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: 801
Contract Number: H4531
Part D Sponsor Name: HCSC INSURANCE SERVICES COMPANY

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: 8/24/2007
Date Report Due: 10/8/2007
Element Accepted Date: 11/5/2007
Element Release Date: 1/1/2008
Element Projected Completion Date: 1/1/2008

3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
Estimated Visit Start Date: 7/9/2007
Estimated Visit Start Date: 7/13/2007
Actual Visit Start Date: 7/9/2007
Actual Visit End Date: 7/13/2007
Part D Sponsor Response Received Date: 10/8/2007
Part D Sponsor Response Due Date: 10/8/2007
CAP Release Date: 1/1/2008
CAP Accepted Date: 11/5/2007

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:

Part D sponsor fails to provide enrollees with verbal and/or written notification of its determination in instances where requests for payment are made in accordance with 42 CFR 423.568. 5 out of 5 sample case files reviewed evidence that Part D sponsor failed to provide enrollees with verbal and/or written notification of its determination.

Corrective Action Required:

Part D sponsor must adhere to its 01/01/2006 Standard Operating Procedures ¿2.2.3 MedD Approval Process for Coverage Determination and Redetermination Requests¿ which clearly indicates that enrollees are to be provided with verbal and/or written notification. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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Audit ID: 801
Contract Number: H4531
Part D Sponsor Name: HCSC INSURANCE SERVICES COMPANY

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: 8/24/2007
Date Report Due: 10/8/2007
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Element Release Date: 1/1/2008
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3 Year Reporting Cycle: 1/1/2006 - 12/31/2008
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Estimated Visit Start Date: 7/13/2007
Actual Visit Start Date: 7/9/2007
Actual Visit End Date: 7/13/2007
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Part D Sponsor Response Due Date: 10/8/2007
CAP Release Date: 1/1/2008
CAP Accepted Date: 11/5/2007

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:

Part D sponsor fails to promptly and correctly determine and inform enrollees whether a complaint is subject to its grievance procedures or its coverage determination procedures in accordance with 42 CFR 423.564. 12 of 15 sample case files reviewed evidence that enrollees were not notified whether a complaint was subject to its grievance procedures or its coverage determination procedures. 3 of 15 sample case files were misclassified.

Corrective Action Required:

Part D sponsor must adhere to its 10/01/2005 Standard Operating Procedures ¿13-GV01 Complaint Categorization (¿Grievances vs. Coverage Determinations¿)¿ which clearly indicates that enrollees are to be informed whether complaints are subject to its grievance procedures or coverage determination procedures. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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Findings: Not Met
Audit ID: 801
Contract Number: H4531
Part D Sponsor Name: HCSC INSURANCE SERVICES COMPANY

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: 8/24/2007
Date Report Due: 10/8/2007
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Part D Sponsor Response Due Date: 10/8/2007
CAP Release Date: 1/1/2008
CAP Accepted Date: 11/5/2007

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:

Part D sponsor fails to provide timely notification of grievance disposition in accordance with 42 CFR 423.564. 11 of 15 sample case files reviewed evidence that Part D sponsor failed to timely provide enrollees with verbal and/or written notification of its determination.

Corrective Action Required:

Part D sponsor must adhere to its 01/01/2006 Standard Operating Procedures ¿13-GV04 Timely Notification of Grievance Disposition¿ which clearly indicates that enrollees are to be provided with timely verbal and/or written notification. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.

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Part D Sponsor Name: HCSC INSURANCE SERVICES COMPANY

Audit Guide Version: MA-PD Sponsor Part D Audit Guide Version 1
Auditing Element: GV05
Audit Type: Routine
Audit Location: Desk Review
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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:

Part D sponsor fails to use the proper method to notify enrollees of grievance dispositions in accordance with 42 CFR 423.564. 11 of 15 sample case files reviewed evidence that Part D sponsor failed to provide enrollees with proper verbal and/or written notification of its determination.

Corrective Action Required:

Part D sponsor must adhere to its 01/01/2006 Standard Operating Procedures ¿13-GV04 Timely Notification of Grievance Disposition¿ which clearly indicates that enrollees are to be provided with verbal and/or written notification once a determination has been made. Part D sponsor must train staff on Manual Chapter 18 and Standard Operating Procedures. Part D sponsor must provide RO with evidence of such training.