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: H5729
Audit ID: 5221
Part D Sponsor Name: MD MEDICARE CHOICE

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 2
Auditing Element: ER13
Audit Type: Focused
Audit Location: Onsite
Date Report Issued: 8/11/2008
Date Report Due: 9/25/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 9/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/23/2008
Estimated Visit Start Date: 6/27/2008
Actual Visit Start Date: 6/23/2008
Actual Visit End Date: 6/27/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 9/25/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Confirmation of Enrollment for Members of Employer/Union Group Receiving Employer Subsidy - The Part D sponsor must meet CMS requirements for obtaining a confirmation of the intent to enroll from any individual who attempts to enroll in the Part D plan, but whose enrollment is conditionally rejected by CMS due to a detected match indicating that the beneficiary may have existing employer or union drug coverage.

Reference:

Medicare Managed Care Manual Chapter 2

Deficiencies:

MD Medicare Choice does not meet this compliance standard. CMS reviewed 10 sample cases for confirmation of enrollment for members of an employer/union group receiving employer subsidy and 4 of these cases were found to be noncompliant. Cases 2, 7,9 and 10 did not meet the standards found in chapter 2 of the Medicare Managed Care Manual. In 2 of the cases, the date MD Medicare Choice requested confirmation from the member for continued enrollment in the plan, was prior to the date MD Medicare Choice received notification of enrollee's existing coverage with an employer or union group, from CMS.

Corrective Action Required:

Some reviewed samples included dates the confirmation from the member for continued enrollment in the plan, was prior to the date the plan received notification of their existing enrollment from CMS. MD Medicare Choice must provide CMS with a written explanation of how this occurred. MD Medicare choice must also revise its policies and procedures to include retaining a record of the beneficiary confirmation, whether written or verbal, with the record of the individual's enrollment request. MD Medicare Choice must send a denial notice to the beneficiary if the beneficiary does not respond within 30 calendar days from the date he/she is contacted, or indicates s/he does not wish to enroll. MD Medicare Choice must conduct training of appropriate staff on retaining a record of beneficiary confirmation, whether written or verbal with the record of the individual's enrollment request. This training must also include sending a denial notice to the beneficiary if the beneficiary does not respond within 30 calendar days from the date he/she is contacted, or indicates s/he does not wish to enroll. MD Medicare Choice must submit documentation to CMS detailing the nature of the training, the individuals being trained, and the individuals conducting the training.

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Findings: Not Met
Contract Number: H5729
Audit ID: 5221
Part D Sponsor Name: MD MEDICARE CHOICE

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 2
Auditing Element: PC02
Audit Type: Focused
Audit Location: Onsite
Date Report Issued: 8/11/2008
Date Report Due: 9/25/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 9/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/23/2008
Estimated Visit Start Date: 6/27/2008
Actual Visit Start Date: 6/23/2008
Actual Visit End Date: 6/27/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 9/25/2008
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 negative changes to utilization management or 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 Formulary Changes During the Plan Year

Deficiencies:

MD Medicare Choice did not provide a Policy and Procedure for this element, Provision of Notice Regarding Formulary Change.

Corrective Action Required:

MD Medicare Choice must devise a policy and procedure to address Provision of Notice Regarding Formulary Changes. This policy must include sections addressing how the Part D sponsor will 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, making any negative changes to utilization management, or making negative changes to the preferred or tiered cost sharing status of a covered Part D drug.

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Findings: Not Met
Contract Number: H5729
Audit ID: 5221
Part D Sponsor Name: MD MEDICARE CHOICE

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 2
Auditing Element: MR09
Audit Type: Focused
Audit Location: Onsite
Date Report Issued: 8/11/2008
Date Report Due: 9/25/2008
Element Accepted Date:
Element Release Date:
Element Projected Completion Date: 9/30/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 6/23/2008
Estimated Visit Start Date: 6/27/2008
Actual Visit Start Date: 6/23/2008
Actual Visit End Date: 6/27/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 9/25/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

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

Reference:

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

Deficiencies:

MD Medicare Choice does not meet this requirement because CMS reviewed 10 samples of Provisions of Notices Regarding Formulary Changes and 4 of the 10 were non-compliant. Specifically, cases 7,8,9 and 10 did not contain an Explanation of Benefits (EOB). The plan used the EOB as the method of notification for a formulary change.

Corrective Action Required:

MD Medicare Choice needs to provide CMS with an explanation of why 4 of the 10 samples reviewed did not contain an Explanation of Benefits. MD Medicare Choice needs to provide CMS with updated policies and procedures that address when members should receive an Explanation of Benefits for their Part D medications. MD Medicare Choice should provide CMS with a model EOB notice that is used when a negative formulary change is made. The notice should be compliant with Model 10 from Chapter 18 of the Prescription Drug Benefit Manual. MD Medicare choice must then submit this notice 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. MD Medicare choice must provide evidence that it's Prescription Benefits Manager, MedImpact Healthcare Systems, Inc., has conducted training on the EOB notice, the nature of this training, the materials used in the training, individuals conducting the training and individuals being trained.