# *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:** 12717

**Region:** 06 Dallas

**Contract Number / Name:** H1961 TENET CHOICES, INC. / PEOPLES HEALTH NETWORK

**Auditing Guide Version:** MA Audit Review Guide, Version 5

**Auditing Element:** ZZ91

**Review Type:** Ad-Hoc Compliance Event

**Review Status:** Confirmed

**MCO Response Received Date:** 08/08/2008

**Element Accepted Date:**

**Element Release Date:**

**CAP Released Date:**

**Visit Start Date:** 7/1/2008

**Exit Conference Date:** 07/01/2008

**Date Report Issued:** 07/01/2008

**Date Report Due:** 08/15/2008

**CAP Accepted Date:**

**Audit Closed Date:**

**Element Projected Completion Date:**

**MCO Response Due Date:** 08/15/2008

**Requirement:**

Ad-Hoc Compliance Event

**Deficiencies:**

The Centers for Medicare and Medicaid Services¿ (CMS) Dallas Regional Office and Central Office have worked collaboratively to review your recent request for offering an employer group plan, the employer plan is to be effective July 1, 2008. You have been operating the employer group plan, contract number H1961, as a Part D Payment Demonstration plan. CMS has found that Peoples Health did not adhere to the restrictions cited in the May 10, 2005 Instructions for the Part D Payment Demonstration in offering employer benefits. On Page 8 of the Instructions for the Part D Demonstration, in the element of payment demonstration titled ¿Employer Coverage Issue¿, the following is stated: The Part D payment demonstration plan must have any prospective enrollee attest that the beneficiary is not receiving any employer benefits for Medicare prescription drug benefits. The plan has the discretion on how to develop a method for obtaining and recording this information during the enrollment process. The plan will not have to report anything to CMS, but is expected to maintain records for auditing purposes. Beneficiaries with a history of employer support will be flagged. Specifically, if the prospective enrollee has at any time had the retiree drug subsidy, an employer has paid their premiums, or has been enrolled in an ¿800¿ series plan or direct contract employer-sponsored plan, CMS shall alert the demonstration plan to halt the enrollment until the plan has had the enrollee attest that the employer is not currently funding their premiums. If the beneficiary attests that he/she is no longer receiving employer support the suspended enrollment can be overridden by a repeated enrollment transaction. Demonstration plans are required in their marketing materials to make prospective enrollees aware that they may not enroll in a demonstration plan if they are receiving employer support for prescription drug benefits Peoples Health did not correctly follow these instructions when enrolling beneficiaries into its 2008 employer group plan, (H1961, PBP 001, and PBP 002). CMS requires Peoples Health to implement a Corrective Action Plan (CAP) regarding this non compliance.

**Corrective Action Required:**

The CAP must include the following: ¿ Effective July 1, 2008, Peoples Health will enroll the affected beneficiaries into H1961 PBP001 or H1961 PBP002. ¿ During the July 1, 2008 through December 31, 2008 period, Peoples Health will not be eligible for any Part D payments for these beneficiaries, including direct subsidy, reinsurance subsidies, low-income subsidies, or risk sharing payments. ¿ Peoples Health will provide the affected beneficiaries with prescription drug coverage identical to that which would have been provided if the beneficiaries were enrolled in the Part D benefit. ¿ Effective January 1, 2009, Peoples Health will enroll the affected beneficiaries in a non-Reinsurance Payment Demonstration Part D plan. CMS is waiving the requirement found in 42 C.F.R. 422.624(a), which states that beneficiaries enrolled in an MAPD may not elect an MA plan that does not provide qualified prescription drug coverage. This will allow the beneficiaries to enroll in Peoples Health without getting the Part D benefit from this plan during the July 1, 2008 through December 31, 2008 period. This is being waived to allow beneficiaries to be enrolled into the MA portion of the Peoples Health contract H1961 and not elect the prescription drug coverage offered by the plan. This waiver would allow Peoples Health to retain enrollees into their employer group plan without being out of compliance as a Part D demonstration payment plan.