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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV03
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 03/27/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 15 cases from a universe of 240 and found 11 cases that were not processed timely.

Corrective Action Required:

The MAO must notify the member of its grievance decision timely. The MAO must evaluate and implement its policies and procedures related to grievances. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: GV04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 05/05/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 15 cases from a universe of 240 and found 4 cases that did not include compliant notices.

Corrective Action Required:

The MAO must issue compliant grievance notices. The MAO must provide CMS with documentation to show that it is using a grievance notice that meets CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 03/27/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The current training materials being used to train marketing representatives did not include the material identification number and CMS approval date. In addition, the grievance letter being used did not include the CMS approval date.

Corrective Action Required:

The MAO must ensure that all marketing materials include the material identification number and CMS approval date. The MAO must provide CMS with documentation to show that the current training materials being used to train marketing representatives as well as the grievance letter have been submitted to and approved by CMS. The MAO must establish a mechanism for ongoing monitoring of this area to ensure continued compliance with CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: MR08
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 06/12/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date: 04/30/2008
MCO Response Due Date: 11/15/2007

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:

The MAO does not have an effective program for the oversight of all individuals who sell the MA plans, including marketing representatives, agents, and brokers. The review of the marketing representative files indicated a lack of adequate training. There is no documentation of any performance data and quarterly monitoring, which is contrary to the MAO's written policies and procedures.

Corrective Action Required:

The MAO must establish and maintain effective oversight over its marketing representatives. The MAO must develop and implement a more thorough tracking system, which includes the type of training available, frequency of training and re-testing, scores are achieved on the testing modules, and internal controls to better monitor the overall training of the sales force. The MAO must track performance data. The MAO must revise internal policies and procedures to reflect and ensure that documentation is maintained in the representatives' files. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office the details and the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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Date Report Generated: 9/30/2008

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

Findings: NOT MET

Review ID: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 12/12/2007
Element Release Date: 08/12/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 30 cases from a universe of 54,775 and found 28 cases that were not denied properly. (This finding is specific to delegated entity "P".)

Corrective Action Required:

The MAO must enhance its oversight controls over its delegated entity to ensure that delegated entity "P" makes correct claim determinations. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements. Beginning with the 4th Quarter of 2007, the MAO must evaluate the delegated entity's claims process to ensure that appropriate determinations are made. The MAO must send the regional office a summary report of its findings. This report is due to the regional office within 15 days of the close of the quarter. The MAO will be required to submit this quarterly report until further notified.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC04
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 12/12/2007
Element Release Date: 08/12/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 2 delegated entity "P" cases from a universe of 7,721 and found that both cases were not paid with the appropriate interest. Moreover, CMS audited 2 delegated entity "D" cases from a universe of 5,090 and found 1 case was not paid with the appropriate interest.

Corrective Action Required:

The MAO must enhance its oversight controls its delegated entities to ensure that clean claims are paid timely and interest is appropriately calculated and paid for clean claims that are not paid timely. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements. Beginning with the 4th Quarter of 2007, the MAO must evaluate the delegated entities' claims process to ensure that non-contracted provider claims are paid timely and interest is appropriately calculated and paid, as applicable. The MAO must send the regional office a summary report of its findings. This report is due to the regional office within 15 days of the close of the quarter. The MAO will be required to submit this quarterly report until further notified.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 12/12/2007
Element Release Date: 05/05/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 32 cases from a universe of 62,496 and found 6 cases that were not processed within 60 days. (This finding is specific to delegated entity "P".)

Corrective Action Required:

The MAO must enhance its oversight controls over its delegated entity to ensure that delegated entity "P" adjudicates non-clean claims timely. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements. Beginning with the 4th Quarter of 2007, the MAO must evaluate the delegated entity's claims process to ensure that non-clean claims are processed timely. The MAO must send the regional office a summary report of its findings. This report is due to the regional office within 15 days of the close of the quarter. The MAO 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

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

Findings: NOT MET

Review ID: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OC06
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 02/07/2008
Element Release Date: 06/12/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date: 03/17/2008
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 30 cases from a universe of 54,775 and found 24 cases that did not include compliant notices. (This finding is specific to delegated entity "P".)

Corrective Action Required:

The MAO must ensure that delegated entity "P" issues compliant written denial notices. The MAO must provide CMS with documentation to show that the delegated entity is using a denial notice that meets CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 03/27/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 10 cases from a universe of 11 and found 6 cases that were not processed timely.

Corrective Action Required:

The MAO must make an adverse standard pre-service organization determination timely. The MAO must evaluate and implement its policies and procedures related to pre-service organization determination. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
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Element Release Date: 12/12/2007
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

Requirement:

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

Deficiencies:

The MAO does not meet the CMS compliance standard because CMS audited 10 cases from a universe of 11 and found 6 cases that did not include compliant notices.

Corrective Action Required:

The MAO must issue compliant denial notices. The MAO must provide CMS with documentation to show that it is using a denial notice that meets CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP09
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 03/27/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 2 cases from a universe of 2 and found 2 cases that were not processed timely.

Corrective Action Required:

The MAO must decide whether to expedite an organization determination promptly, including providing the extension notice timely. The MAO must evaluate and implement its policies and procedures for handling requests for expedited organization determination. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: OP12
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 12/12/2007
Element Release Date: 12/12/2007
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 10 cases from a universe of 12 and found 10 cases that were not processed timely.

Corrective Action Required:

The MAO must send the Detailed Explanation of Non-Coverage notice timely. The MAO must evaluate and implement its policies and procedures related to the detailed explanation of non-coverage of provider services. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC01
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
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CAP Released Date: 08/12/2008

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Exit Conference Date: 08/17/2007
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Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 9 cases from a universe of 26 and found 5 cases that were not processed timely.

Corrective Action Required:

The MAO must process favorable claims reconsiderations timely. The MAO must evaluate and implement its policies and procedures related to favorable claims reconsiderations. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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

Findings: NOT MET

Review ID: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RC02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
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Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 8 cases from a universe of 20 and found 7 cases that were not processed timely.

Corrective Action Required:

The MAO must process adverse claims reconsiderations timely. The MAO must evaluate and implement its policies and procedures related to adverse claims reconsiderations. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP02
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
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CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 3 cases from a universe of 3 and found 3 cases that were not processed timely and appropriately.

Corrective Action Required:

The MAO must process adverse standard pre-service reconsiderations timely and appropriately, including sending the case to the IRE. The MAO must evaluate and implement its policies and procedures related to adverse standard pre-service reconsiderations. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.

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: 7263

Region: 05 Chicago

Contract Number / Name: H2319 BLUE CROSS BLUE SHIELD OF MICHIGAN

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: RP05
Review Type: Routine
Review Status: Confirmed
MCO Response Received Date: 11/13/2007
Element Accepted Date: 03/27/2008
Element Release Date: 03/27/2008
CAP Released Date: 08/12/2008

Visit Start Date: 8/13/2007
Exit Conference Date: 08/17/2007
Date Report Issued: 10/01/2007
Date Report Due: 10/01/2007
CAP Accepted Date: 03/27/2008
Audit Closed Date: 08/12/2008
Element Projected Completion Date:
MCO Response Due Date: 11/15/2007

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:

The MAO does not meet the CMS compliance standard because CMS audited 2 cases from a universe of 2 and found 2 cases that were not processed timely and appropriately.

Corrective Action Required:

The MAO must decide whether to expedite a reconsideration promptly. The MAO must evaluate and implement its policies and procedures for handling requests for expedited reconsideration. The MAO must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. The MAO must provide to CMS a strategy, (i.e., a timeline with goals for implementation and accomplishment), that describes the type of oversight activities it will implement in order to maintain compliance with CMS requirements.