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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: CN09
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
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CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/13/2008
MCO Response Due Date: 12/07/2007

Requirement:

Adequate Compliance PlanThe MAO must have a formalized compliance plan that contains the requirements specified by CMS

Deficiencies:

SDM does not have a board approved Compliance Plan according to 42 CFR 422.501 (b)(3)(VI. There is no compliance committee. Staff has not been trained and key information was provided in Spanish without translation. SDM submitted the following documents in support of this element. Documentation included: an unsigned draft compliance plan with an unsigned Compliance Department Charter, Unsigned and undated Policies, and Procedures and a "Table of Contents" of policies under development without the actual policies and procedures. SDM's June 20th, 2007 Presentation to the Board of Directors entitled "Medicare Programs and Compliance Department" indicated many compliance functions have not yet been implemented or are not yet operational. SDM's internal corrective action plan also stated "there was no indication that a Compliance Plan was developed and approved by the appropriate corporate level." Also, there were no evidence that several important committees such as the Quality Committee and the Grievance and Appeals Committee are in place and functional and SDM performs oversight over its delegated entities.

Corrective Action Required:

SDM must provide a copy of board approved compliance Plan. This must include a work plan on the development and implementation of the requirement with timelines. Also, submit on-going documents and material to support the implementation of this requirement. Board minutes and quarterly minutes must be submitted in English to the regional office until further notice. This work plan must address areas as outlined below: approved Policies and Policies by the board, and policies and procedures (P and P) in the compliance manual, which must be signed by the appropriate persons and dated. Developed guidelines for training and education, disciplinary issues, internal monitoring and auditing and corrective action initiatives, and provide documentation of these materials and all training on who were trained and who did the training. For the 2007 Work Plan outlined in the "Medicare Programs and Compliance Department" presented to the Board on 6-20-2007, the areas for development must be added to the work plan with the timelines for completion of those areas. Provide information on when the Compliance and Quality committees listed in the Compliance Department Organization Chart will be functional and if other committees will be part of the Compliance Department, when will those committee be functional and their relationship with the Compliance Department. Each committee must be listed with the Chairperson and members. Until further notice, please send meeting minutes of the Compliance committee.

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ER12
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

Requirement:

Retroactive Enrollment Requests - The MAO requests retroactive enrollments when required, due to CMS enrollment rejection error, and adheres to CMS requirements in requesting retroactive enrollments from the Regional Office or Program Safeguard Contractor.

Deficiencies:

For element ER12, of the 15 samples reviewed from WS-ER3 to determine retroactive enrollment, one record did not have documented evidence that a notice was sent to the member. Of the fourteen remaining cases, in three cases SDM failed to send out the retroactive enrollment request timely, as a result this element is not met.

Corrective Action Required:

SDM must submit for review and immediate implementation a corrective action plan that addresses the following. 1. Compliance with instructions in Chapter 2 of the Medicare Managed Care Manual, Sections 40.4.2 and 60.4, related to cancellations, reinstatements of enrollment, and retroactive enrollment requests. 2. Review and revision of policies and procedures to outline the correct reasons for requesting a retroactive enrollment and the process to follow for retroactive enrollments. This includes following correct procedures, by reviewing RO records to ensure that SDM appropriately requests and documents requests for retroactive enrollment, and routinely used beneficiary correspondence. 3. Training of all relevant staff involved in retroactive enrollment processing. Documentation must be submitted specifying the nature of the training, materials used, who conducted and attended the training with copies of sign-in sheets.

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Date Report Generated: 9/30/2008

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/10/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 07/31/2008
MCO Response Due Date: 12/07/2007

Requirement:

Organization Determinations and Reconsiderations Not Categorized as Grievances - The MAO must correctly distinguish between organization determinations, reconsiderations, and grievances and process them through the appropriate mechanisms.

Deficiencies:

Plan was unable to provide a universe from which to pull a sample. From interviews with plan staff CMS auditors determined that staff were unable to distinguish appeals from complaints. Both appeals and complaints are processed as complaints.

Corrective Action Required:

SDM must conduct training of appropriate staff on the grievance and coverage determination processes and 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. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its organization determinations and reconsiderations requests received by the MCO and how it correctly distinguishes between an organization determination and reconsideration. Your internal audit should evaluate whether your determinations and reconsiderations are being classified and handled appropriately within the required timeframes. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. 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 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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/10/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 07/31/2008
MCO Response Due Date: 12/07/2007

Requirement:

Grievance Decision Notification (Timeliness) The MAO must notify the member of its decisions as expeditiously as the case requires based on the member's health status but no later than 30 days after the receipt date of the oral or written grievance. If the compliant involves an MAO's decision to invoke an extension relating to an organization determination or reconsideration, or the compliant involves an MAO's refusal to grant an enrollee's request for an expedited organization determination or expedited reconsideration, the MAO must respond to an enrollee's grievance within 24 hours. Exception: If the member requests an extension, or if the MAO justifies the need for information and documents that the delay is in the interest of the member, the MAO may extend the 30-day timeframe up to an additional 14 days. In this case, the MAO must immediately notify the member in writing of the reasons for the delay.

Deficiencies:

Over 30% of cases were mis-classifed therefore this element is not met. 5 of 15 cases provided by the plan were inappropriately classified as a grievance when they should have been classified as an organization determination and processed accordingly.

Corrective Action Required:

SDM must submit an appropriate universe for this element. Once SDM produces a representative universe, the reviewer will review the element associated with the universe via a focused review and rate the elements accordingly. SDM also must establish a mechanism for its own internal ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its organization determinations and reconsiderations requests received by the MCO and how it correctly distinguishes between an organization determination and reconsideration. Your internal audit should evaluate whether your determinations and reconsiderations are being classified and handled appropriately within the required timeframes. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning with the fourth quarter of 2007. 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 Medicare Managed Care Auditing Report

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Date Report Generated: 9/30/2008

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/10/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 07/31/2008
MCO Response Due Date: 12/07/2007

Requirement:

Grievance Decision Notification (Notice Content) The MAO must inform the member of the disposition of the grievance. For quality of care issues, the MAO must also include a description of the member's right to file a written compliant with the QIO.

Deficiencies:

Over 30% of cases were mis-classifed therefore this element is not met. 5 of 15 cases provided by the plan were inappropriately classified as a grievance when they should have been classified as an organization determination and processed accordingly. Also, in 4 additional cases, auditor was unable to determine if any notice was provided to member.

Corrective Action Required:

SDM must submit an appropriate universe for this element. Once SDM produces a representative universe, the reviewer will review the element associated with the universe via a focused review and rate the elements accordingly. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its organization determinations and reconsiderations requests received by the MCO and how it correctly distinguishes between an organization determination and reconsideration. Your internal audit should evaluate whether your determinations and reconsiderations are being classified and handled appropriately within the required timeframes. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. 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.

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Date Report Generated: 9/30/2008

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/10/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 07/31/2008
MCO Response Due Date: 12/07/2007

Requirement:

Method of Grievance Decision Notification The MAO just respond to written grievances in writing. The MAO must respond to oral grievances either orally or in writing, unless the member requests a written response. The MAO must respond to all grievances related to quality of care in writing, regardless of how the grievance was submitted.

Deficiencies:

Over 30% of cases were mis-classifed therefore this element is not met. 5 of 15 cases provided by the plan were inappropriately classified as a grievances when they should have been classified as an organization determinations and processed accordingly. Also, in another 4 cases, auditor was unable to determine if a written response was provided.

Corrective Action Required:

SDM must submit an appropriate universe for this element. Once SDM produces a representative universe, the reviewer will review the element associated with the universe via a focused review and rate the elements accordingly. SDM also must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its organization determinations and reconsiderations requests received by the MCO and how it correctly distinguishes between an organization determination and reconsideration. Your internal audit should evaluate whether your determinations and reconsiderations are being classified and handled appropriately within the required timeframes. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. 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.

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR01
Review Type: Routine
Review Status: Confirmed
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CAP Released Date: 07/28/2008

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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

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 element MR01 the following issues were identified: 1. A number of key 2007 marketing materials were not approved until late in the year due to numerous iterations of errors and corrections. 2. Some materials for 2007 are still not approved due to outstanding corrections not yet made in HPMS. 3. Some materials (Platino EOC and SB) were never submitted for review in HPMS. 4. Consequently, some members received key materials late and others (Platino) never received EOC and SB at all. In requested post review information presented to plan at audit exit meeting, documented corrective action was requested to be submitted no later than 9/14/07. SDM response stated that this would be completed by 10/15/07. There has been no compliance with requests to submit outstanding 2007 material for review and approval in HPMS.

Corrective Action Required:

SDM must provide a corrective action plan to assure full compliance with CMS Marketing Guidelines requirements to submit materials for review, institute internal mechanisms to substantially improve the quality of materials submitted for review and to assure that all plan enrollees receive mandated materials consistent with parameters in CMS policies and Marketing Guidelines.

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 02/14/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

Requirement:

Disclosure of Required Deemable Information to Beneficiaries - The MAO provides information on advance directives, emergency services, and policies on MA plan counseling or referral services that the MAO will not provide due to a "conscience" objection in accordance with CMS requirements.

Deficiencies:

For element MR02, the following areas were identified regarding disclosure of deemable information to beneficiaries such as advance directives, emergency services, and policies on MA plan counseling or referral services that the MAO will not provide due to a "conscience" objection. 1. Some materials were not approved until late in 2007 due to errors in material submitted. 2. Some material for 2007 which was disapproved are still not approved. 3. Platino EOC and SB for 2007 was never submitted for review. 4. Many enrollees received material late or never received it. Consequently, material received late or not at all results in non-disclosure of required material resulting in failure to comply with the requirements for this element. In requested post review information presented to plan at audit exit meeting, documented corrective action was requested to be submitted no later than 9/14/07. SDM response stated that this would be completed by 10/15/07. There has been no compliance with requests to submit outstanding 2007 material for review and approval in HPMS.

Corrective Action Required:

SDM must submit a corrective action plan and immediately implement corrective actions to establish and maintain 100% compliance at all times to assure that all mandated disclosure requirements are met in all applicable materials, particularly in regard to information on advance directives, emergency services, and policies on MA plan counseling or referral services that SDM will not provide due to a 'conscience' objection.

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 02/14/2008
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Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

Requirement:

Disclosure of Required Non-Deemable Information to Beneficiaries - At the time of enrollment and annually thereafter, an MAO must disclose to each beneficiary electing an MA plan, in clear, accurate and consistent form the information required by CMS.

Deficiencies:

For element MR03, the following deficiencies were identified regarding disclosure of non-deemable information to beneficiaries at the time of enrollment and annually thereafter: 1. Some materials were not approved until late in 2007 due to errors in material submitted multiple times. 2. Some material for 2007 (EOC) which was disapproved is still not approved. 3. Some material (Platino EOC and SB)for 2007 was never submitted for review. 4. Many enrollees received material late or never received it. Consequently, material received by members late or not at all results in non-disclosure of required material and failure to comply with the requirements for this element. In requested post review information presented to plan at audit exit meeting, documented corrective action was requested to be submitted no later than 9/14/07. SDM response stated that this would be completed by 10/15/07. There has been no compliance with requests to submit outstanding 2007 material for review and approval in HPMS.

Corrective Action Required:

SDM must submit a corrective action plan and immediately implement corrective actions to establish and maintain 100% compliance at all times to assure that all mandated disclosure requirements are met by the timely receipt by members of EOC, SB, ANOC, member handbook and provider directory at the time of enrollment and annually thereafter.

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Date Report Generated: 9/30/2008

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Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 02/21/2008
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CAP Released Date: 07/28/2008

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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

Requirement:

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

Deficiencies:

For element MR04, SDM is required to provide certain information to beneficiaries upon request, including posting EOC and SB on plan's website. Some EOC and SB were either not submitted for review, still awaiting corrections or approved late in 2007. Consequently EOB or SB material online is either not approved, missing, erroneous, or posted late. At www.sdmpr.com one EOC is online in English but none in Spanish for this plan located in Puerto Rico.

Corrective Action Required:

SDM must implement corrective actions to assure 100% compliance that copies of its approved EOC, Summary of Benefits, and information on its network of contracted providers is posted online in English and Spanish. The web site must include required marketing materials on-line. Once all marketing materials are submitted and approved in English, the Spanish version must be submitted in HPMS with a signed attestation.

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/06/2008
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Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

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:

For element MR05 which addresses compliance with SDM member understanding of plan rules, the following issues were identified: 1. SDM policy MK6 titled Notification of Rule Change has a post enrollment member survey as an attachment, but makes no reference to the survey. 2. SDM policy MK8 titled Member Understanding of Marketing Materials states that a survey is done with all members to measure their understanding. There is no documentation to indicate that this has ever been done. 3. SDM acknowledges that survey activity is not being done and is an area for improvement. Post review information was requested to be received by CMS by 9/14/07 with corrective actions identified. SDM's response was to indicate that information would be submitted by 10/15/07.

Corrective Action Required:

SDM must immediately revise policies referenced so that they are relevant to subject matter. In addition, SDM must submit corrective action plan to demonstrate compliance with policies in its operations. The corrective action must demonstrate that the following areas are addressed: 1. Process or mechanism in place to ensure the integrity of its marketing activities (such as information calls to recent members, marketing audits, etc.). 2. Ensures that plan rules are completely explained during the enrollment process. 3. Ensures that beneficiary election decisions are based on complete and accurate information. 4. Implement member satisfaction surveys SDM must conduct training of appropriate staff and submit documentation to the regional office that details the nature of this training including: materials used, who conducted the training, dates of training and who was trained (sign-in sheets). SDM must provide the name and title of accountable person responsible for compliance in this area.

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR06
Review Type: Routine
Review Status: Confirmed
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

Requirement:

Appropriate Notice Given to Members Before Plan Rule Change - If the MAO intends to change its rules for an MA plan, it must give notice to all members at least 30 days before the intended effective date of the change.

Deficiencies:

For element MR06 regarding notice of plan rule change, SDM's policy MK6 titled Notification of Rule Change is deficient and requires revision. Post review information was requested to be received by CMS by 9/14/07 with corrective actions identified. SDM's response was to indicate that information would be submitted by 10/15/07.

Corrective Action Required:

SDM must revise its policy MK06 titled Notification of Rule Change as previously requested and assure compliance by means of ongoing monitoring and documented corrective action. SDM must provide the name and title of accountable individual responsible for this area.

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Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR08
Review Type: Routine
Review Status: Confirmed
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Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/06/2008
MCO Response Due Date: 12/07/2007

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:

For element MR08, the following issues were identified in regard to oversight of sales and marketing staff: 1. In reviewing the files of ten sales reps, only one was fully licensed and her license was due to expire the next day. Of the remaining nine, their licenses were provisional. SDM's contractor for oversight of independent agents was not being monitored appropriately resulting in large scale non-compliance in the licensing of independent sales staff. 2. There is no policy on handling grievances related to sales and marketing activity. 3. There is no policy outlining disciplinary actions for marketing infractions. 4. Supervision of sales reps is deficient. SDM policy MK13 titled Oversight of Marketing Activities states the following is done: A. A scheduled supervisory visit per month per employee. B. An unscheduled supervisory visit per month per employee. C. Monthly quality surveys. D. Monthly verbal field evaluation per employee E. Quarterly field evaluation per employee. There is no documented evidence that any of this is being done in files reviewed. It is also unclear that independent sales reps are being held to the same standards as direct employees. 5. The contents of sales reps files are not standardized. There is no policy that explicitly outlines what the file contents should be and how and when they are to be updated. 6. There is no policy on marketing and sales staff compensation. 7. SDM policy MK10 titled Professional Conduct does not in any way address professional conduct. Instead, it describes enrollment and application procedures. It is verbatim a duplicate of policy MK11 titled Completion of Enrollment Form. Corrective action was requested at audit exit conference to be provided to CMS by 9/14/07. SDM's response stated that they will submit by 10/15/07.

Corrective Action Required:

SDM must submit a comprehensive corrective action plan for review and approval with the objective of immediate implementation of the following: 1. Develop and implement policy on sales rep licensing and assure 100% compliance. Any activities which are outsourced to external entities must have demonstrated oversight by SDM. 2. Develop and implement policy on handling grievances related to sales and marketing activity. 3. Develop and implement policy outlining disciplinary actions for marketing infractions. 4. Specify how SDM will assure 100% operational compliance with policy MK13 titled Oversight of Marketing Activities to include provisions for reps who are employed or independent. 5. Develop and implement policy on sales reps file standardization, including what the file contents should be and how and when they are to be updated. 6. Develop policy to reflect marketing and sales staff compensation. 7. Revise policy MK10 titled Professional Conduct to actually address subject matter. SDM must provide training to all appropriate staff in these areas and submit documentation of this training to the regional office. Documentation must include: the nature and content of the training, materials used, individuals conducting the training, names of individuals trained (sign in sheets).

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
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CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/21/2008
MCO Response Due Date: 12/07/2007

Requirement:

Correct Claim Determinations - The MAO must make correct claim determinations, which include developing the claim for additional information when necessary, for: Services obtained from a non-contracting provider when the services were authorized by a contracted provider or the MAO, Ambulance services dispatched through 911, Emergency services, Urgently needed services, Post-stabilization care services; and Renal dialysis services that Medicare members obtain while temporarily out of the service area.

Deficiencies:

Of the 30 samples reviewed for Element OC01, 30 of the 30 samples reviewed were not met. SDM did not provide documentation to support why claims were denied, or claim were denied because "unit number" or signature date were missing. Denials were not associated with additional information needed for services. Staff interviewed regarding SDM practice for requesting additional information from providers stated that this does not occur before denying claims. SDM's staff method for handling correct claim determination indicates a lack of experience in this area.

Corrective Action Required:

SDM must implement Policies and Procedures or guidelines with its process for handling the processing of claims. This information must include the process with the persons and departments responsible and a reference with a list of examples of denied claims. This must include information about determining and noting whether the claim is a clean or non-clean claim. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month to determine which of its claims are correct. This audit should evaluate whether SDM is correctly determining clean and non - clean claims and if the claims are handle timely based on the determination of the claims. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified from October 2007. The summary report should include: title of the auditor (s), the audit methodology, and the results of the audit.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/03/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/21/2008
MCO Response Due Date: 12/07/2007

Requirement:

Reasonable Reimbursement for Covered Services - The MAO must provide reasonable reimbursement for: Services obtained from a non-contracting provider when the services were authorized by a contracted provider or the MAO, Ambulance services dispatched through 911, Emergency services, Urgently needed services, Post-stabilization care services, Renal dialysis services that Medicare members obtain while temporarily out of the service area, and Services for which coverage has been denied by the MAO but found to be services the member was entitled to upon appeal.

Deficiencies:

For element OCO2, there were no evidence of guidelines or Policy and Procedure, which addressed SDM process used for providing reasonable reimbursement for covered services. In the information requested 14 days after the on-site review, SDM submitted Grievance and Appeals Manual did not contain a guideline or policy and procedure, which addressed SDM methodology for reimbursement to non-contracted provider.

Corrective Action Required:

SDM must develop a Policy and Procedure, which outlines its process for reasonable reimbursement for covered services. This Policy must include reimbursement relating to non-contracting provider, ambulance services, emergency and urgently needed services and other services that member may need while temporarily out of the service area. SDM must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/21/2008
MCO Response Due Date: 12/07/2007

Requirement:

Timely Payment of Non-Contracting Provider Clean Claims - The MAO must pay 95 percent of "clean" claims from non-contracting providers within 30 calendar days of receipt.

Deficiencies:

For thirty of the 30 cases reviewed for element OCO3 it could not be determined by the documentation provided whether SDM paid claims timely. Also, the policy and procedure reviewed for this requirement did not address determining the claims status and the process, time frame for payment of clean and non-clean claims, and the timeframe for mailing processed checks.

Corrective Action Required:

SDM must update its existing Policy to include information on how to handle clean and non-clean claims. This policy must have a step-by-step procedure for handling and processing received claims from non-contracted providers and the required time frames. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its claims determination. This audit should evaluate whether SDM is paying its non -contracting provider clean claims timely. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified from October 2007. The summary report should include: title of the auditor (s), the audit methodology, and the results of the audit.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
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Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/23/2008
MCO Response Due Date: 12/07/2007

Requirement:

Interest on Clean Claims Paid Late - If the MAO pays clean claims from non-contracting providers in over 30 calendar days, it must pay interest in accordance with § 1816 (c)(2)(B) and § 1842 (c)(2)(B).

Deficiencies:

Of the Thirty (30) cases reviewed for Element OCO4, thirty cases were not met. SDM did not have evidence of a process in place to pay interest on late claims. Staff interviewed regarding this requirement was not knowledgeable about this requirement for clean claims, which are not paid timely.

Corrective Action Required:

SDM must develop and implement policies and procedures and a system for paying interest for clean claims, which are paid late. SDM must submit to the Regional office information regarding the system, which it will put in place to address paying current claims, which are paid late. Also, SDM must submit documentation that the appropriate staff is trained on these policies and procedures and the documentation used in the training. Beginning with October 2007, SDM must send the regional office a listing of all clean unaffiliated provider claims (not line items) paid (not received) during the quarter. The listing should provide the claim number, date of receipt (which may be a date from an earlier quarter), paid date, and number of days it took to process. The report should provide a total of claims paid in 1-30 days, in 31-60 days, and over 60 days. (SEE SAMPLE #1 attached). This report is due to the regional office within 15 days of the close of the quarter. SDM will be required to submit this quarterly report until further notified. Sample #1 SDM - Claims Processing Results Summary Sheet for 4th Quarter Unaffiliated providers - " Clean Claims" (see format below for table) Month, Year Percentage 1 to 30 days # processed % processed 31 to 60 days # processed * % processed 61 + days # processed % processed Total Total processed 100% * Include documentation for each claim of interest computed and paid.

CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

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Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/21/2008
MCO Response Due Date: 12/07/2007

Requirement:

Timely Adjudication of Non-Clean Claims - The MAO must pay or deny all non-contracted claims that do not meet the definition of "clean claims" within 60 calendar days of receipt.

Deficiencies:

Of the thirty cases reviewed for element 0C05, twenty-three of those cases were incorrect. No documentation was provided to determine when those claims were denied. Therefore, it could not be determined if these claims were paid within the required 60 calendar days.

Corrective Action Required:

SDM must develop a system to ensure non-contracted claims are adjudicated timely. This must be outlined in a Policy and Procedure or guidelines with address how unclean non - contracted claims are handled and paid. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its non-clean claims. This audit should evaluate whether SDM is adjudicating its non-clean claims timely. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified from October 2007. The summary report should include: title of the auditor (s), the audit methodology, and the results of the audit.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/15/2008
MCO Response Due Date: 12/07/2007

Requirement:

Claim Denials (Notice Content) - If an MAO denies payment, the written denial notice (CMS-10003-Notice of Denial of Payment (NDP)), or an RO-approved modification of the NDP, must be sent to the member. The written denial must clearly state the service denied and the denial reason.

Deficiencies:

Of thirty cases reviewed for Element OCO6, nineteen of these cases were incorrect. SDM was not consistent in providing written denial notices and notices when provided did not clearly state the reason for the service denial.

Corrective Action Required:

SDM must develop a formalized process for administering and handling claims denial. Please revised your current Policy with guidelines outlined step by step how SDM will address timely handling of non-clean claims. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained SDM must demonstrate that it meets the requirement and must document that it appropriately administer the "Notice of Denial of Payment" (NDP) or a regional office approved modification of the NDP. SDM should conduct an internal audit each month to assess that the claim denial notice is sent and the notice clearly states the service denied and the denial reason. This audit should evaluate whether SDM is sending the notice to members. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified from October 2007. The summary report should include: title of the auditor (s), the audit methodology, and the results of the audit.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC07
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/21/2008
MCO Response Due Date: 12/07/2007

Requirement:

Medicare Secondary Payer (Claims) - The MAO must have procedures to identify payers that are primary to Medicare, determine the amounts payable, and coordinate benefits.

Deficiencies:

For element OCO7, SDM did not provide evidence or documentation that there is on-going evaluation of members to identify payers that are primary to Medicare, to determine the amount payable and/ or to coordinate benefits to meet the requirements for element OCO7. In the information requested 14 days after the on-site review, SDM submitted Grievance and Appeals Manual but the information provided did not contain a guideline or policy and procedure which addressed Medicare as a Secondary payer for claims.

Corrective Action Required:

SDM must develop guidelines which detail a step by step process on how it identifies payers that are primary to Medicare, how it will determine the amounts payable and the process for coordination of benefits. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

CMS Medicare Managed Care Auditing Report

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Date Report Generated: 9/30/2008

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Standard Pre-Service Denials (Timeliness) - If the MAO makes an adverse standard pre-service organization determination, it must notify the member in writing using the CMS-10003-NDMC (Notice of Denial of Medical Coverage), or an RO-approved modification of the NDMC, of its decision as expeditiously as the member's health condition requires, but no later than 14 calendar days after receiving the request (or an additional 14 days if an extension is justified).

Deficiencies:

Of the ten cases reviewed for element OPO1 for SDM, one case was misclassified. Of the other 9 cases, five cases did not meet the criteria because they were not denied timely. Denials were sent only to the provider in most of these samples. When members were sent denials letters, no information was sent along with the letter to inform the member/providers of their appeal rights and the time frames. For the 5 samples submitted for delegated entity WHI, two cases were misclassified. Therefore, 30% of this sample is misclassified.

Corrective Action Required:

SDM must develop a guideline which outlines a consistent method for logging these requests so the date of receipt for the request is documented, and timeframes for handling Adverse Standard Pre-Service Organization Determination can be easily monitored. The guidelines must include information regarding an extension if required, timeframes for the extension, and when and how SDM will inform members of its decision. SDM must conduct training for the appropriate staff on these guidelines and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained See Chapter 13, Section 40 of the Medicare Managed Care Manual for guidance. SDM must submit the appropriate universe for this element for WHI. Once SDM produces a representative sample from WHI, the reviewer will review the elements associated with the universe via a focused review and rate the elements accordingly. Beginning with October 2007, SDM must send the regional office a listing with information documenting when adverse standard pre-service organization determinations are made, the date of denial and the date the extension is sent because this is justified, as well as, the date SDM makes its final decision regarding the request if an extension is requested. The denial reason must be clearly stated with the service which is being denied. This report must be submitted as a table with the timeframes and is due to the regional office within 15 days of the close of the quarter. This report must include documentation of each service request, a copy of the CMS-1003-NDMC or an RO - approved modification of the NDMC sent to the member, and any extension letter etc. SDM will be required to submit this quarterly report until further notified.

CMS Medicare Managed Care Auditing Report

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

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:

Ten cases were reviewed for element OPO2 and one case was misclassified, of the other nine cases, seven cases were incorrect. For the delegated entity five cases were submitted, two of these cases were misclassified. Therefore 30 % of this sample is misclassified. The auditors noted that the denial reason given for most cases were confusing and not clear. These denials were sent mainly to the providers and when the members were sent denial letters, no information was sent along with the letter to inform the members/providers of appeal rights. These cases were not granted an extension to provide any additional information that was needed, nor was there a process in place to provide member with this option.

Corrective Action Required:

During the review, the auditors noted that the denial letters were in English, but the denial was written in Spanish. SDM must ensure that there is an English version of this letter as well as a Spanish version (with attestation). Please ensure that these letters are reviewed and approved through the HPMS system. Also, denial reason given was not clear and was vague and confusing. SDM guideline on how it handles Adverse Standard Pre-Service Organization Determination must be developed and must include information regarding an extension if required and the timeframes associated with handling these requests. Attachments for the notices for requesting an extension and informing the members of SDM decision and the member appeal rights etc. must be part of the guidelines. SDM must also have a consistent method for logging these requests so the date of request for service is documented, and the denial reasons must be clear and precise so it is understandable what is being denied. SDM must conduct training for the appropriate staff on these guidelines and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained See Chapter 13, Section 40 of the Medicare Managed Care Manual for guidance. SDM must submit the appropriate universe for this element for WHI. CMS will then pull another sample to be reviewed. Once SDM produces a representative universe for WHI, the reviewer will review the elements associated with the universe via a focused review and rate the elements accordingly. Beginning with October 2007, SDM must send the regional office a listing with information documenting when adverse standard pre-service organization determinations are made, the date of denial and the date the extension is sent because this is justified, as well as, the date SDM makes its final decision regarding the request if an extension is requested. The denial reason must be clearly stated with the service which is being denied. This report must be submitted as a table with the timeframes and is due to the regional office within 15 days of the close of the quarter. This report must include documentation of each service request, a copy of the CMS-1003-NDMC or an RO - approved modification of the NDMC sent to the member, and any extension letter etc. SDM will be required to submit this quarterly report until further notified.

CMS Medicare Managed Care Auditing Report

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Date Report Generated: 9/30/2008

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
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Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Receipt and Documentation of Expedited Organization Determination Requests - The MAO must establish an efficient and convenient means for individuals (including members, their applicable representatives, or their physicians) to submit oral or written requests for expedited organization determinations, document all oral requests in writing, and maintain the documentation in a case file.

Deficiencies:

For element OPO3, The reviewers found SDM did not have a consistent method for documenting receipt of written request. There was no evidence of a formalized process in place to handle oral request for expedited organization determinations. There was no evident that documents are maintained on an on-going basis in a case file, or guidelines or Policies and Procedures which addresses this process. The auditor found it confusing and difficult to determine which dates on the fax transmittal sheets with the requests (which also had other dates) were the dates of receipt by SDM.

Corrective Action Required:

SDM must revise its guidelines and establish a formalized system for documenting when all Expedited Organization Determination requests are received in writing, faxed or done orally, and SDM must maintain on an ongoing basis complete records of these requests in a case file. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. Please see Chapter 13, Section 50.2 of the Medicare Managed Care Manual for guidance. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of how its requests for Expedited Organization Determination are documented when received by fax, phone and written and whether the requests is correctly expedited. This audit should evaluate whether your determinations are being classified and handled appropriately within the required timeframes. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. 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 Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
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Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Requests for Expedited Organization Determinations (Timeliness) - The MAO must promptly decide whether to expedite an organization determination based on regulatory requirements. If the MAO decides not to expedite an organization determination, it must automatically transfer the request to the standard timeframe, provide oral notice to the member of the decision not to expedite within 72 hours of receipt of the request for an expedited organization determination, and provide written notice within 3 calendar days of the oral notice. If the MAO makes an expedited organization determination (favorable or adverse), it must notify the member in writing as expeditiously as the member's health requires, but no later than 72 hours after receiving the request (or an additional 14 calendar days if an extension is justified). If the MAO first notifies the member of its expedited determination orally, it must mail written confirmation to the member within 3 calendar days of the oral notification.

Deficiencies:

SDM did not have a sample for review for element OPO4, nor was SDM able to provide documentation of guidelines on - site for this process. SDM was requested to provide documentation within 14 days after the review. Policy QI 28 includes statements regarding what SDM decision will be if unable to make a decision, on sending a written notification and regarding making a final decision within 48 hours. SDM did not outline a process and all the responsible departments or persons for making this decision, and the noted timeframe for the final decision is different from CMS requirements.

Corrective Action Required:

SDM must provide evidence that it has a formalized system in place for receiving and documentating Expedited Organization Determination requests from members. SDM must include in its process time lines to ensure requests are handled timely. This guideline or policy and procedure must be revised to include all designated responsible parties/department and their function to process and expedite these requests timely. Please ensure that submitted policies are signed and approved by the designated persons. SDM must conduct training for the appropriate staff on these policies and procedures or guidelines and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained Please see Chapter 13, section 50 of the Medicare Managed Care guidelines

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Expedited Denials (Notice Content) - If the MAO makes an adverse expedited 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:

SDM did not have a sample for review for element OPO5, nor was SDM able to provide documentation on - site for this process. SDM was requested to provide documentation within 14 days after the review. Policy Q1 28 mentioned sending a written notification to the member or authorized representative regarding specific information necessary to make the decision. However, SDM did not outline their process of how and whom will be the responsible for performing this function. Also, there were no documentation of the copies of the notice or requests which will be used for notifying members of adverse expedited organization determinations.

Corrective Action Required:

SDM must provide evidence of a formalized system in place for receiving and documentation of Expedited Organization Determination requests from members and the notices used in responding, and denying these requests. Please ensure that all notices to be used are approved through CMS Marketing system in HPMS. Also, the policy being used must be approved and signed off on by the appropriate persons. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained Please see Chapter 13, section 50 of the Medicare Managed Care Manual for guidance

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Organization Determination Extensions (Notice Content) - If an extension is granted for an organization determination, the written notice to the member must include the reasons for the delay, and inform the member of the right to file an expedited grievance if he or she disagrees with the decision to grant an extension.

Deficiencies:

For the element OPO6, SDM did not have a system or process in place whereby an extension was granted for Organization Determinations. It was observed by the auditors when the Organization determinations samples were reviewed that SDM disapproved the requests when additional information were required. An extension was not considered so the missing information could be submitted within 14 days. Therefore members were also unaware of their rights to file an expedited grievance.

Corrective Action Required:

SDM must put in place a process for determining and handling Organization Determination extensions. This must also be included in SDM guideline or policy and procedure for Organization Determinations, and it must be outlined who are the responsible parties/ department with information on the notices which will be used to grant an extension, as well as, inform the member of their right to file an expedited grievance. Please ensure that the notice is approved through CMS marketing process in HPMS. Also, please ensure that the policy being used is approved and signed by the appropriate persons. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. Please see Chapter 13, section 40 and 50 of the Medicare Managed Care manual for guidance.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP07
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Decision Not to Expedite an Organization Determination (Notice Content) - If the MAO decides not to expedite an organization determination, the notice to the member of the decision not to expedite must explain that the MAO will process the request using the 14-day standard timeframe, inform the member of the right to file an expedited grievance if he or she disagrees with the decision not to expedite, inform the member of the right to resubmit a request for an expedited determination with any physician's support, and provide instructions about the MAO grievance process and its timeframes.

Deficiencies:

For element OPO7, SDM did not provide evidence that there is a process in place for when a decision is made not to Expedite an Organization Determination. In the information submitted to CMS within fourteen days after the on -site review, Policy Q128 addresses organization determination in general but does not provide a step by step process of how this will be completed. This policy does not address transferring an expedited organization determination to a standard determination, nor does it include a notice for informing the member about their rights to file an expedited grievance if they disagree with the decision not to expedite, or on information regarding the resubmission of the request for an expedited determination with physician's support, the grievance process and the timeframes.

Corrective Action Required:

SDM must enhance Policy Q128 or create guidelines which address SDM process if it does not expedite an organization determination with the notices which will be used to inform members of this decision. Please ensure that submitted policies are signed and approved by the designated persons Notices must include information about SDM decision to change the expedited request to the 14 day standard timeframe, inform the member of their rights to file an expedited grievance if they disagree with SDM decision not to expedite, provide information regarding the resubmission of a request for an expedited determination with physician support, and instructions about SDM grievance process and timeframes. All notices and referenced attachments must be submitted with this guideline. SDM must conduct training for the appropriate staff on these process and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. Please refer to Chapter 13 Section 50.1 and 50.3 of the Medicare Managed Care Manual for guidance.

CMS Medicare Managed Care Auditing Report

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Correctly Distinguishes Between Organization Determinations and Reconsiderations - The MAO must correctly distinguish between organization determinations and reconsiderations.

Deficiencies:

For element OPO8, SDM did not have a universe for WS-OP2. After the reconsideration universe was submitted, the auditor was informed that the sample pulled by the Claims department for Reconsideration was incorrect since the universe provided was actually for organization determinations. A new sample was requested prior to the site visit. This universe was not provided during the site visit. Also, it was requested for this universe to be submitted to the regional office 14 days after the site visit. No data was submitted or a reason was provided for not submitting this universe. This element is also not met based on the review of elements OPO3 and REO1.

Corrective Action Required:

SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its organization determinations and reconsiderations requests received by the MCO and how it correctly distinguished between an organization determination and reconsideration. This audit should evaluate whether your determinations and reconsiderations are being classified and handled appropriately within the required timeframes. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified beginning the fourth quarter of 2007. 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 Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP09
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 07/11/2008
MCO Response Due Date: 12/07/2007

Requirement:

OPTIONAL: Favorable Standard Pre-Service Approvals (Timeliness) - If the MAO makes a favorable standard pre-service organization determination, it must notify the member of its determination as expeditiously as the member's health condition requires, but no later than 14 calendar days after receiving the request (or an additional 14 days if an extension is justified).

Deficiencies:

For element OPO9, fifteen cases were reviewed for SDM, two cases were incorrect and one case was misclassified. Of the other thirteen cases, eleven cases were met. Therefore this element is MET. For element OPO9 for WHI, of the fifteen cases, one was not met and seven were misclassified. Therefore 30% of this sample is misclassified.

Corrective Action Required:

SDM must develop guidelines and/or policies and procedures regarding oversight of its delegated entities to ensure compliance with CMS requirements. Until further notice please provide documentation of SDM oversight over its delegated entities. Please submit these documents with meeting minutes from oversight committee. SDM must submit the appropriate universe for this element for WHI. CMS will then pull another sample to be reviewed. Once SDM produces a representative universe, the reviewer will review the elements associated with the universe via a focused review and rate the elements accordingly.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP12
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Detailed Explanation of Non-Coverage of Provider Services (Timeliness) -- The MAO (upon notification by the QIO that an enrollee has filed a request for a fast-track appeal) must send a detailed notice to the enrollee by the close of business of the day the QIO notification is received.

Deficiencies:

For element OP12, SDM did not have a universe for review. In the information requested 14 days after the on-site review, SDM submitted Grievance and Appeals Manual did not contain a guideline or policy and procedure which outlines when SDM will send the "Detailed Explanation of Non-Coverage" to the enrollee after notification by the QIO that the enrollee has filed a request for a fast-track appeal. Therefore, this element is Not MET.

Corrective Action Required:

SDM must develop and implement guidelines or policies and procedures that address the process and timeframe for sending the 'Detailed Explanation of Non- Coverage' to the enrollee after notification by the QIO that a fast track appeal has been filed. This document must be submitted to the Regional Office along with documentation that the appropriate staff has been trained on these policies and procedures or guidelines. Please refer to Chapter 13, Section 90.2 of the Medicare Managed Care Manual for guidance. SDM must demonstrate that it meets the requirement and must document that it appropriately administers timely the "Detailed Explanation of Non-Coverage Medicare" - 10095B to explain why SNF, HHA and CORF provider services are no longer reasonable or necessary, or are no longer covered. SDM must submit monthly reports to the regional office of all non-coverage decision issued and a copy of the notices issued, with information concerning applicable Medicare rule, instruction, or policy including citations, and how to obtain copies of these documents. SDM must monitor this function, audit compliance with this requirement, and provide monthly reporting to the regional office starting October 2007 until further notice.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP13
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/04/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Detailed Notice of Non-Coverage of Provider Services (Notice Content) - The MAO must include in the Detailed Notice of Non-Coverage of Provider Services an explanation as to why the provider services are no longer reasonable or necessary, or are no longer covered; the applicable Medicare rule, instruction or policy including citations, and how the enrollee may obtain copies of such documents; and other facts or information relevant to the non-coverage decision.

Deficiencies:

For element OP13, SDM did not have samples for review. In the information requested 14 days after the on-site review, SDM submitted Grievances and Appeals Manual which did not contain a guideline or policy and procedure that outlines SDM process for sending the 'Detailed Explanation of Non-Coverage' to the enrollee after receiving notification from the QIO that the enrollee filed a request for a fast-track appeal.

Corrective Action Required:

SDM developed guidelines or policies and procedures for handling and sending of the Detailed Explanation of Non-Coverage of Provider Services must include a copy of the notice. This notice must include information on why the provider services are no longer reasonable or necessary, or are no longer covered and the applicable Medicare rule, instruction, or policy with the citations and how to obtain copies of such documents, and other facts or information relevant to the non-coverage decision. Please ensure that all attachments and notices are approved through CMS marketing system in HPMS. SDM must conduct training for the appropriate staff on these policies and procedures or guidelines and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must demonstrate that it meets the requirement and must document that it appropriately administer timely the "Detailed Explanation of Non- Coverage Medicare" - 10095B to explain why SNF, HHA and CORF provider services are no longer reasonable or necessary, or are no longer covered. SDM must submit monthly reports to the regional office of all non-coverage decision issued and a copy of the notices issued, with information concerning applicable Medicare rule, instruction, or policy including citations, and how to obtain copies of these documents. SDM must monitor this function, audit compliance with this requirement, and provide monthly reporting to the regional office starting October 2007 until further notice.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP15
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Notice of Non-Coverage of Inpatient Hospital Care - The MAO must provide notice to the enrollee of its decision (or that of the delegated provider) of non-coverage of further hospital care no later than the day before hospital coverage ends when the enrollee disagrees with the discharge or noncoverage decision. Prior to issuance of this notice, the MAO secures concurrence from the physician responsible for the patient's care in the hospital. The MAO's notice of non-coverage of further inpatient hospital care must include the reason why further inpatient hospital care is no longer needed; the date and time of the enrollee's liability for continued impatient care; and the enrollee's appeal rights.

Deficiencies:

For element OP15, there was no evidence that SDM has a "Notice of Non-Coverage of Inpatient Hospital Care" and the process of when this notice will be provided to members. In the information requested 14 days after the on-site review, SDM submitted Grievance and Appeals Manual which did not contain a guideline or policy and procedure regarding 'Notice of Non- Coverage of Inpatient Hospital Care' or this notice. Therefore, this element is not MET

Corrective Action Required:

SDM must develop guidelines or policy and procedures regarding how and when the "Notice of Non- Coverage of Inpatient Hospital Care" is provided to member. This notice must include information why further inpatient hospital care is no longer needed, the date and time of the enrollee's liability for continued inpatient care, and the enrollee's appeal rights. Please ensure that this notice has been reviewed under CMS Marketing requirements in HPMS. This document must be submitted to the Regional Office along with documentation that the appropriate staff has been trained on these policies and procedures or guidelines when this notice must be provided to members. Please refer to Section 150.1 in Chapter 13 of the Medicare Managed Care Manual for guidance.

CMS Medicare Managed Care Auditing Report

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/29/2008
MCO Response Due Date: 12/07/2007

Requirement:

Consultation with Physicians and Subcontracted Physician Groups - The MAO must establish a formal mechanism to consult with the physicians and subcontracted groups that have agreed to provide services regarding the organization's: medical policy, quality assurance programs, and medical management procedures.

Deficiencies:

42 CFR 422.202(b) and (c) The MAO must establish a formal mechanism to consult with the physicians and subcontracted groups that have agreed to provide services regarding the organization's medical policy, quality improvement programs and medical management procedures. The MAO lacks documentation of consultation with Physicians and subcontracted Physician Groups. The MAO lacked documentation of a formal mechanism to consult with the physicians and subcontracted groups that have agreed to provide services regarding the organizations: medical policy, quality assurance programs, and medical management procedures. There was no evidence of a Quality Assurance and Improvement Program or QI committee since 2005.

Corrective Action Required:

Submit a plan for a formal mechanism to consult with physicians and subcontracted groups that have agreed to provide services regarding the organization's medical policy, quality improvement programs and medical management procedures. This must include a process for consulting with affiliated physicians and outside peer experts and communicating coverage decisions to providers. Ensure coverage policies are consistent with national Medicare Coverage determinations. SDM must submit a process for the adoption of practice guidelines and for the approval and periodical review of clinical criteria that are based on scientific advances or changes in customary practice. SDM must demonstrate clinical criteria for specific procedures are available upon request from a provider and must demonstrate that new practice guidelines are based on the needs of its population or identified variations in practice patterns. Also, SDM must ensure the dissemination of practice guidelines to physicians and select relevant guidelines to the members, and have a process for communicating practice guidelines, upon request, to all providers and enrollees including discharge criteria, continued stay and admission practice guidelines. SDM must submit to the regional office the following: Provider Manual, documentation of consultation with affiliated physicians and outside experts, coverage decision process for communicating information to physicians. SDM must submit newsletters, documentation of consultation with affiliated physicians and outside experts, clinical practice guidelines and QA minutes on a quarterly basis. SDM must submit the title of the person who will monitor this area for compliance.

CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 04/01/2008
MCO Response Due Date: 12/07/2007

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:

42 CFR 422.204(b)(2) The MAO must follow a documented process for physicians and other health care professionals regarding initial credentialing and recredentialing. This element was not met as evidenced by: 18 of 20 credentialing/recredentialing files reviewed were not in compliance. Education was not verified through primary source, licensure was not current, quality care issues were not documented in recredentialing files.

Corrective Action Required:

Submit a plan to ensure compliance with credentialing/recredentialing regulations. Submit title of person who will monitor for compliance.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/06/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/16/2008
MCO Response Due Date: 12/07/2007

Requirement:

Process for Consultation with Health Care Professionals Regarding CredentialingThe MAO must have a process for health care professionals' input in the credentialing process.

Deficiencies:

42 CFR 422.204(b)(2)(iii) The MAO must have a process for health care professionals' input in the credentialing process. This element was not met as evidenced by: The policies and procedures of the MAO and Credentialing Committee minutes lacked evidence of a process for receiving advice from contracting health care professionals with respect to criteria for credentialing and recredentialing of individual health care providers. The Credentialing Committee minutes were not discussed at QI meetings as there was no QI committee. The Credentialing Committee minutes were not presented to the Board of Directors.

Corrective Action Required:

Submit a plan identifying the process for health care professional's input in the credentialing process with respect to criteria for credentialing and recredentialing of individual health care professionals. Submit title of person who will monitor for compliance.

CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: PR05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
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Element Release Date: 07/11/2008
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/16/2008
MCO Response Due Date: 12/07/2007

Requirement:

Credentialing Requirements for FacilitiesThe MAO must have written policies and procedures for selection and evaluation of providers and follow a documented process for facilities regarding initial credentialing and recredentialing.

Deficiencies:

42 CFR 422.204(b)(1) The MAO must have written policies and procedures for selection and evaluation of the providers and follow a documented process for facilities regarding initial credentialing and recredentialing. This element was not met as evidenced by: The facility records reviewed lacked licenses to operate in the state, documentation of compliance with Medicare certification, documentation of review and approval by an accrediting body or documentation of compliance with standards established by the organization itself.

Corrective Action Required:

Submit a plan to ensure the documented process for facility credentialing/recredentialing is followed. Submit the title of the person who will monitor for compliance.

CMS Medicare Managed Care Auditing Report

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

QI Program That Is Evaluated Annually - The MAO must have an ongoing quality improvement (QI) program that is formally evaluated at least annually.

Deficiencies:

42 CFR 422.152(a, (c),(d) and (f)(2) The MAO must have an ongoing improvement program that is evaluated at least annually. This element was not met as evidenced by: The MAO did not develop a QI plan for 2006 and 2007. The QI plan from 2005 was not evaluated.

Corrective Action Required:

Submit a QI plan for 2007 and 2008. Submit title of person who will monitor for compliance.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/14/2008
MCO Response Due Date: 12/07/2007

Requirement:

Adequate Health Information System - The MAO must maintain a health information system that collects, integrates, analyzes, and reports data necessary to implement its QI program.

Deficiencies:

42 CFR 422.152(f)(1) The MAO must maintain a health information system that collects, integrates, analyzes and reports data necessary to implement its QI program. This element was not met as evidenced by: The MAO did not provide documentation of health information data reports, overview of information system and integration, committee minutes where reports are reviewed, policies and procedures for provider audits, samples of submitted provider data audits and corrective actions, analysis of member survey results, utilization reports to identify patterns of possible utilization of services.

Corrective Action Required:

The MAO must provide documentation of health information data reports, overview of information system and integration, committee minutes where reports are reviewed, policies and procedures for provider audits, samples of submitted provider data audits and corrective actions, analysis of member survey results, utilization reports to identify patterns of possible utilization of services, audited HEDIS reports. Submit title of person who will monitor for compliance.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 03/31/2008
MCO Response Due Date: 12/07/2007

Requirement:

Appropriate Utilization Management Program - If the MAO offers a coordinated care plan, or a local PPO that is licensed as an HMO, the MAO must employ a utilization management program that meets CMS requirements for each plan.

Deficiencies:

42 CFR 422.101(b) (1)-(5) 422.152b) (1), (2), and (4) If the MAO offers a coordinated care plan, or local PPO that is licensed as an HMO, the MAO must employ a utilization management program that meets CMS requirements for each plan. This element was not met as evidenced by: The MAO failed to provide utilization reports to identify patterns of possible underutilization of services and over utilization of services. The MAO lacked documentation of information system reports, UM manual and UM training program materials. The MAO lacked evidence it had a mechanism to detect both underutilization and over utilization of services. The MAO lacked a mechanism to ensure consistent application of review criteria and compatible decisions.

Corrective Action Required:

Submit UM systems reports on a quarterly basis. Submit Utilization reports for underutilization of services and over utilization of services on a quarterly basis. Submit UM Manual and UM training program materials. Submit UM systems reports on a quarterly basis.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/08/2008
MCO Response Due Date: 12/07/2007

Requirement:

Significant Problems Corrected - The MAO corrects significant systemic problems that come to its attention through internal surveillance, complaints, or other mechanisms.

Deficiencies:

42 CFR 422.152(f) (3) The MAO corrects significant systemic problems that come to its attention through internal surveillance, complaints or other mechanisms. This element is not met as evidenced by: The MAO lacks a mechanism for assessing the severity of identified problems. There was no documentation of internal surveillance. The MAO lacked documentation of satisfaction surveys, QI meeting minutes, and Quality of Care case logs.

Corrective Action Required:

Submit policies and procedures for internal surveillance, complaints. Submit policy/procedure for correcting significant systemic problems. Submit title of person who will monitor for compliance.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY07
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/06/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 01/31/2008
MCO Response Due Date: 12/07/2007

Requirement:

Oversight of Delegated Entities with Chapter 5 Responsibilities If any of the activities or responsibilities for the above elements, QY 01- QY05 or QY08-QY09, in Chapter 5 are delegated to other parties, the MAO must oversee them per CMS standards.

Deficiencies:

42 CFR 422.504(i) If any of the activities or responsibilities for the elements, QY01-QY05 or QY08-QY09, in Chapter 5 is delegated to other parties, the MAO must oversee them per CMS standards. This element was not met as evidenced by: The MAO failed to monitor the Delegated Credentialing entities on an ongoing basis and formally reviews the entity at least once annually.

Corrective Action Required:

Submit policy/procedure for monitoring of delegated credentialing 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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/06/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 03/15/2008
MCO Response Due Date: 12/07/2007

Requirement:

Chronic Care Improvement Program The MAO must have a chronic care improvement program (CCIP).

Deficiencies:

Chronic Care Improvement Program. The plan did not submit a valid Chronic Care Improvement Program (CCIP) report to MAQRO, the evaluator entity. The report that was submitted was completed by a vendor, rather than the plan, which is not acceptable. In the CCIP reports, MAOs may include information provided by their contracted, or delegated, entity but the MAO needs to complete the report and answer the many questions related to internal proccesses, procedures and oversight of the delegated entity.

Corrective Action Required:

The MAO must complete a CCIP report and submit the report to the assigned MAQRO, Lumetra. MAOs are required to answer all questions asked in the CCIP report template. The report must be submitted by January 11, 2008.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: QY09
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/15/2008
MCO Response Due Date: 12/07/2007

Requirement:

Quality Improvement Projects The MAO must successfully complete annual QI projects that focus on both clinical and non-clinical areas and submit the project reports to the evaluation entity.

Deficiencies:

Quality Improvement Projects. The MAO must successfully complete annual QI projects and submit the project reports to the evaluation entity. The plan did not submit any Quality Improvement (QI) project reports to MAQRO, the evaluation entity, as required. Per Chapter 5 of the Medicare Managed Care Manual, the requirement to implement annual QI projects begins the second year of the MA contract.

Corrective Action Required:

SDM must submit two (2) QI project reports to the assigned MAQRO, Lumetra, by January 11, 2008. One report is to show evidence of a QI project that was initated in 2006, and one report is to show evidence of a QI project that was initated in 2007. Refer to Chapter 5 of the Medicare Managed Care Manual for details on QI project requirements and attributes. The QI report templates are to be completed as far as each project has progressed. For example, for the 2006 project, reporting is expected through the QI report template sections E, baseline data under section F, and any interventions that have been implemented thus far (section G). For the 2007 project, reporting is expected through Section E.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Favorable Claims Reconsiderations (Timeliness) - If the MAO makes a reconsidered determination on a request for payment that is completely favorable to the member, it must issue written notice of its reconsidered determination to the member and pay the claim no later than 60 calendar days after receiving the reconsideration request.

Deficiencies:

For elements RC01, this universe was misclassified. Prior to the site survey the auditor was informed that the incorrect sample was sent to the Regional Office. A new sample was requested but was not submitted by SDM. This information was requested within 14 days after the on-site review, SDM did not provide a new universe. Reviewed SDM's Policies and Procedures QI 29 and QI 30 for Reconsiderations. Some areas of these policies do not reflect the process explained to the auditor during the Appeals and Grievance Interview (For example, currently there was not a functioning Appeals Committee).

Corrective Action Required:

SDM must revise its policies to reflect how it currently process reconsideration requests, and the many attachments referred to in these policies must be included. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must submit the appropriate universe for this element. Once SDM produces a representative universe, the reviewer will review the elements associated with the universe via a focused review and rate the elements accordingly.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Adverse Claims Reconsiderations (Timeliness) - If the MAO affirms, in whole or in part, its adverse organization determination, or fails to provide the member with a reconsideration determination within 60 days of receipt of the request (which constitutes an affirmation of its adverse organization determination), it must forward the case to CMS' independent review entity no later than 60 calendar days after receiving the reconsideration request. The MAO concurrently notifies the member that it has forwarded the case to CMS' independent review entity.

Deficiencies:

For elements RC02 prior to the site survey, SDM informed the auditor that the sample sent to the Regional Office was incorrect, because they were not reconsiderations. A new sample was requested but was not submitted. Information was requested within 14 days after the on-site review for this element, SDM did not provide a reason for not submitting a new universe or any information regarding this universe. Therefore this element is misclassified. Reviewed SDM¿s Policies and Procedures QI 29 and QI 30 for Reconsiderations. Some areas of these policies do not reflect the process explained to the auditor during the Appeals and Grievance Interview (For example, currently there was not a functioning Appeals Committee).

Corrective Action Required:

SDM must revise its policies to reflect how it currently process reconsideration requests, and the many attachments referred to in these policies must be included. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must submit the appropriate universe for this element. Once SDM produces a representative universe, the reviewer will review the elements associated with the universe via a focused review and rate the elements accordingly.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Effectuation of Third Party Claims Reconsideration Reversals - If the MAO's determination is reversed in whole or in part by the independent review entity, the MAO must pay for the service no later than 30 calendar days from the date it receives the notice reversing the organization determination. The MAO must also inform the independent review entity that the organization has effectuated the decision.If the MAO's determination is reversed in whole or in part by an ALJ, or at a higher level of appeal, the MAO must authorize or provide the service under dispute as expeditiously as the member's health requires, but no later than 60 days from the date it received notice of the reversal.

Deficiencies:

Element RC03, review was also based on the review of element RC01 and RC02. SDM submitted an incorrect universe for WS -RC1 and WS-RC2. Therefore, auditor could not determine if adverse organization determinations upheld are prepared and sent to the independent review entity contracted by CMS timely, nor could auditor determine how and when SDM notified enrollee that their case has been forwarded to the independent review entity. Therefore, this element is not MET.

Corrective Action Required:

SDM must revise it policies and procedures QI 29 and QI30 to reflect the process being done by SDM. The information must be clear about the designated persons or departments who will perform each function in this process. Please ensure notices referred to in these policies are attached or referral is made to where they can be found. Submitted policies must be approved and signed by the appropriate parties. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RE01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/05/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Acceptance of Standard Reconsideration Requests - The MAO must accept written requests for standard reconsiderations of requests for services or payment filed within 60 calendar days of the notice of the organization determination (or if good cause is shown, accepts written requests for standard reconsideration after 60 calendar days).

Deficiencies:

For element RE01, Policy and Procedure QI30 and Q32 were reviewed. The Quality Improvement Director is listed as the responsible party for this function, however, the quality director position is currently vacant. SDM must have guidelines in place for the process currently used to complete this process. It should also be spelled out how the departments interact with each other to complete this process. Also, from the interviews, information provided, and samples reviewed the auditors were concerned that SDM customer service and other staff had difficulty in determining a grievance from an appeal. Therefore, this element is not MET.

Corrective Action Required:

SDM must revise its policy to reflect how it handles the acceptance of standard reconsideration requests. Please ensure that the correct timeframes are stated. Policies and procedures submitted must be approved and signed off on by the responsible parties. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RE02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/05/2008
Element Release Date: 03/07/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Appropriate Person(s) Conduct the Reconsideration A person or persons who were not involved in making the organization determination must conduct the reconsideration. When the issue is a denial based on lack of medical necessity, the reconsidered determination must be made by a physician with the expertise in the field of medicine that is appropriate for the service at issue. The physician making the reconsidered determination need not, in all cases, be of the same specialty or subspecialty as the treating physician.

Deficiencies:

For element RE02, Policy QI30 was reviewed. This policy did not state its process for reconsideration review or if the reconsideration is based on a lack of medical necessity. Also, see RE01. Therefore this element is NOT MET.

Corrective Action Required:

For element RE02, Policy and Procedure QI30 was reviewed. SDM must revise its policy to outline how the process will occur and who are the designated people involved in the reconsideration review process. Also, see comments in RE01. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Favorable Standard Pre-Service Reconsiderations (Timeliness) - If the MAO makes a fully favorable decision on a standard pre-service reconsideration, it must issue a decision to the member, and authorize or provide the service, as expeditiously as the member's health requires, but no later than 30 calendar days after receiving the reconsideration request (or an additional 14 calendar days if an extension is justified).

Deficiencies:

For element RPO1, there was no universe. In the information requested 14 days after the on-site review, Policy Q1 30 was reviewed for this element. The information provided regarding the review of service denial for initial determination denial did not outline a process and the departments/and all persons responsible for performing this function. The policy stated that the review is done by the Appeals committee. The auditors during the review and interviews learned that this committee has not been functional for sometime. During the review, the auditor noted that SDM does not have a formalized process for handling requests received. Also, this element is not met based on the review for element RC01.

Corrective Action Required:

SDM must revise it policy and outline a step by step process of whom and what department is responsible for administering this function. The submitted policy must be approved and signed off on by the appropriate persons. Also, SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its favorable standard pre-service reconsiderations. This audit should evaluate whether SDM is expediting the reconsideration requests timely. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified from October 2007. The summary report should include: title of the auditor (s), the audit methodology, and the results of the audit.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Adverse Standard Pre-Service Reconsiderations (Timeliness) - If the MAO is unable to make a fully favorable decision on a standard pre-service reconsideration, it must forward the case to CMS' independent review entity as expeditiously as the member's health requires, but no later than 30 calendar days after receiving the reconsideration request (or an additional 14 calendar days if an extension is justified). The MAO must concurrently notify the member of this action.

Deficiencies:

For element RPO2, there was no universe. However, in the information requested 14 days after the on-site review, Policy Q1 30 was reviewed for this element. The information provide regarding the review of adverse standard pre-service reconsiderations timely did not outline time frames and the process with the departments/and all persons responsible for performing this function. The policy stated that the review is done by the Appeals committee. The auditors during the review and interviews learned that this committee has not been functional for sometime. During the review, the auditor noted that SDM does not have a formalized process for handling requests received. Also, this element is not met based on the review for element RC02.

Corrective Action Required:

SDM will be requested to submit a new universe to the regional Office in six months. Once SDM produce a representative universe, the reviewer will review the elements associated with the universe via a focused review and rate the elements accordingly. Also, SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained. SDM must establish a mechanism for ongoing monitoring of this area to ensure continued compliance. SDM should conduct an internal audit each month of its adverse standard pre-service reconsiderations. This audit should evaluate whether SDM is expediting the reconsideration requests timely. SDM should submit a summary report once a quarter to the regional office of its monthly findings until further notified from October 2007. The summary report should include: title of the auditor (s), the audit methodology, and the results of the audit.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

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Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Effectuation of Third Party Standard Pre-Service Reconsideration Reversals - If the MAO's determination is reversed in whole or in part by the independent review entity, the MAO must authorize the service within 72 hours from the date it receives the notice reversing the determination, or provide the service as quickly as the member's health requires (but no later than 14 calendar days from that date). The MAO must also inform the independent review entity that the organization has effectuated the decision.If the MAO's determination is reversed in whole or in part by an ALJ, or at a higher level of appeal, the MAO must authorize or provide the service under dispute as expeditiously as the member's health requires, but no later than 60 days from the date it received notice of the reversal.

Deficiencies:

For element RP03, there was no universe. The policies QI 29 and QI 30 which were reviewed did not have a clear process to show how SDM will perform this function. Also, this element was not met based on the review of element RC03.

Corrective Action Required:

SDM must revise it policy and procedures QI 29 and QI30 to reflect the process being done by SDM. The information must be clear about the designated persons or departments who will perform each function in this process. Please ensure notices refer to in these policies copies are attached or referral is made to where they can be found. These policies must be approved and signed off on by the appropriate persons. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

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: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 03/05/2008
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CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Receipt and Documentation of Expedited Reconsideration Requests - The MAO must establish an efficient and convenient means for individuals to submit oral or written requests for expedited reconsiderations, document all oral requests in writing, and maintain the documentation in a case file.

Deficiencies:

The auditors' review of SDM's process for receiving and documenting requests is determined to not be a formalized process, and this process was not outlined in policy QI29. Also, since SDM did not submit its 2007 SB and EOC for review and approval for its Platino members it could not be determined that these members are aware or provided with information on how to submit oral or written request for expedited reconsiderations. Therefore, based on these and the review of element RE01, the element for RPO4 is Not MET.

Corrective Action Required:

SDM must revise it policy QI29 to reflect its current process. Please ensure that this policy is approved and signed by the designated persons on the document. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

CMS Medicare Managed Care Auditing Report

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
Element Release Date: 07/11/2008
CAP Released Date: 07/28/2008

Visit Start Date: 8/27/2007
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Requests for Expedited Reconsiderations (Timeliness)The MAO must promptly decide whether to expedite a reconsideration based on regulatory requirements. If the MAO decides not to expedite a reconsideration, it must automatically transfer the request to the standard timeframe, provide oral notice to the member of the decision not to expedite within 72 hours of receipt of the request for an expedited reconsideration, and provide written notice within 3 calendar days of the oral notice. If the MAO decides to expedite the reconsideration, it must make a determination and notify the member as expeditiously as the member's health requires, but no later than 72 hours from the time it receives the request for reconsideration (or an additional 14 calendar days if an extension is justified). If the MAO makes an expedited reconsideration determination that is fully favorable to the member, it must authorize or provide the service as expeditiously as the member's health requires, but no later than 72 hours from the time it receives the request for reconsideration (or an additional 14 calendar days if an extension is justified). If the MAO first notifies the member of its fully favorable expedited determination orally it must mail written confirmation to the member within 3 calendar days of the oral notification. If the MAO affirms, in whole or in part, its adverse expedited organization determination, it must forward the case to CMS' independent review entity as expeditiously as the member's health requires, but not later than 24 hours after the decision. If the MAO fails to provide the member with the results of its reconsideration within the timeframes specified above (as expeditiously as the member's health condition requires or within 72 hours), this failure constitutes an adverse reconsideration determination and the MAO must submit the file to CMS' independent review entity within 24 hours. The MAO must concurrently notify the member in writing that it has forwarded the case file to CMS' independent review entity.

Deficiencies:

For element RP05, SDM did not have a universe. Also based on the auditors' review of SDM practice for receiving and documentation of requests and the absence of a method in place to ensure timeliness for addressing those requests, and the review for OPO4, RC1 and RC2.This element is not MET.

Corrective Action Required:

SDM must revise its policy to include a process and method that will ensure the timely handling of requests. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

CMS Medicare Managed Care Auditing Report

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
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Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Decision Not to Expedite a Reconsideration (Notice Content) - If the MAO decides not to expedite a reconsideration, the notice to the member of the decision not to expedite must explain that the MAO will process the request using the standard timeframe, inform the member of the right to file a grievance if he or she disagrees with the decision not to expedite, inform the member of the right to resubmit a request for an expedited reconsideration with any physician's support, and provide instructions about the MAO grievance process and its timeframes.

Deficiencies:

For this element, SDM did not have a universe. However, base on SDM's staff inability to determine a grievance from an appeal correctly and the review of element RP05 and RC1, RC2 and OPO7, this element is not MET.

Corrective Action Required:

SDM must revise its policy to ensure that the notice sent to the members is attached or a reference is made to where these are located and the process for sending these notices with attachments to members. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

CMS Medicare Managed Care Auditing Report

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Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP07
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
Element Accepted Date: 07/11/2008
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CAP Released Date: 07/28/2008

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Exit Conference Date: 08/31/2007
Date Report Issued: 10/23/2007
Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
Element Projected Completion Date: 02/05/2008
MCO Response Due Date: 12/07/2007

Requirement:

Effectuation of Third Party Expedited Reconsideration Reversals - If the MAO's determination is reversed in whole or in part by the independent review entity, the MAO must authorize or provide the service under dispute as expeditiously as the member's health requires but no later than 72 hours after the date it receives notice reversing the determination. The MAO must also inform the independent review entity that the organization has effectuated the decision.If the MAO's determination is reversed in whole or in part by an ALJ, or at a higher level of appeal, the MAO must authorize or provide the service under dispute as expeditiously as the member's health requires, but no later than 60 days from the date it received notice of the reversal. The MAO must also inform the independent outside entity that the organization has effectuated the decision.

Deficiencies:

For element RPO7, the policies QI 29 and QI 30 which were reviewed did not have a clear process to show how SDM will perform this function. Also, based on the review of OP14 and RCO3, this element is Not MET.

Corrective Action Required:

SDM must revise its policies to outline the process for handling third party expedited reconsideration reversals with all persons/departments who are responsible for handling this function. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.

CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

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

Findings: NOT MET

Review ID: 9037

Region: 02 New York

Contract Number / Name: H4009 SDM HEALTHCARE MANAGEMENT, INC.

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 12/07/2007
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Date Report Due: 10/15/2007
CAP Accepted Date: 07/28/2008
Audit Closed Date: 07/28/2008
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MCO Response Due Date: 12/07/2007

Requirement:

Reconsideration Extensions (Notice Content) - If the MAO grants an extension on a reconsideration, the written notice to the member must include the reasons for the delay, and inform the member of the right to file a grievance if he or she disagrees with the decision to grant an extension.

Deficiencies:

For element RPO8, the policies QI 29 and QI 30 which were reviewed did not have a clear process to show how SDM will perform this function. Also, based on the review of element OPO6, this element is Not MET.

Corrective Action Required:

SDM must revise its policies to include the notices used for the reconsideration extensions and the required timeframes. SDM must conduct training for the appropriate staff on these policies and procedures and provide documentation to the regional office that details the nature of this training, including: the materials used in the training, the individual conducting the training and the individuals being trained.