CMS Medicare Managed Care Auditing Report

Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

MRT Number: M0006, Contract Number: All, Category: All, Element: All, Finding:NOT MET, Reviewer:All

Findings: NOT MET
Region: 07 Kansas City
MRT Number / Name: M0006 MRT Humana
Contract Number / Name: H1036 HUMANA MEDICAL PLAN, INC

Review ID: 10377

Auditing Guide Version: MA Audit Review Guide, Version 4
Auditing Element: ZZ91
Review Type: Ad-Hoc Compliance Event
Review Status: Confirmed
MCO Response Received Date:
Element Accepted Date: 06/05/2008
Element Release Date: 09/16/2008
CAP Released Date:

Visit Start Date: 01/04/2008
Exit Conference Date: 01/11/2008
Date Report Issued: 01/17/2008
Date Report Due: 02/25/2008
CAP Accepted Date:06/05/2008
Audit Closed Date:
Element Projected Completion Date:02/11/2008
MCO Response Due Date: 03/02/2008

Requirement:

Ad-Hoc Compliance Event

Deficiencies:

The Centers for Medicare and Medicaid Services (CMS) has determined that Humana Medical Plan, Inc. (Humana) incorrectly reported the cost sharing for inpatient services in some of the plan's Plan Benefit Packages (PBPs). Humana entered the lowest level of cost sharing in the PBP Section II and placed a note in Section III of the Summary of Benefits that increased the cost sharing significantly. The plans identified include H1036-011,034,035, 053, 054, 062, 063, 065, 121, 124, 126, 127, 129, 130 and 131. In addition, in Section III of the Summary of Benefits for the identified plans, Humana incorrectly stated that a higher copayment (specifically $1500) would apply to covered admissions in an out-of-network hospital. Medicare Advantage Health Maintenance Organizations (HMOs) may not assess the higher of a tiered copayment for emergency or approved out of network hospital services than a beneficiary would pay in network. Consequently, CMS is requiring Humana to take corrective actions to correct the PBPs and notes for the involved plans. 1. Humana must review ALL of their Plan Benefit Packages and identify to CMS any other plans where lower cost sharing was placed in Section II and then higher cost sharing was indicated in Section III under the notes section. 2. No later than January 31, 2008, Humana must file a letter to be mailed to all beneficiaries in the identified plans informing them of the mistake. This letter must clearly state that Humana incorrectly identified a $0 copayment for an inpatient stay when, indeed, the member could be responsible for $1500 in some network facilities. This letter must also inform beneficiaries that emergency and approved out-of-network inpatient copayments will be the same as the lowest tier inpatient copay, i.e., $0. This letter must also inform these beneficiaries that they have an Open Enrollment Period through March 31, 2007 to make a change in their Medicare Advantage coverage. Humana must also specifically state in this letter that members must retain the Part D drug coverage they presently have, either by enrolling in another Medicare Advantage plan with Part D coverage (MA-PD) or revert to Original Medicare and electing a stand alone Prescription Drug Plan (PDP). This letter must be filed in the marketing module of HPMS for approval by the Kansas City Regional Office. 3. No later than 10 days after approval, Humana must mail this letter to all affected beneficiaries and attest to CMS that the mailing has been completed. 4. Humana must resubmit the corrected Summary of Benefits for all affected plans into HPMS no later than January 31, 2008. 5. Humana must ensure that no future incorrect Summary of Benefits are distributed without the corrections as required. Humana can do this by also filing an errata sheet for approval in HPMS or discarding all incorrect Summary of Benefits and reprinting with the corrections. 6. Humana must respond to this Corrective Action Request with the formal Corrective Action Plan with all steps as requested by January 31, 2008. The CMS will then accept or reject the Corrective Action Plan as submitted. The CMS has the authority to immediately impose sanctions and penalties, including the freezing of marketing and enrollment, Civil Monetary Penalties (CMPs) and other enforcement actions as described in Federal Regulations at 42 C.F.R S422 Subpart K and O. While the CMS is not imposing sanctions at this time, as a result of these findings, the CMS will: 1. Closely monitor beneficiary complaints and future Summary of Benefit errors to determine if sanctions and/or penalties are appropriate, and 2. Ensure that the Corrective Action Plan as it is filed and approved meets the needs of correcting this problem and that Humana follows the required timeline. Please contact Judy Flynn at 816-426-6534 with questions in regard to this Notice.

Corrective Action Required: