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: 4922
Contract Number: H0354
Part D Sponsor Name: CIGNA HEALTHCARE OF ARIZONA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 2
Auditing Element: MR01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 7/3/2008
Date Report Due: 8/17/2008
Element Accepted Date: 8/29/2008
Element Release Date: 8/29/2008
Element Projected Completion Date: 2/4/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 5/19/2008
Estimated Visit Start Date: 5/20/2008
Actual Visit Start Date: 5/19/2008
Actual Visit End Date: 5/20/2008
Part D Sponsor Response Received Date: 7/31/2008
Part D Sponsor Response Due Date: 8/17/2008
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:

CIGNA Healthcare of Arizona, Inc., used the model notice for MA-PD Plans for individuals identified on CMS records as members of employer group receiving subsidy to notify and confirm the intent to enroll. The notice was not submitted to CMS and the MA-PD Plan contract number was not annotated preceding the MA-PD unique identifier.

Corrective Action Required:

No action is required. CIGNA Healthcare of Arizona, Inc., submitted revised materials for file and use, which were submitted and accepted on February 4, 2008.

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Audit ID: 4922
Contract Number: H0354
Part D Sponsor Name: CIGNA HEALTHCARE OF ARIZONA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 2
Auditing Element: MR09
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 7/3/2008
Date Report Due: 8/17/2008
Element Accepted Date: 8/29/2008
Element Release Date: 8/29/2008
Element Projected Completion Date: 7/31/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 5/19/2008
Estimated Visit Start Date: 5/20/2008
Actual Visit Start Date: 5/19/2008
Actual Visit End Date: 5/20/2008
Part D Sponsor Response Received Date: 7/31/2008
Part D Sponsor Response Due Date: 8/17/2008
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:

CIGNA Healthcare of Arizona, Inc., did not meet CMS requirements because CMS audited 10 cases and found the Plan did not provide 60 days advanced written notice of the negative formulary change for the prescription drug Ambien effective October 1, 2007. CIGNA Healthcare of Arizona, Inc., did not notify 7 beneficiaries receiving 10mg dosage of Ambien and beneficiaries receiving 5mg dosage were notified. All 10 notifications by explanation of benefits were dated August 08, 2007 and therefore were not provided 60 days in advance of the negative formulary change. CiGNA Healthcare of Arizona, Inc., self reported the identification of a data entry error that caused the noncompliant notice.

Corrective Action Required:

CIGNA Healthcare of Arizona, Inc. must implement corrective action and revise policies and procedures to incorporate quality controls to ensure that data entry errors are identified during the negative formulary notification process and that explanation of benefits include notification and ensure timely notification to affected beneficiaries. CIGNA Healthcare of Arizona, Inc., must conduct training of appropriate staff on the revised policies and procedures and submit documentation to the CMS Regional Office that details the nature of the training, including: the materials used in the training, the individuals that conduct the training, and the individuals that attend the training.

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Findings: Not Met
Audit ID: 4922
Contract Number: H0354
Part D Sponsor Name: CIGNA HEALTHCARE OF ARIZONA, INC.

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 2
Auditing Element: PP01
Audit Type: Routine
Audit Location: Desk Review
Date Report Issued: 7/3/2008
Date Report Due: 8/17/2008
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: 5/19/2008
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Actual Visit Start Date: 5/19/2008
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Part D Sponsor Response Received Date: 7/31/2008
Part D Sponsor Response Due Date: 8/17/2008
CAP Release Date:
CAP Accepted Date:

Requirement:

Written Policies and Procedures - The Part D sponsor must adhere to CMS guidance for adopting and maintaining current, written policies and procedures that address all applicable Part D statutes, regulations, and program requirements. These policies and procedures must articulate the specific procedures personnel should follow when performing their duties.

Reference:

42 CFR § 423.504(b)(4)(vi)(A)

Deficiencies:

CIGNA Healthcare of Arizona, Inc., did not meet CMS requirements for policies and procedures specifically incorporating the requirement to contact the beneficiary after enrollments reject due to employer or union group drug coverage within 10 days. In addition, CMS does not require sponsors to submit advance notice of immediate removal of a drug that is deemed unsafe by the FDA or is removed from the market by the manufacturer, however CIGNA Healthcare of Arizona, Inc., policies and procedures did not meet CMS requirements to provide retrospective notice to CMS when a Part D drug is immediately removed from the formulary for those reasons. CIGNA Healthcare of Arizona, Inc., policies and procedures do include notification, but do not specifically reference retrospective notice to CMS.

Corrective Action Required:

CIGNA Healthcare of Arizona, Inc., must revise and submit to the CMS Regional Office the policies and procedures to incorporate the specific reference to notify the beneficiary within 10 days after enrollments reject due to employer or union group drug coverage. In addition, CIGNA Healthcare of Arizona, Inc., should submit policies and procedures, including methods of notice, incorporating the requirement to specifically include retrospective notice to CMS when a 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.