: 1) written rules of physician participation that includes terms of payment as required at 42 CFR 422.202(a)(1), 2) written procedures for giving physicians written notice of material rule changes before the rules are put into effect as required at 42 CFR 422.202(a)(2), 3) written procedures for notifying contracting physicians of the timeframes for terminating the contract without cause within at least 60 days of the termination as required at 42 CFR 422.202(d)(4), and 4) finalized policies and procedures for determining if the provider opted out of Medicare as required in the Medicare Managed Care Manual, Chapter 6, Section 60.3.

Corrective Action Required:

The MAO must develop or update existing written internal rules of participation for physicians that include terms of payment. Policies and procedures must be updated to include: 1) the MAO gives written notice of material rule changes before the rules are put into effect, and 2) the MAO notifies contracting physicians of the timeframes for terminating the contract without cause within at least 60 days of the termination. The MAO must assure that the language in the contracts adheres to the policy. The MAO must review, finalize and implement its policy and procedure for Opt-Out Providers. New/updated documents must be submitted to CMS. The MAO must conduct training of appropriate staff on the new/updated policies and procedures. Submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The CAP must include a detailed description of the steps the MAO is taking to ensure compliance with these requirements.

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Contract Number / Name: H4525 SHA, L.L.C

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MCO Response Received Date: 11/13/2007
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Date Report Due: 10/01/2007
CAP Accepted Date: 03/10/2008
Audit Closed Date: 04/29/2008
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MCO Response Due Date: 11/11/2007

Requirement:

Credentialing Requirements for Physicians and Other Health Care Professionals - The MAO must follow a documented process for physicians and other health care professionals regarding initial credentialing and recredentialing.

Deficiencies:

The MAO does not consistently use Quality Improvement (QI) information in the recredentialing process as required in the Medicare Managed Care Manual Chapter 6, Section 60.3. These CMS instructions state the MAO and its delegated entities must consider performance indicators such as those collected through the QI program, the utilization management system, the grievance system, enrollee satisfaction surveys, and other activities of the MAO. The CMS auditor found that QI information was utilized in some, but not all, recredentialed cases.

Corrective Action Required:

The MAO must conduct training of appropriate staff and delegated entities on how to utilize QI information during the recredentialing process. Submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must perform monthly internal audits of its universe of recredentialing files each month for October, November and December 2007, with the results submitted to the CMS Regional Office by the 7th day of the following month. The audits are to determine whether the QI information is being utilized. The CAP must include a detailed description of the steps the MAO is taking to ensure compliance with CMS' instructions.