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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/31/2007
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

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:

CMS reviewed (1) plan policies and procedures and plan documentation demonstrating that the plan conducts ongoing monitoring of the marketing activities of internal and external marketing representatives and (2) a sample of contracts and/or compensation structures with sales representatives to determine compliance with this review element. CMS had the following findings: (A) KPCA's policy and procedures were missing the requirement that those conducting marketing must provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment (B) KPCA did not provide sufficient documentation to show that its marketing representatives are providing the required written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. The written disclosure statement must state the following: "The person that is discussing plan options with you is either employed by or contracted with KPCA. The person may be compensated based on your enrollment in a plan." The requirement can be found in the Medicare Marketing Guidelines on page 131.

Corrective Action Required:

(A) KPCA must revise its policies and procedures to include the requirement that those conducting marketing must provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. (B) KPCA needs to explain what actions it will take to ensure that field sales executives are providing the written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/31/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Provision of Notices Regarding Formulary Changes - Prior to removing a covered Part D drug from its formulary or making any changes to the preferred or tiered cost-sharing status of a covered Part D drug, the Part D sponsor must provide a written notice to affected enrollees at least 60 days prior to the date the change becomes effective, or provide such enrollee with a 60 day supply of the Part D drug under the same terms as previously allowed, and written notice of the formulary change at the time an affected enrollee requests a refill of the Part D drug. If the change involves immediate removal of a Part D drug deemed unsafe by the Food and Drug Administration (FDA) or removed from the market by the manufacturer, the Part D sponsor must provide retrospective notice to the affected enrollees.

Reference:

42 CFR § 423.120(b)(5)(i-iii); § 423.120(b)(7); § 423.578(d); Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

CMS reviewed plan policies and procedures and the notice regarding formulary changesto determine compliance with the review element. The policy and procedures was missing the following language: "...or provide such enrollee with a 60 day supply of the Part D drug under the same terms as previously allowed, and written notice of the formulary change at the time an affected enrollee requests a refill of the Part D drug."

Corrective Action Required:

KPCA must revise its policies and procedures to include the missing provision "...or provide such enrollee with a 60 day supply of the Part D drug under the same terms as previously allowed, and written notice of the formulary change at the time an affected enrollee requests a refill of the Part D drug." If this language is sited in another section, cross referencing to the section with appropriate language would be helpful. The KPCA representative also shared with us the unique KPCA process by which a pharmacist handles the situation when a beneficiary comes to the pharmacy to find there drug is no longer on formulary. CMS suggests that KPCA you include the processes in this section of the policy and procedures.

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Date Report Generated: 9/30/2008

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

Findings: Not Met
Contract Number: H0524
Audit ID: 2241
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PH03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 10/2/2007
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Access to Long-Term Care Pharmacies - The Part D sponsor must offer standard contracting terms and conditions, including performance and service criteria, to all long-term care (LTC) pharmacies in its Part D plan service area. The Part D sponsor must contract with a sufficient number of LTC pharmacies to provide all of its plans¿ institutionalized enrollees convenient access to their Part D benefits. Note: This element is waived for MA-PFFS organizations that offer a Part D Benefit if they (1) provide plan enrollees access to covered Part D drugs dispensed at all pharmacies without regard to whether they are contracted network pharmacies, and (2) do not charge cost-sharing in excess of that required for qualified prescription drug coverage.

Reference:

42 CFR § 423.120(a)(5); MA-PD Solicitation; Long Term Care Guidance

Deficiencies:

CMS reviewed plan policies and procedures and the Long Term Care Pharmacy to Nursing Bed Ratio Analysis to determine compliance with this review element. The policy and procedures were missing the provision stating that the Part D sponsor must offer standard contracting terms and conditions, including performance and service criteria for long-term care pharmacies that CMS specifies, to any long-term care pharmacy in the plan's service area that requests the contract.

Corrective Action Required:

KPCA must revise its policies and procedures to include the provision stating that the Part D sponsor must offer standard contracting terms and conditions, including performance and service criteria for long-term care pharmacies that CMS specifies, to any long-term care pharmacy in the plan's service area that requests the contract.

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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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 3/31/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Notices in Network Pharmacies - The Part D sponsor must arrange with its network pharmacies to post or distribute notices instructing enrollees to contact their plans to obtain a coverage determination or request an exception if they disagree with the information provided by the pharmacist.

Reference:

42 CFR § 423.562(a)(3); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this element. CMS found that plan policies and procedures were missing following provisions: (1) A provision for sending the "Medicare Prescription Drug Coverage and Your Rights" notice to the location in the LTC facility designated to accept such notices. Or, if the network or preferred pharmacy is on-site, it must deliver the notice described above to the location in the LTC facility designated to accept such notices. (2) A provision requiring pharmacies to post or distribute notices regarding procedures for obtaining a coverage determination or requesting an exception. (3) A provision detailing how Part D sponsor's network pharmacies meet the requirement for posting or distributing notices. (4) Documentation of pharmacy audits showing the number and percent of pharmacies that have undergone audit.

Corrective Action Required:

KPCA must revise its plan policies and procedures to include (1) A provision for sending the "Medicare Prescription Drug Coverage and Your Rights" notice to the location in the LTC facility designated to accept such notices. Or, if the network or preferred pharmacy is on-site, it must deliver the notice described above to the location in the LTC facility designated to accept such notices. (2) A provision requiring pharmacies to post or distribute notices regarding procedures for obtaining a coverage determination or requesting an exception. (3) A provision detailing how Part D sponsor's network pharmacies meet the requirement for posting or distributing notices. (4) Documentation showing the number and percentage of network pharmacies it has audited to ensure that pharmacies are positing or distributing notices describing how members may obtain coverage determinations or request exceptions or it may develop a monitoring process and submit it along with a schedule to CMS with its CAP. KPCA should add the description of this process in their Policy and procedures.

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: H0524
Audit ID: 2241
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Decision to Accept or Deny Request for Expedited Coverage Determination - The Part D sponsor must promptly and correctly determine whether a complaint is a standard coverage determination or an expedited coverage determination. The Part D sponsor must have a means for issuing prompt decisions on expediting a coverage determination if it determines, based on the enrollee¿s request, or as indicated in the prescribing physician¿s request, that applying the standard timeframe for making a coverage determination may seriously jeopardize the enrollee¿s life, health, or ability to regain maximum function.

Reference:

42 CFR § 423.570(c)(3); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures and a sample of 1 expedited coverage determination case file to determine compliance with this element. CMS has the following findings: The policy and procedures did not include 1) telephone number or fax number for receiving oral requests, 2) a provision for making expedited decisions outside of normal business hours. If the beneficiary can call 24 hours to issue a request, the policy and procedures should state this.

Corrective Action Required:

KPCA must revise its policies and procedures to include the missing provisions 1) telephone number or fax number for receiving oral requests, 2) a provision for making expedited decisions outside of normal business hours.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD10
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Notice Content Requirements for Expedited Coverage Determination - The notice of any expedited coverage determination must state the specific reasons for the determination in understandable language. If the determination is not completely favorable, the notice must also: (i) include information concerning the enrollee¿s right to a redetermination; (ii) describe both the standard and expedited redetermination processes, including the enrollee¿s right to request, and conditions for obtaining, an expedited redetermination, and the rest of the appeals process; and (iii) comply with any other requirements specified by CMS.

Reference:

42 CFR § 423.572(c); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures and a notice template for notifying enrollees of adverse expedited coverage determinations to determine compliance with this review element. CMS did not find in the policy and procedures provisions to specify that oral notifications must include the same elements as written notifications. To satisfy the provision, the notices must meet the following requirements: (1) States the specific reason for the denial and take into account the enrollee's presenting medical condition, disabilities and special language requirements, if any. (2) Provides information regarding the right to appoint a representative to file and appeal on the enrollee's behalf. (3) Provides a description of both the standard and expedited redetermination processes and timeframes, including conditions for obtaining an expedited redetermination, and the rest of the appeals process.

Corrective Action Required:

KPCA must revise its policies and procedures to include the following requirements: (1) States the specific reason for the denial and take into account the enrollee's presenting medical condition, disabilities and special language requirements, if any. (2) Provides information regarding the right to appoint a representative to file and appeal on the enrollee's behalf. (3) Provides a description of both the standard and expedited redetermination processes and timeframes, including conditions for obtaining an expedited redetermination, and the rest of the appeals process.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CE02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 11/16/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Exceptions Procedures and Criteria (Non-Formulary Drugs) - The Part D sponsor must establish and maintain exceptions procedures, subject to CMS¿ approval, for receipt of an off-formulary drug. The Part D sponsor must grant an exception for a non-formulary Part D drug whenever it determines that the drug is medically necessary, consistent with the prescribing physicians¿ statement that meets CMS criteria, and that the drug would be covered but for the fact that it is an off-formulary drug. The Part D sponsor¿s formulary exceptions process and exception criteria must meet CMS requirements including for unplanned transitions.

Reference:

42 CFR § 423.578(b); § 423.578(b)(1); § 423.578(b)(2); § 423.578(b)(5); MA-PD Solicitation and EP Attestation Addendum; Reporting Requirements for Section VI: Prior Authorization, Step Edits, Non-Formulary Exceptions, and Tier Exceptions; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals; Information for Part D Sponsors on Requirements for a Transition Process

Deficiencies:

CMS reviewed plan policies and procedures to determine compliance with this review element. CMS found the Plan's policy and procedures were missing the requirement regarding the process at the pharmacy when a beneficiary shows up at the pharmacy with a non formulary prescription. At the audit interview the KPCA pharmacy representative verbally described the process of how a beneficiary would receive the medication even if the drug is non formulary. These processes should be stated in the policy and procedures.

Corrective Action Required:

KPCA must revise its policies and procedures to include the requirement regarding the process at the pharmacy when a beneficiary shows up at the pharmacy with a non formulary prescription.

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: H0524
Audit ID: 2241
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 1/1/2008
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Complaint Categorization (Grievances vs. Coverage Determinations) - The Part D sponsor must promptly and correctly determine and inform the enrollee whether a complaint is subject to its grievance procedures or its coverage determination procedures.

Reference:

42 CFR § 423.564(b); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures, plan documentation demonstrating the plan's communication methods for informing enrollees of complaint categorization, a Notice of Denial of Medicare Prescription Drug Coverage for excluded drugs, and a sample of 15 grievance case files to determine compliance with this element. CMS had the following findings: (A) CMS was not provided documentation demonstrating the plan's communication methods for informing enrollees of how KPCA is categorizing their complaint, e.g., phone scripts or a notice template, (B) KPCA's Notice of Denial of Medicare Prescription Drug Coverage for excluded drugs did not include language consistent with the CMS-issued model notice, Notice of Inquiry Regarding an Excluded Drug, (C) None of the 15 cases informed the member whether their complaint was subject to grievance or coverage determination procedures.

Corrective Action Required:

(A) KPCA must advise CMS how it plans to communicate to members whether their complaints are subject to grievance or coverage determination procedures. (B) KPCA must add the required language to their Notice of Denial of Medicare Prescription Drug Coverage for excluded drugs found in the model located at Appendix 12 - (Model) Notice of Inquiry, in Chapter 18 of the Prescription Drug Benefit Manual.

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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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Grievance Process Training - The Part D sponsor will train relevant staff and subcontractors on its grievance policies and procedures.

Reference:

MA-PD Solicitation

Deficiencies:

CMS reviewed plan policies and procedures and plan documentation demonstrating that the plan has trained relevant staff on grievance policies and procedures to determine compliance with this review element. Although it is clear that KPCA trains new staff on grievance policies and procedures for staff, the provision for training relevant staff is missing from the policy and procedures.

Corrective Action Required:

KPCA must revise its policy and procedure to include a provision for training relevant staff on grievance polices and procedures.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV04
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 10/31/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

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); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures, a notice template for informing enrollees of grievance deadline extension, and a sample of 15 grievance cases to determine compliance with this review element. CMS found that in 3 of the 15 sample cases the member was not notified of the decision timely.

Corrective Action Required:

KPCA needs to explain what actions it will take to ensure that KPCA is meeting the timeliness standards for grievances in accordance with CMS policy and regulations. The corrective action must include a detailed description of KPCA's internal monitoring activities to ensure compliance for this element.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
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Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Request for Redeterminations (Expedited) - The Part D sponsor must establish and maintain an efficient and convenient means for an enrollee or a prescribing physician acting on behalf of an enrollee to submit oral or written requests for expedited redeterminations, document all oral requests in writing, and maintain the documentation in a case file. The Part D sponsor must provide the enrollee or the prescribing physician with a reasonable opportunity to present in person or in writing evidence and allegations of fact or law related to the issue in dispute. Since the opportunity to submit evidence is limited, the Part D sponsor must inform the enrollee or the prescribing physician of the conditions for submitting such evidence.

Reference:

42 CFR § 423.584(c)(1); § 423.586; MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures as well as plan documentation to determine compliance with this review element. CMS found that policies and procedures were missing a provision that states that the plan must document all oral redetermination requests in writing when received.

Corrective Action Required:

KPCA must revise its policies and procedures to include the provision that states that the plan must document all oral redetermination requests in writing when received.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Decision to Accept or Deny Request for Expedited Redetermination - The Part D sponsor must promptly decide whether to expedite the redetermination if it determines, based on the enrollee¿s request, or as indicated in the prescribing physician¿s request, that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee¿s life, health, or ability to regain maximum function.

Reference:

42 CFR § 423.584(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures as well as a sample of 8 expedited redetermination case files to determine compliance with this review element. CMS found that plan policies and procedures were missing a provision stating that the plan must request any additional medical information within 24 hours of receiving initial requests for expedited redeterminations from the member and/or the prescribing physician.

Corrective Action Required:

KPCA must revise its policies and procedures to include the missing provision stating that the plan must request any additional medical information within 24 hours of receiving initial requests for expedited redeterminations from the member and/or the prescribing physician.

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: H0524
Audit ID: 2241
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE05
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Timely Notification and Effectuation of Standard Redetermination Concerning Covered Drug Benefit - If the Part D sponsor makes a redetermination that is favorable for the enrollee, or affirms in whole or in part its original adverse coverage determination, it must notify the enrollee in writing of its redetermination as expeditiously as the enrollee¿s health condition requires, but no later than 7 calendar days from the date it received the request for a standard redetermination, meeting CMS requirements. For favorable redeterminations for the enrollee, the Part D sponsor must effectuate it as expeditiously as the enrollee¿s health condition requires, but no later than 7 calendar days from the date it receives the request. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.590(a)(1-2); § 423.590(c); § 423.590(g)(1-4); § 423.636(a)(1); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures, various notice templates, and a sample of 5 redetermination request case files to determine compliance with this element. CMS found that plan policy and procedures were missing a provision stating that the plan must inform enrollees within 24 hours when it forwards cases to the IRE.

Corrective Action Required:

KPCA must revise its policies and procedures to include the missing provision stating that the plan must inform enrollees within 24 hours when it forwards cases to the IRE.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Timely Notification and Effectuation of Standard Redetermination Concerning Payment - If the Part D sponsor makes a redetermination that is favorable for the enrollee, or affirms in whole or in part its adverse coverage determination, it must issue its redetermination (in writing for the adverse redeterminations) no later than 7 calendar days from the date it received the request, meeting CMS requirements. For favorable redeterminations for the enrollee, the Part D sponsor must authorize the payment within 7 calendar days from the date it receives the request for redetermination. It must then make the payment no later than 30 calendar days after the date it receives the request for redetermination. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.590(b-c); § 423.590(g)(1-4); § 423.636(a)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures, various notice templates, and a sample of 10 redetermination case files to determine compliance with this element. CMS found that plan policy and procedures were missing a provision stating that the plan must inform enrollees within 24 hours when it forwards cases to the IRE.

Corrective Action Required:

KPCA must revise its policies and procedures to include the missing provision stating that the plan must inform enrollees within 24 hours when it forwards cases to the IRE.

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: H0524
Audit ID: 2241
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE07
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 12/15/2007
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Timely Notification of Expedited Redetermination and Request for Medical Information - If a Part D sponsor grants a request for expedited redetermination, it must complete its redetermination and give the enrollee (and the prescribing physician involved, as appropriate), notice of its decision as expeditiously as the enrollee¿s health condition requires but no later than 72 hours after receiving the request. If medical information is necessary, the Part D sponsor must make the request within 24 hours of receiving the initial request for an expedited redetermination. Failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring the Part D sponsor to forward the enrollee¿s request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe. The Part D sponsor must also inform the enrollee, within 24 hours of the expiration of the adjudication timeframe, when the case is forwarded to the IRE.

Reference:

42 CFR § 423.584(e); § 423.590(d-e); § 423.638(a); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures, a notice template for informing enrollees of adverse expedited redetermination decisions, a notice template for requesting reconsideration, a notice template for informing enrollees that KPCA has forwarded the case to the IRE, and a sample of 7 redetermination case files to determine compliance with this element. CMS found that plan policies and procedures were missing the provision stating that the plan must request any supporting or necessary medical information from members and/or prescribing physicians within 24 hours of receiving the request.

Corrective Action Required:

KPCA must revise its policies and procedures to include the missing provision stating that the plan must request any supporting or necessary medical information from members and/or prescribing physicians within 24 hours of receiving the request.

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
Audit ID: 2241
Contract Number: H0524
Part D Sponsor Name: KAISER FOUNDATION HP, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE10
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 10/4/2007
Date Report Due: 11/18/2007
Element Accepted Date: 12/11/2007
Element Release Date: 12/11/2007
Element Projected Completion Date: 11/12/2007
3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 8/20/2007
Estimated Visit Start Date: 8/24/2007
Actual Visit Start Date: 8/20/2007
Actual Visit End Date: 8/22/2007
Part D Sponsor Response Received Date: 11/16/2007
Part D Sponsor Response Due Date: 11/18/2007
CAP Release Date: 12/20/2007
CAP Accepted Date: 12/11/2007

Requirement:

Timely Transfer to IRE Upon Reconsideration Request - In cases where an enrollee has filed a reconsideration request and the IRE has requested the enrollee's file, the Part D sponsor must transfer the case file to the IRE within 24 hours (expedited requests) or 48 hours (standard requests) from the time it receives the IRE¿s request for the case file.

Reference:

Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

CMS reviewed plan policies and procedures and redetermination case files in order to determine compliance with the requirements for this review element. CMS found that in 1 of the 4 redetermination case files that was forwarded to the IRE, the file was not forwarded to the IRE timely. This case can be found in in the sample provided for RE2_D: Requests for Standard Redeterminations Concerning Payment (Part D).

Corrective Action Required:

KPCA needs to explain what actions it will take to ensure that redetermination case files are forwarded to the IRE within 24 hours (expedited requests) or 48 hours (standard requests) from the time the IRE requests the case file. The corrective action must include a detailed description of KPCA's internal monitoring activities to ensure compliance with this element.