# *CMS Medicare Managed Care Auditing Report*

## Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET
**Region:** 04 Atlanta
**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Review ID:** 7837

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** ER04
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 09/26/2007
**Element Release Date:** 04/24/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**08/03/2007
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Enrollment Election Completion Process - The MAO must correctly identify incomplete enrollment elections and follow CMS requirements for requesting information from the beneficiaries to make the elections complete.

**Deficiencies:**

Based on the two case samples submitted, case number two was misclassified. The MAO submitted one record that was processed by CMS. The Universe requested should have included all cases that the MAO denied during the review period without having submitted the accretion information to CMS. Based on the copy of the Beneficiary detail snapshot submitted by Health Sun Health Plan for case number two, the member was enrolled effective October 1, 2006.

**Corrective Action Required:**

According to 42 CFR 422.60.3 Manual Chapter 2 section 40.2.2 Health Sun must correctly identify incomplete enrollment elections and follow CMS requiriements for requesting information from the beneficiaries to make the elections complete. Policies and procedures must be written that describe the following 1. CMS Notice requirements 2. CMS timeframes 3. Enrollment procedures 4. Denial of enrollment procedures Provide a copy of all revised notices to the Region IV Plan Manager for review and approval. Provide a copy of the revised policies and procedures to the Region IV Plan Manager for review.

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## Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** ER07
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 09/26/2007
**Element Release Date:** 04/24/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**08/03/2007
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Denial of Enrollment Prior to Transmission to CMS (Timeliness) - The MAO correctly notifies beneficiaries of denial of enrollment within timeframes specified by CMS.

**Deficiencies:**

According to 42 CFR 422.60(e(3), Manual Chapter 2 section 40.2.3, Health Sun Health Plan does not correctly notify beneficiaries of denial within the timeframes specified by CMS. Health Sun Health Plans does not correctly notifiy beneficiaries of denial within CMS specified timeframes because 1 out of 2 samples submitted was misclassified. A review of case sample 2 showed the member's enrollment became effective 10/1/2006. Only cases that the MAO denied during the review period without having submitted the accretion information to CMS should've been submitted.

**Corrective Action Required:**

1. Update all policies and procedures to ensure compliance in accordance with 42 CFR 422.60(3)(3), and the Medicare Managed Care Manual Chapter 2 section 40.2.3. 2. Ensure a procedure is in place to review correspondence for correctness and required CMS language prior to mailing to members. 3. Ensure a process and procedure is in place to routinely review documentation regarding denial of enrollment. These may include polices and procedures, complaint/grievance logs, and beneficiary correspondence regarding denial of enrollment.

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## Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** ER08
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 09/26/2007
**Element Release Date:** 05/19/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**08/03/2007
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Denial of Enrollment Prior to Transmission to CMS (Notice Content) - The denial notice meets CMS requirements. If the MA plan is currently enrolled to capacity, the notice explains the procedures that will be followed when vacancies occur.

**Deficiencies:**

Based on the review of two (2) samples, one (1) sample was misclassified. One sample was misclassified because Health Sun Health Plan submitted a sample that should not have been included in the universe. Only cases that the MAO denied during the review period, without having submitted the accretion information to CMS should've been submitted. Based on the documentation submitted by Health Sun Health Plan, the member was enrolled effective October 1, 2006. Therefore, the contents of the notice were incorrect.

**Corrective Action Required:**

1. Update all policies and procedures to ensure compliance in accordance with 42 CFR 422.60(3)(3), and the Medicare Managed Care Manual Chapter 2 section 40.2.3. 2. Ensure a procedure is in place to review correspondence for correctness and required CMS language prior to mailing to members. 3. Ensure a process and procedure is in place to routinely review documentation regarding denial of enrollment. These include polices and procedures, complaint/grievance logs, and beneficiary correspondence regarding denial of enrollment. 4. Develop a process to ensure correct notices are provided to the members according to CMS notice requirements and timeframes.

# *CMS Medicare Managed Care Auditing Report*

## Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** ER15
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 12/05/2007
**Element Release Date:** 05/19/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**07/06/2007
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Appropriate Follow-Up on Changes in State and County Code - The MAO reviews the CMS Monthly Transaction Reply/Monthly Activity Report listings and the Maintenance Records upon receipt and appropriately follows-up on any change in residence for its members reported to it by CMS.

**Deficiencies:**

According to the Regulation found at 42 CFR 422.50 (a)(3) and the Enrollment chapter of the Medicare Managed Care Manual, section 20.3, 20.3.1, and 50.2.1, the MA organization is required to follow-up appropriately on changes in an enrollee's State and County. Based on the review of fifteen (15) WSER6 files, the MA Organization was unable to demonstrate that the appropriate follow-up was conducted on changes to state and county code transactions. In all fifteen (15) cases, the MA organization failed to provide adequate documentation that the CMS Monthly Transaction Reply listing was reviewed and appropriate action taken.

**Corrective Action Required:**

1. Policies and procedures should be updated to reflect compliance with regulations in 42 CFR 422.50(a)(3) and CMS guidelines and regulations as of the date of this report. 2. Provide training and staff development to appropriate staff members concerning this required process. Please provide CMS with a description of this training along with attendance and signature pages. 3. Provide quarterly audit reports for a period of six (6) months documenting the status of the corrective action required.

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Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** MR01
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 12/07/2007
**Element Release Date:** 04/24/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**08/03/2007
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Appropriate Submission and Distribution of Marketing Materials -The MAO follows the requirements contained in the regulations and the Medicare Guidelines for submission and distribution of marketing materials, including appropriate timelines and content of model, non-model, and File & Use materials.

**Deficiencies:**

Acccording to 42 CFR 422.80a, c, and e,1,v. Section 613 of BIPA Manual Ch. 3 Section 20, Chapter 3 of the Medicare Marketing Guidelines, Health Sun Health Plans does not follow the requirements contained in the regulations and the Medicare Guidelines for submission and distribution of marketing mateirals, including appropriate timelines and content of model, non-model, and File and Use materials. Health Sun Health does not follow the requirements contained in the regulations and the Medicare Guidelines because Health Sun did not distribute the appropriate materials to its members using the correct language in Worksheets DN1, ER1 and ER6. Health Sun Health Plan does not provide the appropriate materials timely to its members in accordance with CMS timeframes and regulations. A review of the marketing samples showed that Health Sun included unallowed language. Also, fifteen out of fifteen samples reviewed for Worksheet ER6 did not include the appropriate member notices.

**Corrective Action Required:**

Health Sun Health Plan must revise its policies and procedures to include language which outlines procedures for the submission of English and non-English marketing material. Health Sun Health Plan must also revise its policies and procedures to include language which outlines procedures for the submission of appropriate member notices according to the summary of notice requirements located in Chapter 2 of the Managed Care Manual. Health Sun Health Plan must conduct training of appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, to include: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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## Auditing Review Results (Initial Report)-Public Website Version

Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** MR03
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 09/26/2007
**Element Release Date:** 05/19/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**08/03/2007
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Disclosure of Required Non-Deemable Information to Beneficiaries - At the time of enrollment and annually thereafter, an MAO must disclose to each beneficiary electing an MA plan, in clear, accurate and consistent form the information required by CMS.

**Deficiencies:**

According to CFR 422.111a and b, 422.80c, Chapter 6 of the Medicare Marketing Guidelines, Health Sun Health Plans does not disclose clear, accurate and consistent information during the time of enrollment and annually thereafter because 30 out of 30 letters reviewed during the Focused site visit did not include the required language according to exhibit 4 Model Notice to Acknowledge Receipt of Completed Enrollment Election. Health Sun Health Plans does not disclose clear, accurate and consistent information during the time of enrollment and annually thereafter because Health Sun did not provide members with a final notice to confirm enrollment.

**Corrective Action Required:**

Health Sun Health Plan must develop and implement policies and procedures on Appendix 1 of Chapter 2, Enrollment and Disenrollment Summary of Notice Requiriements. Health Sun Health Plan must conduct training on Chapter 2 Enrollment and Disenrollment for appropriate staff on these policies and procedures and submit documentation to the regional office that details the nature of this training, to include: the materials used in the training, the individuals conducting the training, and the individuals being trained.

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Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** MR05
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 12/07/2007
**Element Release Date:** 04/24/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**04/30/2008
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Marketing Materials: Enrollment and Understanding of Plan Rules - The MAO establishes and maintains a system for confirming that enrolled members are enrolled in an MA plan and that they understand the rules applicable under the plan.

**Deficiencies:**

According to 42 CFR 422.803,2,ii, Health Sun Health Plan does not maintain a system for confirming enrolled members are enrolled in an MA plan and that they understand the rules applicable under the plan. Health Sun Health Plan does not ensure plan rules are completely explained during the enrollment process because Health Sun Health Plan included language in their marketing material that was not approved. Therefore, the information that was distributed to members during the enrollment process was incorrect.

**Corrective Action Required:**

1. Update all policies and procedures to ensure compliance with 42 CFR 422.60(3)(3), Manual Chapter 2 section 40.2.3. 2. Develop policies to support CMS requirements related to denial of enrollment prior to transmission of CMS data. 3. Develop a process for reviewing complaint/grievance logs and routinely used beneficiary correspondence that may identify any deficiencies regarding denial of enrollment. 4. Develop a process for denial of enrollment prior to transmission to CMS to determine timeliness of notices according to timeframes specified by CMS. 5. Provide a copy of the updated policies and procedures to the Region IV Plan Manager. 6. Provide a quarterly audit report for a period of six (6) months to determine whether the enrollments are submitted according to CMS timeframes.

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Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OC03
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 12/07/2007
**Element Release Date:** 04/24/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**03/31/2008
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Timely Payment of Non-Contracting Provider Clean Claims - The MAO must pay 95 percent of "clean" claims from non-contracting providers within 30 calendar days of receipt.

**Deficiencies:**

Twenty-one claims out of 30 were not paid within 30 days of receipt. Twenty-one claims were paid late because the information provided on the claim forms show Health Sun Health Plans did not process the claims within the required timeframe according to 42 CFR 422.500, 422.520a,1, Manual Ch. 11-Section 100.2 and Ch. 13-Section 40.1.

**Corrective Action Required:**

1. Update all policies and procedures to ensure compliance in accordance with 42 CFR 422.500,422.520a,1 - Manual Ch. 11-Section 100.2 and Ch. 13 - Section 40.1 2. Ensure an effective system is in place to process all claims received at Health Sun Health Plan in accordance with CMS specified timeframes. 3. Health Sun Health Plan must provide CMS with a copy of the updated policies and procedures. 4. Health Sun Health Plan must submit monthly claims payment reprots to the Atlanta regional office beginning the first of June, and continue for a period of of time not less than six months.

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Date Report Generated: 9/30/2008

Category: All, Element: All, Finding:NOT MET, Reviewer:All

**Findings:** NOT MET

**Review ID:** 7837

**Region:** 04 Atlanta

**Contract Number / Name:** H5431 HEALTHSUN HEALTH PLANS, INC.

**Auditing Guide Version:** MA Audit Review Guide, Version 4
**Auditing Element:** OC04
**Review Type:** Focused
**Review Status:** Confirmed
**MCO Response Received Date:**07/13/2007
**Element Accepted Date:** 12/07/2007
**Element Release Date:** 04/24/2008
**CAP Released Date:**05/19/2008

**Visit Start Date:** 2/26/2007
**Exit Conference Date:** 03/01/2007
**Date Report Issued:** 05/25/2007
**Date Report Due:** 04/15/2007
**CAP Accepted Date:**12/07/2007
**Audit Closed Date:** 05/19/2008
**Element Projected Completion Date:**03/31/2008
**MCO Response Due Date:** 07/09/2007

**Requirement:**

Interest on Clean Claims Paid Late - If the MAO pays clean claims from non-contracting providers in over 30 calendar days, it must pay interest in accordance with § 1816 (c)(2)(B) and § 1842 (c)(2)(B).

**Deficiencies:**

Twenty claims out of 30 were out of compliance. Twenty out of 30 claims were out of compliance because Health Sun Health Plan did not pay the correct amount of interest on each claim. In all cases, 1 through 7, and 9 through 21, Health Sun Health Plan did not include the applicable interest rates according to CMS regulations.

**Corrective Action Required:**

1. Update all policies and procedures to ensure compliance in accordance with 42 CFR 422.520a,2 Manual Ch. 11 Section 100.2 2. Ensure an effective system is in place to process all claims received at Health Sun Health Plan in accordance with CMS specified timeframes. 3. Health Sun Health Plans must provide the Region IV Plan Manager with a copy of the updated policies and procedures. 4. Process each claim identified as out of compliance and submit the correct amount of interest owed on each claim to the appropriate provider. 5. Provide a copy of the documentation to the Region IV Plan Manager to show the difference in the correct amount owed and what was already paid on each claim.