CMS Part D Audit Report

Auditing Results (Public Website Version)

Date Report Generated: 9/30/2008

Contract Number: All, Chapter: All, Element: All, Finding: Not Met, Auditor: All

Findings: Not Met
Contract Number: S5555
Audit ID: 1141
Part D Sponsor Name: MCS ADVANTAGE, INC.

Audit Guide Version: PDP Sponsor Part D Audit Guide Version 1
Auditing Element: MR06
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 1/9/2008
Date Report Due: 2/23/2008
Element Accepted Date: 3/17/2008
Element Release Date: 3/20/2008
Element Projected Completion Date: 3/28/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date:
Estimated Visit Start Date:
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 12/4/2007
Part D Sponsor Response Received Date: 2/20/2008
Part D Sponsor Response Due Date: 2/23/2008
CAP Release Date: 5/9/2008
CAP Accepted Date: 3/17/2008

Requirement:

Plan Responsibility for Persons Employed or Contracted to Perform Marketing - The Part D sponsor must have a compensation structure that meets CMS requirements for any person directly employed or contracted to market the plan. The Part D sponsor must utilize only state licensed, certified, or registered individuals to perform marketing on behalf of the Part D sponsor, whether as an employee or under contract directly or downstream, if a state has such a marketing requirement, and it must conduct monitoring activities to ensure that individuals marketing on behalf of the Part D sponsor comply with all applicable Part D laws, all other Federal health care laws, and CMS policies, including CMS marketing guidelines, to ensure that beneficiaries receive truthful and accurate information.

Reference:

Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

Based on sample review of sales representative's files, half did not possess a valid state license to sell MA product. Most were provisional licenses without proof of status update or action on behalf of the Part D sponsor in accordance to their policy and procedures. There was no policy and procedure to address who, when and how sales representative files would be audited to ensure accuracy of contents and updates. The plan failed to demonstrate oversight of the individuals contracted to sell their products. In addition, the contracts between the Part D sponsor employee/or contracted to market the plan did not contain the require disclaimer according to CMS policies including CMS marking guidelines to ensure that beneficiaries receive truthful and accurate information.

Corrective Action Required:

MAO must provide policies and procedures to address maintenance of sales representative files to ensure contents are consistent throughout, contain all necessary documentation and are updated and monitored regularly. Plan must demonstrate via policy and procedures how it will address sales representative's who have provisional Commonwealth licenses and what will happen to these individuals after this period expires. Plan must revise all contracts with individuals employed/or contracted to sale product to include all regulatory requirements. Submit to CMS within the first quarter of 2008, timelines as to when the plan expects to have all contracts revised to comply with CMS requirements.

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Findings: Not Met
Contract Number: S5555
Audit ID: 1141
Part D Sponsor Name: MCS ADVANTAGE, INC.

Audit Guide Version: PDP Sponsor Part D Audit Guide Version 1
Auditing Element: GV04
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 1/9/2008
Date Report Due: 2/23/2008
Element Accepted Date: 3/17/2008
Element Release Date: 3/17/2008
Element Projected Completion Date: 2/29/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date:
Estimated Visit Start Date:
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 12/4/2007
Part D Sponsor Response Received Date: 2/20/2008
Part D Sponsor Response Due Date: 2/23/2008
CAP Release Date: 5/9/2008
CAP Accepted Date: 3/17/2008

Requirement:

Timely Notification of Grievance Disposition - The Part D sponsor must notify the enrollee of its decision as expeditiously as the case requires, based on the enrollee¿s health status, but no later than 30 days after the date the Part D sponsor receives the oral or written grievance (or an additional 14 days if an extension is requested by the enrollee or justified by the Part D sponsor). If the Part D sponsor extends the deadline, it must immediately notify the enrollee in writing of the reason(s) for the delay.

Reference:

42 CFR § 423.564(e)(1-2); PDP Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

1 out of 15 cases were declared misclassified. Of the remaining 14, in 12 cases MCS failed to adjudicate (process) the beneficiary¿s grievance timely.

Corrective Action Required:

MCS must revise its policy and procedures to ensure that it notifies all enrollees of their decision as expeditiously as the enrollee's health requires, but no later than 30 days after the date the organization receives the grievance, unless extended by the plan for up to 14 calendar days. The revised policy and procedures must also state that the plan must respond to a grievance within 24 hours if: (1) the grievance involves a refusal by the Part D plan sponsor to grant an enrollee's request for an expedited coverage determination or expedited re-determination, and (2) the enrollee has not yet purchased or received the drug that is in dispute.

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Findings: Not Met
Contract Number: S5555
Audit ID: 1141
Part D Sponsor Name: MCS ADVANTAGE, INC.

Audit Guide Version: PDP Sponsor Part D Audit Guide Version 1
Auditing Element: GV05
Audit Type: Routine
Audit Location: Onsite
Date Report Issued: 1/9/2008
Date Report Due: 2/23/2008
Element Accepted Date: 3/17/2008
Element Release Date: 3/17/2008
Element Projected Completion Date: 2/29/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date:
Estimated Visit Start Date:
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Part D Sponsor Response Received Date: 2/20/2008
Part D Sponsor Response Due Date: 2/23/2008
CAP Release Date: 5/9/2008
CAP Accepted Date: 3/17/2008

Requirement:

Method of Grievance Response - The Part D sponsor must respond to all written grievances in writing (including facsimile). If the enrollee orally submits a grievance and requests a written response, the Part D sponsor must respond in writing.

Reference:

42 CFR § 423.564(e)(3)(i-ii); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

In measuring the method used by the plan to response to received grievances, the plan sent members incorrect notices in 12 out of 15 cases.

Corrective Action Required:

Plan must ensure that all grievances are processed according to 42CFR section 423.564(e(3)(i-ii) and according to chapter 18 Part D enrollee Grievances, Coverage Determinations and Appeals manual. The Plan must audit this area on a regular basis to ensure that all correspondence contains appropriate language to address members concerns.