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: 3421
Contract Number: S4802
Part D Sponsor Name: STERLING LIFE INSURANCE COMPANY

Audit Guide Version: PDP Sponsor Part D Audit Guide Version 1
Auditing Element: ZZ95
Audit Type: Ad-Hoc Compliance Event
Audit Location: Desk Review
Date Report Issued: 12/10/2007
Date Report Due: 1/24/2008
Element Accepted Date: 2/28/2008
Element Release Date: 2/28/2008
Element Projected Completion Date: 1/4/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 12/3/2007
Estimated Visit Start Date: 6/30/2008
Actual Visit Start Date: 12/3/2007
Actual Visit End Date: 2/28/2008
Part D Sponsor Response Received Date:
Part D Sponsor Response Due Date: 1/24/2008
CAP Release Date: 2/28/2008
CAP Accepted Date: 2/28/2008

Requirement:

Ad-Hoc Compliance Event 1

Deficiencies:

Autoenrollment Data Processing

Corrective Action Required:

On September 6 and 7, 2007, the Centers for Medicare and Medicaid Services (CMS) conducted an on-site audit of Sterling to assess its ability to process enrollments provided by CMS for low income subsidy (LIS) eligible (including full benefit dual eligible) Medicare beneficiaries through both the automatic assignment of newly eligible LIS beneficiaries and the reassignment of LIS beneficiaries currently enrolled in prescription drug plans that will not qualify for LIS assignment in 2008. LIS beneficiaries are a particularly vulnerable beneficiary sub-population as they rely on the proper administration of the subsidy program to ensure that their Part D-related expenses are limited to the levels provided for under Medicare law. CMS has an obligation to insure that PDP sponsors that receive LIS autoenrollments and LIS reassignments provide Part D services in an efficacious manner. The purpose of this audit was to verify that Part D Sponsors can meet the unique needs of LIS beneficiaries participating in the reassignment or automatic enrollment processes. Request for a Corrective Action Plan (CAP) The audit identified the following three areas of concern. Those areas are: 1. Processing enrollment data accurately and in a timely manner (Performance Standards 1 and 2): 2. Providing responsive customer service (Performance Standard 3): and 3. Administering and executing the Best Available Evidence (BAE) Policy (Performance Standard 8). Processing Enrollment Data accurately and in a Timely Manner CMS requests a detailed plan of what automated systems Sterling has put in place to ensure that autoenrollment files are processed in an accurate and timely manner. This plan should include: - a description of how Sterling ensures sufficient staff are properly trained to load files in a timely manner: and - a description of how Sterling ensures that the proper files are loaded and processed (i.e., quality assurance): and - a timeline for completion of training and changes in processing procedures. Providing Responsive Customer Service CMS has serious concerns regarding Sterling¿s call center operations. Sterling currently does not meet the 80% grade of service standard. Specifically, Part D Sponsors must demonstrate that 80% of incoming calls to their customer assistance call centers are answered within 30 seconds and that the abandonment rate does not exceed 5%. Further, Sterling¿s system, Destiny, does not support tracking (and aging) of customer service calls. Finally, Sterling did not demonstrate a robust plan for meeting the customer service call needs of beneficiaries if enrollment were to increase. CMS requests that Sterling provide a detailed plan and timeline that outlines how Sterling will: - Meet the 80% grade of service requirement: - Develop and implement a customer service call tracking and reporting system: and - Define how Sterling will meet customer staffing needs. Administering and Executing the BAE Policy Finally, though Sterling is sufficiently staffed to meet current BAE research needs, CMS is concerned that staffing may not be sufficient to meet the beneficiary needs when enrollment increases. An increase in LIS eligible membership will, necessarily, increase the number of BAE exception cases. CMS requests that Sterling provide a detailed plan and timeline that outlines how Sterling will: - Develop and implement a process for researching BAE that considers the ability to consistently perform this task in 2008: - Develop and implement changes in their system(s) processing that allows for BAE overrides as well as maintains a history of information received for each enrollee: and - Meet short-term or long-term staffing needs for researching BAE for LIS status.