

Medicare Advantage and Prescription
Drug Program—Part D Oversight
Activities: A Health Plan Perspective

HCCA Managed Care
Compliance Conference
February 24, 2009



*Independent licensees of the Blue Cross and Blue Shield Association



Today's Focus

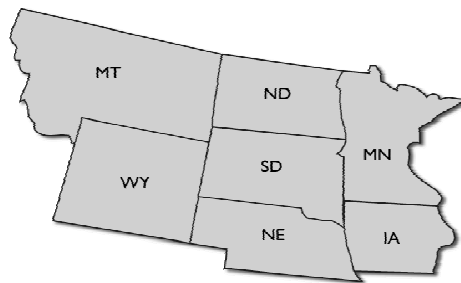
- > Past CMS Oversight Activities
- > Current CMS strategies for Part D oversight
- > CMS tools for Part D oversight
- > Tools available for plans to prepare for an audit
- > Plan perspective on recent audits



Northern Plains Alliance

> Six Blue Cross Blue Shield plans serving the seven states for Part D Prescription Drug Plan (Region 19 and Region 25).

Iowa
Minnesota
Nebraska
North Dakota
South Dakota
Montana
Wyoming



*Independent licensees of the Blue Cross and Blue Shield Association

5



Past CMS Oversight

- > In the past, the CMS model was to audit every organization and every program attribute, every 2-3 years.
- > Little was done by CMS to audit Part D during the first years of the program.
- > MA Audit Guide was revised and PDP Audit Guide was made available.
- > CMS used contractors to conduct audits of plan sponsors.
- > Most reviews were “targeted” or “focused”, not covering every element in the audit guides.
- > Moratorium on enrollment and disenrollment auditing.

6



Current CMS Strategies for Oversight

- > Moved some PDP audit responsibility to the Regional Offices (RO) to align with existing MA audit duties.
- > Using Central Office (CO) and contracted resources to support audit activities.
- > Focusing on conducting desk reviews, however onsite visits continue.
- > Using existing reporting and plan performance metrics to determine who and what is audited.
- > Monitoring reporting and attestation timeliness and accuracy.
- > Increasing the number of attestations required by Plans.

7



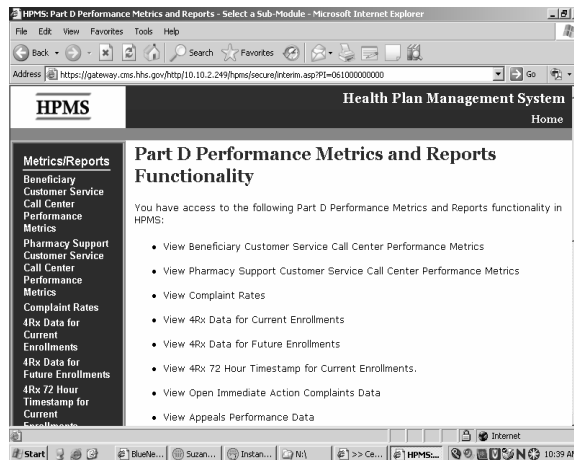
Current CMS Strategies for Oversight

- > Regional Office and Central Office staff surveying Plans and asking more questions.
- > Entities outside CMS are contacting Plans for information
- > Performing more ad hoc compliance event audits.
- > No longer sharing audit guide worksheets with plans prior to audit.

8



CMS Oversight Resources



CMS Oversight Resources



**Medicare Prescription Drug Plan (PDP) Sponsor
Part D Audit Guide
Version 2.0
November 19, 2007**

Version 2: OMB Approval #0938-1000

10



Is Your Plan at Risk?

- > Low Part D performance ratings/scorecards (MA 2009)
- > Large enrollment and/or large % increase in enrollment
- > Past audit findings on HPMS – see <http://www.cms.hhs.gov/MCRAAdvPartDEnrolData/>
- > Complaint Tracking Module (CTM) cases
- > Timeliness of Reconciliation
- > Submission of Attestations
- > Self Disclosures of Compliance Issues
- > OIG Focused findings or initiatives
- > You haven't been audited yet; especially on enrollment or appeals and grievances

11



Recent Audit Experience

- > "It's a whole new world out there."
- > One of the first Sponsors to have PDP enrollment and disenrollment and Part D Compliance Program audits.
- > Reviews conducted by CMS and Contractor.
- > Both desk review and onsite interviews used.
- > Explicit directions sent with the entrance letters.
- > Short turn around times
 - Identified the audit period, materials requested and timeline provided.

12



Recent Audit Experience

Timelines

- Don't assume you will have prior notice of an audit.
- Once notified, we had 7-10 days to return universe requests, policies and procedures, and supporting documentation.
- Sample selections were turned around quickly.
- We had three weeks to put our sample files together.
- CMS onsite visit was short, but included Central Office (CO) "guests."

13



Recent Audit Experience

Timelines Continued

- File/Document review was completed offsite.
- Interviews were conducted with key staff.
- For audits conducted by CMS staff:
 - > Initial audit response from CMS within 45 days.
 - > Plan has 10 days to dispute initial CMS findings.
 - > Plan has 30 days to respond to initial CMS findings.
 - > CMS determines acceptance and closure of CAPs.
- For audits conducted by CMS contractor timelines vary.

14



Recent Audit Experience

Lessons Learned

- Follow instructions in entrance letter carefully. Be sure you understand the scope.
- Know what is in your data and documentation:
 - > If you are not sure about what to send, ask for confirmation prior to submitting data and documentation.
- If you have zero data universes you will have to attest to the validity of that information.
- Prepare all interview staff (i.e., expectations, mock questions, etc).
- Provide clear and ongoing communication to all staff and vendors involved in the audit.

15



Recent Audit Experience

Lessons Learned

- Be prepared to help the auditors:
 - > Provide a history of your plan.
 - > Know the guidelines being reviewed and how it works within your plan so that you can explain it if necessary.
 - > Inquire if they have audited other plans on the same elements.
 - > Challenge scope creep.
- Audit protocols for CMS and contractors are still being developed.
- Document all interactions with the auditors.

16



Summary

- > Always be Prepared
 - > Document your compliance program elements and activities.
 - > Work the audit guides.
 - > Conduct mock audits to prepare interviewees.
 - > Monitor your reports, attestations, and performance measures.
 - > Talk to other plans.
 - > Build relationships with regulators.
- > Be ready for short turn around times.
- > Prepare leadership on an ongoing basis.
- > Strive for a “No Surprises” audit.

17



Questions

You can reach us at:

- > Sandra Miller –
sandra_l_miller@bluecrossmn.com

- > Kim Green –
kimberly_a_green@bluecrossmn.com

18