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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: PC02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Provision of Notice Regarding Formulary Changes - The Part D sponsor must provide at least 60 days notice to all authorized prescribers, network pharmacies, and pharmacists 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. 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 all authorized prescribers, network pharmacies, and pharmacists.

Reference:

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

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding notifying authorized prescribers, network pharmacies, and pharmacists of negative formulary changes (PH 8.01 Communication of Pharmacy Procedure and Changes to Providers) and found it did not include the following provisions: - to notify authorized prescribers of negative formulary changes at least 60 days prior to the date the change becomes effective, and - a provision to provide retrospective notice of formulary change to authorized prescribers if a covered Part D drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer.

Corrective Action Required:

University Health Care must revise its policies and procedures regarding notifying authorized prescribers, network pharmacies, and pharmacists of negative formulary changes (PH 8.01 Communication of Pharmacy Procedure and Changes to Providers) to include the following provisions: - to notify authorized prescribers of negative formulary changes at least 60 days prior to the date the change becomes effective, and - a provision to provide retrospective notice of formulary change to authorized prescribers if a covered Part D drug is immediately removed from the formulary because it is deemed unsafe by the FDA or removed from the market by the manufacturer.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: MR01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Submission and Distribution of Marketing Materials - For "non-model" documents and for ¿model¿ documents that the Part D sponsor modifies: The Part D sponsor must certify that Medicare marketing materials use the CMS specified format and acceptable terminology, and submit them for a 45 day review period by CMS. The Part D sponsor must not distribute or make such materials available until it receives notice from CMS that CMS has approved the materials, or until 45 days have expired and the Part D sponsor has not received notice from CMS that the materials have not been approved. For "model" documents that the Part D sponsor uses without modification: The Part D sponsor must submit and certify that Medicare marketing materials use the CMS specified format and acceptable terminology, and submit them for a 10 day review period by CMS. The Part D sponsor must not distribute or make such materials available until it receives notice from CMS that CMS has approved the materials, or until 10 days have expired and the Part D sponsor has not received notice from CMS that the materials have not been approved.

Reference:

42 CFR § 423.50(a)(1); § 423.50(a)(3); MA-PD Solicitation; Medicare Marketing Guidelines for MAs, MA-PDs, PDPs, and 1876 Cost Plans

Deficiencies:

University Health Care does not meet this requirement. CMS requested the Part D notice template that University Health Care uses for notifying enrollees of an adverse standard redetermination consistent with CMS issued model notice, Notice of Redetermination. This notice template did not display the contract number (and CMS approval date if it was filed under the normal marketing review submission process) in the lower left -hand corner in accordance with CMS Marketing guidelines. Additionally, CMS reviewed 8 cases of requests for standard redeterminations concerning drug benefits from a universe of 8 and found 2 cases that were noncompliant. Both cases did not demonstrate the use of a Redetermination Notice that displayed the H contract number in the lower left hand corner, and CMS approval date if it was filed under the normal marketing review submission process, in accordance with CMS Marketing guidelines.

Corrective Action Required:

University Health Care must provide CMS with a CMS approved or accepted notice for notifying enrollees of an adverse standard redetermination consistent with the CMS issued model notice, Notice of Redetermination. If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, 'Notice of Redetermination'), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must conduct training of appropriate staff on the use of this notice template and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. When making an adverse standard redetermination concerning drug benefit decision, University Health Care should utilize a CMS accepted or approved Redetermination Notice, that displays the H contract number in the lower left hand corner, and CMS approval date if it was filed under the normal marketing review submission process, in accordance with CMS Marketing guidelines, and provide documentation demonstrating this to CMS.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 8/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding its responsibility for and oversight of persons employed or contracted to perform marketing (PA 80.11: Outreach Representatives Compensation and Commission, MR05: PA 80.18, Enrollment and Understanding of Plan Rules, PA 80.19: Passport Advantage Marketing and Enrollment Training, Passport Health Plan Medicare Outreach Representative Job Description) and found they do not include a requirement that any person directly employed or contracted to market on behalf of University Health Care provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. Additionally, University Health Care does not meet this requirement because CMS requested documentation demonstrating that University Health Care conducts ongoing monitoring of the marketing activities of the marketing representatives directly employed by University Health Care. University Health Care did not provide documentation demonstrating a designated individual responsible for overseeing the activities of these employees, as well as, documentation demonstrating marketing representatives are providing the written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. CMS reviewed 7 sample contracts provided by University Health Care for individuals who perform marketing from a universe of 7 and found that all the samples provided were for direct employees. In all the samples University Health Care did not provide documentation demonstrating: - that a current contractual or employment relationship exists, - a compliant incentive structure avoiding incentives toward misleading beneficiaries, cherry picking certain beneficiaries, or churning beneficiaries between plans, - a provision for prohibiting payment by the individual/agency performing marketing to beneficiaries, - a provision requiring any individual contracted to market on behalf of University Health Care provide a written disclosure statement to all potential enrollees prior to 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 University Health Care. The person may be compensated based on your enrollment in a plan', and - a provision stating that any coordinated marketing must be done in accordance with all applicable Part D laws, CMS policies, including CMS marketing guidelines and all Federal health care laws (including civil monetary penalty laws).

Corrective Action Required:

University Health Care must revise its policies and procedures regarding its responsibility for and oversight of persons employed or contracted to perform marketing (PA 80.11: Outreach Representatives Compensation and Commission, MR05: PA 80.18, Enrollment and Understanding of Plan Rules, PA 80.19: Passport Advantage Marketing and Enrollment Training, Passport Health Plan Medicare Outreach Representative Job Description) to include a requirement that any person directly employed or contracted to market on behalf of University Health Care provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with documentation that its marketing program monitoring activities confirm that University Health Care has a designated individual responsible for overseeing the activities of the marketing representatives directly employed by University Health Care, as well as documentation demonstrating that these employees are providing the written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment. An example of acceptable documentation for this is completed copies of the field evaluation tool/sample form used by sales managers/directors in conducting evaluations of sales agents. University Health Care must also provide CMS with evidence that it has a current signed contract/compensation structure in effect for persons conducting marketing for its Part D plans that includes the following: - a compliant incentive structure avoiding incentives toward misleading beneficiaries, cherry picking certain beneficiaries, or churning beneficiaries between plans, - a provision for prohibiting payment by the individual/agency performing marketing to beneficiaries, - a provision requiring any person directly employed or contracted to market on behalf of University Health Care provide a written disclosure statement to all potential enrollees prior to enrollment or at the time of enrollment, and states that the written disclosure statement must state the following: 'The person that is discussing plan options with you is either employed by or contracted with University Health Care. The person may be compensated based on your enrollment in a plan.', and - a provision stating that any coordinated marketing must be done in accordance with all applicable Part D laws, CMS policies, including CMS marketing guidelines and all Federal health care laws (including civil monetary penalty laws).

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CN05
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/1/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Required Contract Provisions: Long-Term Care Pharmacies - The Part D sponsor¿s written contracts with network long-term care pharmacies must include the CMS-specified performance and service criteria for long-term care pharmacies. Note: This element is waived for MA-PFFS organizations that offer a Part D Benefit if they (i) provide plan enrollees access to covered Part D drugs dispensed at all pharmacies without regard to whether they are contracted network pharmacies, and (ii) 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:

University Health Care does not meet this requirement. Over 30% of the cases provided for worksheet WS-CN2_D Required Contract Provisions: Long Term Care Pharmacies Part D were misclassified. The universe provided by University Health Care is not representative of cases that CMS requested and is therefore inadequate for determining compliance. Sample one was not a LTC pharmacy, and the sample noted that the pharmacy was no longer in business. Sample five was listed as ADIO Pharmacy in the universe. However, the contract was with Innovatix, a group purchasing organization. ADIO Pharmacy should not have appeared in the universe.

Corrective Action Required:

University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-CN2_D contains misclassified cases. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 6/1/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Timely Notification of Coverage Determination Concerning Drug Benefit - In response to a drug benefit request, the Part D sponsor must notify the enrollee (and the prescribing physician involved, as appropriate) of its determination as expeditiously as the enrollee¿s health condition requires, but no later than 72 hours after receipt of the request, or, for an exceptions request, the physician¿s supporting statement. If the coverage determination was denied and the initial notification was provided orally, the Part D sponsor must send the written notice to the enrollee within 3 calendar days of the oral notice. Failure to notify the enrollee within the 72 hour timeframe constitutes an adverse coverage determination 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 § 423.568(a); § 423.568(e); § 423.578(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policy and procedure regarding enrollee notification of coverage determinations concerning benefit (151D.5 Coverage Determinations for Prescription Medications) and found that the policy did not include a provision stating that University Health Care must notify the enrollee (and the prescribing physician involved, as appropriate) of its determination `as expeditiously as the enrollee's health condition requires', but no later than 72 hours after receipt of the request, or, for an exceptions request, the physician's supporting statement. Specifically, the language in quotations was not found. CMS reviewed a sample of 10 requests for standard coverage determinations concerning drug benefits from a universe of 1453 and found 6 out of 10 samples were noncompliant. Specifically, 6 out of 10 samples did not demonstrate that University Health Care provided timely notification of the coverage determination decision to the enrollee. Failure to notify the enrollee of University Health Care's decision within a timeframe that is CMS compliant constitutes an adverse coverage determination requiring University Health Care to forward the enrollee's case file to the IRE and notify the enrollee of this within 24 hours of the expiration of the adjudication timeframe. University Health Care did not demonstrate that the six case files were forwarded to the IRE or that the enrollee was notified. CMS requested University Health Care's notice template for enrollee notification when a request is forwarded to the IRE. University Health Care provided a notice that is consistent with the CMS issued model notice, Notice of Case Status. However, the notice did not display the contract number in the lower left hand corner, and the CMS approval date if it was submitted under the normal marketing review process, in accordance with CMS Marketing guidelines. Additionally, University Health Care staff stated in a response to a re-request on February 20, 2008, that University Health Care did not utilize the Notice of Case Status during the audit period.

Corrective Action Required:

University Health Care must revise it policy and procedure regarding enrollee notification of coverage determinations concerning benefit (151D.5 Coverage Determinations for Prescription Medications) to include a provision that states University Health Care must notify the enrollee (and the prescribing physician involved, as appropriate) of its determination `as expeditiously as the enrollee's health condition requires', but no later than 72 hours after receipt of the request, or, for an exceptions request, the physician's supporting statement. Specifically, the language in quotations must be included. University Health Care must conduct training of its staff on its policy and procedure and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for enrollee notification when a request is forwarded to the IRE. (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide notification to the enrollee, or the appointed representative, as applicable, of its coverage determination concerning drug benefit decision in a timeframe that is CMS compliant and provide documentation demonstrating this to CMS. If University Health Care fails to notify the enrollee, or the appointed representative, as applicable, of its decision in a timely manner, University Health Care must forward the case file to the IRE and notify the enrollee within 24 hours of the expiration of the adjudication timeframe and provide documentation demonstrating this to CMS. Additionally, University Health Care must submit a new sample upon request from CMS to verify compliance with this requirement.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD04
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 6/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Coverage Determinations Concerning Payment - The Part D sponsor must notify the enrollee of its determination no later than 72 hours after receipt of the payment request, or, for an exceptions request, after receiving the physician's supporting statement. If the coverage determination was denied and the initial notification was provided orally, the Part D sponsor must send the written notice to the enrollee within 3 calendar days of the oral notice. For favorable determinations, the Part D sponsor must authorize payment and notify the enrollee within 72 hours after receiving the request, or, for an exceptions request, after receiving the physician's supporting statement. The Part D sponsor must also make payment (i.e., mail the payment) within 30 calendar days of the request, or, for an exceptions request, after receiving the physician's supporting statement. Failure to notify the enrollee within the 72 hour timeframe constitutes an adverse determination 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. Note: This element also applies to out-of-network (OON) paper claims submitted by beneficiaries or their appointed representatives.

Reference:

42 CFR § 423.568(b); § 423.568(e); MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

University Health Care does not meet this requirement because CMS requested University Health Care's notice template for enrollee notification when a request is forwarded to the IRE. University Health Care provided a notice that is consistent with the CMS issued model notice, Notice of Case Status. However, the notice did not display the contract number in the lower left hand corner, and the CMS approval date if it was submitted under the normal marketing review process, in accordance with CMS Marketing guidelines. Additionally, University Health Care staff stated in a response to a re-request on February 20, 2008, that University Health Care did not utilize the Notice of Case Status during the audit period.

Corrective Action Required:

University Health Care must provide CMS with a CMS approved or accepted notice for enrollee notification when a request is forwarded to the IRE. (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 6/1/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policy and procedure regarding decisions to accept or deny requests for expedited coverage determinations (151D.5 Coverage Determinations for Prescription Medications) and found that it did not include a provision stating that all oral requests must be documented in writing and that documentation of request must be maintained in case file.

Corrective Action Required:

University Health Care must revise it policy and procedure regarding decisions to accept or deny requests for expedited coverage determinations (151D.5 Coverage Determinations for Prescription Medications) to include a provision stating that all oral requests must be documented in writing and that documentation of request must be maintained in case file. University Health Care must conduct training of its staff on its policy and procedure and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: CD09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Timely Notification of Expedited Coverage Determination - The Part D sponsor must make its expedited coverage determination and notify the enrollee of its decision (adverse or favorable), as expeditiously as the enrollee¿s health condition requires, but no later than 24 hours after receiving the request, or, for an exceptions request, the physician¿s supporting statement. If the decision is adverse and the Part D sponsor first notifies the enrollee of the determination orally, the Part D sponsor must mail written confirmation to the enrollee within 3 calendar days of the oral notification. Failure to notify the enrollee within the 24 hour timeframe constitutes an adverse determination 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 § 423.570(e); § 423.572(a-b); § 423.572(d); § 423.578(c)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policy and procedure regarding enrollee notification following a decision on an expedited coverage determination (151D.5 Coverage Determinations for Prescription Medications) and found that the policy did not include a provision, in its entirety, stating that University Health Care must make its expedited coverage determination and notify the enrollee (and/or other applicable party) of its decision (adverse or favorable), as expeditiously as the enrollee's health condition requires, but no later than 24 hours after receiving the request, or, for an exceptions request, the physician's supporting statement. The provision that was found on page 5, number 4, only spoke to making a determination within the 24 hour time frame. Additionally, a partial provision stating that University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE was found in policy 151D.52 Coverage Determinations for Prescription Medications, on page 4, 2 a. The provision was missing the required 24 hour time frame. During staff discussions, University Health Care stated that during the audit period they were not informing the enrollee, via the `Notice of Case Status', when the case was forwarded to the IRE. CMS requested University Health Care's notice template for enrollee notification when a request is forwarded to the IRE. University Health Care provided a notice that is consistent with the CMS issued model notice, Notice of Case Status. However, the notice did not display the contract number in the lower left hand corner, and the CMS approval date if it was submitted under the normal marketing review process, in accordance with CMS Marketing guidelines. Additionally, University Health Care staff stated in a response to a re-request on February 20, 2008, that University Health Care did not utilize the Notice of Case Status during the audit period. CMS reviewed a sample of 10 requests for expedited coverage determinations from a universe of 803 and found that in 9 out of 10 samples University Health Care did not demonstrate timely notification of the decision to the enrollee. Failure to notify the enrollee of University Health Care's decision within a timeframe that is CMS compliant constitutes an adverse determination requiring University Health Care to forward the enrollee's case file to the IRE and notify the enrollee within 24 hours of the expiration of the adjudication timeframe. University Health Care did not demonstrate that the nine case files were forwarded to the IRE or that the enrollee was notified.

Corrective Action Required:

University Health Care must revise it policy and procedure 151D.5 Coverage Determinations for Prescription Medications regarding enrollee notification following decision on expedited coverage determination to include a provision that states University Health Care must make its expedited coverage determination and notify the enrollee (and/or other applicable party) of its decision (adverse or favorable), as expeditiously as the enrollee's health condition requires, but no later than 24 hours after receiving the request, or, for an exceptions request, the physician's supporting statement. University Health Care must revise its policy 151D.52 Coverage Determinations for Prescription Medications to include a provision that University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. University Health Care must conduct training of its staff on its policy and procedure and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for enrollee notification when a request is forwarded to the IRE. (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide notification to the enrollee, or the appointed representative, as applicable, of its expedited coverage determination decisions within the CMS approved timeframes and provide documentation demonstrating this to CMS. If University Health Care fails to notify the enrollee, or the appointed representative, as applicable, of its decision in a timely manner, University Health Care must forward the case file to the IRE and notify the enrollee within 24 hours of the expiration of the adjudication timeframe and provide documentation demonstrating this to CMS. Additionally, University Health Care must submit a new sample upon request from CMS to verify compliance with this requirement.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/1/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policy and procedure regarding enrollee notification following decision on expedited coverage determination (151D.5 Coverage Determinations for Prescription Medications) and found that the policy did not include a provision stating that if oral notice is provided for an adverse decision, the notice must satisfy the following requirements: - State the specific reason for the denial and take into account the enrollee's presenting medical condition, disabilities, and special language requirements, if any. - Provide information regarding the right to appoint a representative to file an appeal on the enrollee's behalf. - Provide 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. Additionally, University Health Care provided a copy of the Member Notification Call Script that the auto dialer system is programmed to recite. Upon review, the auditors concluded that the script does not provide for any of the three above bulleted requirements.

Corrective Action Required:

University Health Care must revise it policy and procedure regarding enrollee notification following decision on expedited coverage determination (151D.5 Coverage Determinations for Prescription Medications) to include a provision stating that if oral notice is provided for an adverse decision, the notice must satisfy the following requirements: - State the specific reason for the denial and take into account the enrollee's presenting medical condition, disabilities, and special language requirements, if any. - Provide information regarding the right to appoint a representative to file an appeal on the enrollee's behalf. - Provide 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. University Health Care must conduct training of its staff on its policy and procedure and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 8/1/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's notice template for informing enrollees about inquiries involving an excluded drug, Notice of Inquiry Regarding an Excluded Drug, and found it was approved January 2008 which is outside of the audit period. University Health Care was unable to provide auditors with a notice template for informing enrollees about inquiries involving an excluded drug which was in effect during the audit period. CMS reviewed a sample of 10 standard coverage determination concerning payments, from a universe of 10 and found that two out of 10 samples were noncompliant. Specifically, in 2 samples the cases were incorrectly categorized. The samples that were incorrectly categorized were redeterminations not initial coverage determinations.

Corrective Action Required:

Upon re-request University Health Care submitted to the audit team a notice template for informing enrollees about inquiries involving an excluded drug. The notice was consistent with CMS issued model notice, Notice of Inquiry Regarding an Excluded Drug. The notice was approved as of January 2008, therefore, no corrective action is required. University Health Care must correctly categorize all requests for coverage determinations concerning payment that are specific to Part D and submit documentation demonstrating this to CMS. Additionally, University Health Care must submit a new sample upon request from CMS to verify compliance with this requirement.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's notice template for informing enrollees of grievance deadline extension and found the notice was not consistent with CMS issued model notice, Notice of Plan's Decision to Extend the Deadline for Making a Decision Regarding a Grievance, and it did not display the contract number (and CMS approval date if it was filed under the normal marketing review submission process) in the lower left hand corner in accordance with CMS Marketing guidelines.

Corrective Action Required:

University Health Care must provide CMS with a CMS approved or accepted notice for informing enrollees of grievance deadline extension (i.e., a notice consistent with the CMS issued model notice, Notice of Plan's Decision to Extend the Deadline for Making a Decision Regarding a Grievance). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Plan's Decision to Extend the Deadline for Making a Decision Regarding a Grievance), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. University Health Care must conduct training of appropriate staff on the use of this notice template and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV05
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policy and procedures regarding method of grievance response (Veridign Health Solutions, LLC Compliance, Policy Medicare Grievances, Policy VHSComp_AP_001) and found it did not include provisions stating: -that all grievances submitted in writing must be responded to in writing, and -that grievances submitted orally may be responded to either orally or in writing, unless the enrollee requests a written response. University Health Care does not meet this requirement because CMS reviewed University Health Care's notice template for notification of grievance disposition and found the notice was not consistent with CMS issued model notice, Notice of Plan's Decision Regarding a Grievance, and it did not display the contract number (and CMS approval date if it was filed under the normal marketing review submission process) in the lower left hand corner in accordance with CMS Marketing guidelines.

Corrective Action Required:

University Health Care must revise its policies and procedures regarding method of grievance response to include provisions stating: -that all grievances submitted in writing must be responded to in writing, and -that grievances submitted orally may be responded to either orally or in writing, unless the enrollee requests a written response. University Health Care must conduct training of appropriate staff on each of these policies and procedures, and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for informing enrollees of grievance disposition (i.e., a notice consistent with the CMS issued model notice, Notice of Plan's Decision Regarding a Grievance). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Plan's Regarding a Grievance), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. University Health Care must conduct training of appropriate staff on the use of this notice template and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV06
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Grievance Response ¿ Quality of Care - The Part D sponsor must respond in writing to all grievances related to the quality of care. The response must include a description of the enrollee¿s right to file a written complaint with the Quality Improvement Organization (QIO). If a complaint is submitted to the QIO, the Part D sponsor must cooperate with the QIO in resolving the complaint.

Reference:

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

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding grievances related to quality of care (Policy: Veridign Health Solutions, LLC Compliance, Policy Medicare Grievances, Policy VHSComp_AP_001, Desk Procedure: Handling Grievances, Policy: Distinguishing between Part D coverage determinations and Grievances, and Training documentation) and found it does not include a provision for University Health Care's commitment to cooperating with the QIO in resolving grievance cases. University Health Care does not meet this requirement because CMS reviewed University Health Care's notice template for notification of grievance disposition and found the notice was not consistent with CMS issued model notice, Notice of Plan's Decision Regarding a Grievance, and it did not display the contract number (and CMS approval date if it was filed under the normal marketing review submission process) in the lower left hand corner in accordance with CMS Marketing guidelines.

Corrective Action Required:

University Health Care must revise its policy and procedure regarding grievances related to quality of care to include a provision that states University Health Care's commitment to cooperating with the QIO in resolving grievance cases. University Health Care must conduct training of appropriate staff on each of these policies and procedures, and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for informing enrollees of grievance disposition (i.e., a notice consistent with the CMS issued model notice, Notice of Plan's Decision Regarding a Grievance). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Plan's Regarding a Grievance), then it must submit one for CMS approval through the normal marketing review submission process, and provide evidence that it has done this for the purpose of this audit. University Health Care must conduct training of appropriate staff on the use of this notice template and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Request for Redeterminations (Standard) - The Part D sponsor must have policies, procedures, and systems in place that allow it to accept written requests for standard redeterminations of coverage determinations filed within 60 calendar days of the notice of the coverage determination. The Part D sponsor must provide the enrollee or the prescribing physician with a reasonable opportunity to hand-deliver or present in writing, evidence and allegations of fact or law related to the issue in dispute.

Reference:

42 CFR § 423.582(a-b); § 423.586; MA-PD Solicitation; Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures for accepting requests for standard redeterminations (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, and Policy 151D.5: Coverage Determinations for Prescription Medications) and did not find provisions for: - accepting written requests for standard redetermination of coverage determinations filed by enrollees within 60 calendar days of the notice of the coverage determination, and - providing a reasonable opportunity to receive evidence and allegations of law and fact, in person or in writing, related to the disputed issue.

Corrective Action Required:

University Health Care must revise its policies and procedures for accepting requests for standard redeterminations (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) to include provisions for: - accepting written requests for standard redetermination of coverage determinations filed by enrollees within 60 calendar days of the notice of the coverage determination, and - providing a reasonable opportunity to receive evidence and allegations of law and fact, in person or in writing, related to the disputed issue. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding decisions to accept or deny requests for expedited redeterminations (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) and found they do not include provisions stating that: - the decision to accept or deny an expedited redetermination request is based on the enrollee's request indicating that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee's life, health or ability to regain maximum function, - University Health Care automatically expedites a request when the enrollee's physician indicates that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee's life, health or ability to regain maximum function and, - any additional medical information University Health Care requires, must be requested within 24 hours of receiving the initial request for an expedited redetermination. Over 30% of the cases provided for worksheet WS-RE3_D, Requests for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of cases that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must revise its policies and procedures regarding decisions to accept or deny requests for expedited redeterminations (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) to include a provision stating that the decision to accept or deny an expedited redetermination request is based on the enrollee's request indicating that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee's life, health or ability to regain maximum function. University Health Care submitted to the audit team a policy and procedure entitled AP003: Reconsideration Determinations, dated post audit period (2/14/2008) that includes the required provisions stating that: - University Health Care automatically expedites a request when the enrollee's physician indicates that applying the standard timeframe for making a redetermination may seriously jeopardize the enrollee's life, health or ability to regain maximum function and, - any additional medical information University Health Care requires, must be requested within 24 hours of receiving the initial request for an expedited redetermination. Therefore, no corrective action is required for these provisions. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE3_D contains a misclassified case. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE04
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Actions Following Decision to Deny Request for Expedited Redetermination - If the Part D sponsor denies a request for an expedited redetermination, it must automatically transfer the request to the standard redetermination timeframe, provide prompt oral notice to the enrollee, according to CMS requirements, and provide equivalent written notice within 3 calendar days of the oral notice.

Reference:

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

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures for enrollee notification following a decision to deny request for an expedited redetermination (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) and found they do not include: - a provision stating that University Health Care must transfer denied request for an expedited redetermination to the standard redetermination timeframe, and - a provision stating that University Health Care must provide prompt oral notice to the enrollee, and provide equivalent written notice within 3 calendar days of the oral notice. Over 30% of the cases provided for worksheet WS-RE3_D, Request for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of cases that CMS requested, and is therefore inadequate for determining compliance. CMS reviewed University Health Care's notice template for notifying enrollees that a request for an expedited redetermination is denied, consistent with the CMS issued model notice, Notice of a Right to an Expedited Grievance, and found it was approved January 2008 which is outside of the audit period. University Health Care was unable to provide auditors with a notice template for informing enrollees about inquiries involving an excluded drug, which was in effect during the audit period.

Corrective Action Required:

University Health Care submitted to the audit team a policy and procedure entitled AP003: Reconsideration Determinations, dated post-audit period (2/14/2008) that includes the required provisions stating that: - University Health Care must transfer denied request for an expedited redetermination to the standard redetermination timeframe, and - University Health Care must provide prompt oral notice to the enrollee, and provide equivalent written notice within 3 calendar days of the oral notice. Therefore, no corrective action is required for these provisions. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. Upon re-request University Health Care submitted to the audit team a notice template for notifying enrollees that a request for an expedited redetermination is denied, and found the notice was consistent with CMS issued model notice, Notice of a Right to an Expedited Grievance. The notice was approved as of January 2008. Therefore, no corrective action is required. University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE3_D contains a misclassified case. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding timely notification and effectuation of standard redeterminations concerning a covered drug benefit (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) and found the policies did not contain provisions stating that: - failure to notify the enrollee within the timeframe constitutes an adverse redetermination requiring University Health Care to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. CMS requested University Health Care's notice template for requesting a reconsideration, Request for Reconsideration, however, this notice template was not provided for review. CMS requested University Health Care's notice template for enrollee notification when a request is forwarded to the IRE. University Health Care provided a notice that is consistent with the CMS issued model notice, Notice of Case Status. However, the notice did not display the contract number in the lower left hand corner, and the CMS approval date if it was submitted under the normal marketing review process, in accordance with CMS Marketing guidelines. Additionally, University Health Care staff stated in a response to a re-request on February 20, 2008, that University Health Care did not utilize the Notice of Case Status during the audit period. CMS reviewed 8 cases of requests for standard redeterminations concerning drug benefits from a universe of 8 and found 4 cases that were noncompliant. Specifically, two cases, samples 2 and 3, did not demonstrate that the benefit was authorized within a timeframe that is CMS compliant. Additionally, 1 of these 2 cases, sample 2, did not demonstrate that the enrollee was notified of University Health Care's decision within a timeframe that is CMS compliant and that the untimely case was forwarded to the IRE. Finally, two cases (samples 5 and 6) did not demonstrate the use of a Request for Reconsideration notice.

Corrective Action Required:

University Health Care must revise its policies and procedures regarding timely notification and effectuation of standard redeterminations concerning a covered drug benefit (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) to include provisions stating that: - failure to notify the enrollee within the timeframe constitutes an adverse redetermination requiring University Health Care to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for requesting a reconsideration (i.e., a notice consistent with the CMS issued model notice, Request for Reconsideration). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Request for Reconsideration), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide CMS with a CMS approved or accepted notice for enrollee notification when a request is forwarded to the IRE. (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide notification to the enrollee, or the appointed representative, as applicable, of its standard redetermination concerning drug benefit decision in a timeframe that is CMS compliant and provide documentation demonstrating this to CMS. If University Health Care fails to notify the enrollee, or the appointed representative, as applicable, of its decision in a timely manner, University Health Care must forward the case file to the IRE and notify the enrollee within 24 hours of the expiration of the adjudication timeframe and provide documentation demonstrating this to CMS. If the issue is a denial, University Health Care must provide the enrollee with a CMS approved Request for Reconsideration notice. Additionally, University Health Care must submit a new sample upon request from CMS to verify compliance with this requirement.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding timely notification and effectuation of standard redeterminations concerning payment (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) and found the policies did not contain provisions stating: - failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring University Health Care to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. CMS requested University Health Care's notice template for requesting a reconsideration, Request for Reconsideration, however this notice template was not provided for review. CMS requested University Health Care's notice template for enrollee notification when a request is forwarded to the IRE. University Health Care provided a notice that is consistent with the CMS issued model notice, Notice of Case Status. However, the notice did not display the contract number in the lower left hand corner, and the CMS approval date if it was submitted under the normal marketing review process, in accordance with CMS Marketing guidelines. Additionally, University Health Care staff stated in a response to a re-request on February 20, 2008, that University Health Care did not utilize the Notice of Case Status during the audit period. Over 30% of the cases provided for worksheet WS-RE2, Requests for Standard Redeterminations Concerning Payment, were misclassified. Specifically, the one sample submitted was a coverage determination request. The universe provided by University Health Care is not representative of cases that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must revise its policies and procedures regarding timely notification and effectuation of standard redeterminations concerning payment (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) to include provisions stating: - failure to notify the enrollee within the timeframe constitutes an adverse redetermination requiring University Health Care to forward the enrollee's complete file to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and - University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for requesting a reconsideration (i.e., a notice consistent with the CMS issued model notice, Request for Reconsideration). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Request for Reconsideration), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide CMS with a CMS approved or accepted notice for enrollee notification when a request is forwarded to the IRE. (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE2_D contains a misclassified case. Based on this analysis, University Health Care must provide to CMS the root cause as well as a detailed corrective action plan.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures regarding enrollee notification following decision on expedited redetermination and requesting medical information required for making a decision on an expedited redetermination (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) and found they did not include: -a provision that medical information must be requested within 24 hours of the enrollee's initial request, -a provision stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring University Health Care to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and -a provision stating that University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. CMS requested University Health Care's notice template for requesting a reconsideration, Request for Reconsideration, however this notice template was not provided for review. CMS requested University Health Care's notice template for enrollee notification when a request is forwarded to the IRE. University Health Care provided a notice that is consistent with the CMS issued model notice, Notice of Case Status. However, the notice did not display the contract number in the lower left hand corner, and the CMS approval date if it was submitted under the normal marketing review process, in accordance with CMS Marketing guidelines. Additionally, University Health Care staff stated in a response to a re-request on February 20, 2008, that University Health Care did not utilize the Notice of Case Status during the audit period. Over 30% of the cases provided for worksheet WS-RE3_D, Request for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of cases that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must revise its policies and procedures regarding enrollee notification following a decision on expedited redetermination and requesting medical information required for making a decision on an expedited redetermination (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) to include: -a provision stating that failure to notify the enrollee within the timeframe constitutes an adverse redetermination decision requiring University Health Care to forward the enrollee's request to the Independent Review Entity (IRE) within 24 hours of the expiration of the adjudication timeframe, and -a provision stating that University Health Care must inform the enrollee, within 24 hours, when the case is forwarded to the IRE. University Health Care submitted to the audit team a policy and procedure entitled AP003: Reconsideration Determinations, dated post audit period (2/14/2008) that includes a provision stating that medical information must be requested within 24 hours of the enrollee's initial request. Therefore, no corrective action is required for this provision. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with a CMS approved or accepted notice for enrollee notification when a request is forwarded to the IRE. (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Notice of Case Status), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide CMS with a CMS approved or accepted notice for requesting a reconsideration (i.e., a notice consistent with the CMS issued model notice, Request for Reconsideration). If University Health Care does not have a notice template that has been approved or accepted by CMS (i.e., a notice consistent with the CMS issued model notice, Request for Reconsideration), then it must submit one for CMS approval through the normal marketing review submission process or through the File and Use process, and provide evidence that it has done this for the purpose of this audit. University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE3_D contains a misclassified case. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE08
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Expedited Coverage Redetermination Reversals - If, on an expedited redetermination of a request for benefit, the Part D sponsor reverses, in whole or in part, its coverage determination, it must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires, but no later than 72 hours after the date the Part D sponsor receives the request for redetermination.

Reference:

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

Deficiencies:

University Health Care does not meet this requirement. Over 30% of the cases provided for worksheet WS-RE3_D, Request for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of cases that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE3_D contains a misclassified case. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RE09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Review of Adverse Coverage Determinations - The Part D sponsor must ensure that a person or persons who were not involved in making the coverage determination conducts the redetermination. When the issue is a denial based on lack of medical necessity, the Part D sponsor must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue. The physician making the redetermination need not, in all cases, be of the same specialty or subspecialty as the prescribing physician.

Reference:

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

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policy and procedure regarding personnel conducting redeterminations (Veridign Health Solutions, Compliance: Policy No. VHSComp_AP_003, Policy: Reconsideration Determinations (Standard and Expedited), and Handling Appeals) and found it did not contain the following provisions stating: - that a person or persons who were not involved in making the coverage determination conducts the redetermination, and - that if the issue is a denial based on lack of medical necessity, then University Health Care must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue. Additionally, over 30% of samples provided for WS-RE2_D, Requests for Redeterminations Concerning Payment were misclassified. Specifically, the one sample submitted was a coverage determination request. The universe provided by University Health Care is not representative of samples that CMS requested, and is therefore inadequate for determining compliance. Furthermore, over 30% of samples provided for WS-RE3_D, Requests for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must revise its policy and procedure regarding personnel conducting redeterminations to include the following provisions stating: - that a person or persons who were not involved in making the coverage determination conducts the redetermination, and - that if the issue is a denial based on lack of medical necessity, then University Health Care must ensure the redetermination is made by a physician with the expertise in the field of medicine that is appropriate for the services at issue. University Health Care must conduct training of appropriate staff on each of these policies and procedures, and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with an analysis and explanation of why the universes submitted for WS-RE2_D, Requests for Standard Redeterminations concerning Payment and WS-RE3_D, Requests for Expedited Redeterminations contain misclassified cases. Based on the analysis, University Health Care is to provide to CMS, the root causes as well as detailed corrective action plans.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, 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: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

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:

University Health Care does not meet this requirement because CMS reviewed University Health Care's policies and procedures for forwarding case files to the IRE upon the IRE's request in a timely manner (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) and found they do not state that a hard copy of the case file must be delivered to the IRE by overnight delivery at its designated address, or by fax at is designated fax number. Additionally, over 30% of samples provided for WS -RE2_D, Requests for Redeterminations Concerning Payment were misclassified. Specifically, the one sample submitted was a coverage determination request. The universe provided by University Health Care is not representative of samples that CMS requested, and is therefore inadequate for determining compliance. Furthermore, over 30% of samples provided for WS-RE3_D, Requests for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of samples that CMS requested, and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must revise its policies and procedures for forwarding case files to the IRE upon the IRE's request in a timely manner (Desk Procedure: Handling Appeals, AP 003: Reconsideration Determinations, AP 007: Effectuating Reconsidered Determinations or Decisions, Policy 151D.5: Coverage Determinations for Prescription Medications) to state that a hard copy of the case file must be delivered to the IRE by overnight delivery at its designated address, or by fax at is designated fax number. University Health Care must conduct training of appropriate staff on these policies and procedures and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with an analysis and explanation of why the universes submitted for WS-RE2_D, Requests for Standard Redeterminations concerning Payment and WS-RE3_D, Requests for Expedited Redeterminations contain misclassified cases. Based on the analysis, University Health Care is to provide to CMS, the root causes as well as detailed corrective action plans.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Effectuation of Third Party Reversals ¿ Benefits (Standard) - If, on appeal of a request for benefit, the Part D sponsor 's determination is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires but no later than 72 hours after the date it receives notice reversing the determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.636(b)(1); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

University Health Care does not meet this requirement because CMS reviewed internal data on University Health Care's compliance with reconsideration decisions where University Health Care's determination was fully or partially reversed and found evidence of noncompliance in 1 out of 1 case from reconsideration cases requested under the standard timeframe. Specifically, in 1 out of 1 case, University Health Care did not effectuate the IRE's reversal decision as expeditiously as the enrollee's health requires but no later than 72 hours after the date it received notice reversing the determination and University Health Care did not provide a notice to the IRE that it effectuated a reversal decision.

Corrective Action Required:

University Health Care must demonstrate to CMS that it effectuates third party reversals for a standard appeal of a request for a benefit cases within the timeframes required by CMS and it notifies the IRE of the effectuation of any reconsideration decision that fully or partially reverses University Health Care's decision.

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: 3501
Contract Number: H1807
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV02
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Effectuation of Third Party Reversals ¿ Payment (Standard) - If, on appeal of a request for payment, the Part D sponsor 's determination is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize the payment within 72 hours, but make payment no later than 30 calendar days from the date it receives notice reversing the coverage determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.636(b)(2); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

University Health Care does not meet this requirement. Over 30% of the cases provided for worksheet WS-RE2_D Requests for Standard Redeterminations Concerning Payment were misclassified. Specifically, the one sample submitted was a coverage determination request. The universe provided by University Health Care is not representative of cases that CMS requested and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE2_D contains a misclassified case. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.

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: H1807
Audit ID: 3501
Part D Sponsor Name: UNIVERSITY HEALTH CARE, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: RV03
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 3/28/2008
Date Report Due: 5/12/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 2/11/2008
Estimated Visit Start Date: 2/15/2008
Actual Visit Start Date: 2/11/2008
Actual Visit End Date: 2/15/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 5/12/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Effectuation of Third Party Reversals ¿ Benefits (Expedited) - If the expedited determination or expedited redetermination for benefits by the Part D sponsor is reversed in whole or in part by the Independent Review Entity (IRE), or at a higher level of appeal, the Part D sponsor must authorize or provide the benefit under dispute as expeditiously as the enrollee¿s health requires but no later than 24 hours after the date it receives notice reversing the determination. The Part D sponsor must also inform the IRE that the organization has effectuated the decision.

Reference:

42 CFR § 423.638(b); Prescription Drug Benefit Manual; Chapter 18 ¿ Part D Enrollee Grievances, Coverage Determinations, and Appeals

Deficiencies:

While the policy and procedure (AP 007 Effectuating Reconsidered Determinations or Decisions) submitted for this audit is compliant with CMS requirements, evidence obtained during Staff Discussions demonstrates that University Health Care is not implementing these policies and procedures in compliance with CMS requirements. Specifically, when University Health Care was asked to confirm the process of the effectuation of third party reversals for both standard and expedited requests, University Health Care stated a 72 hour timeframe for effectuating third party reversals for both standard and expedited requests. This is not a CMS compliant timeframe for expedited cases. Over 30% of the cases provided for worksheet WS-RE3_D Requests for Expedited Redeterminations were misclassified. Specifically, 1 sample out of a universe of 2 was received as a request for a standard redetermination. The universe provided by University Health Care is not representative of cases that CMS requested and is therefore inadequate for determining compliance.

Corrective Action Required:

University Health Care must conduct training of appropriate staff on these policies and procedures for effectuating third party reversals on an appeal of an expedited request for a benefit and submit documentation to CMS that details the nature of this training, including: the materials used in the training, the individuals conducting the training, and the individuals being trained. University Health Care must provide CMS with an analysis and explanation of why the universe submitted for WS-RE3_D contains a misclassified case. Based on the analysis, University Health Care is to provide to CMS, the root cause as well as a detailed corrective action plan.