

Medicare Advantage and Prescription Drug

Audit and Enforcement Overview

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Overview

- Enforcement Actions
- On-Site Performance Audits
- Compliance Plan Oversight

2009 Enforcement Actions

Civil Money Penalties

Beneficiary Communications - failure to issue timely ANOCs/EOCs

6 Civil Money Penalties (ANOCs/EOCs)

Marketing & Enrollment Sanctions

Operational deficiencies :

- Access to health/drug services
- Enrollment
- Administration of the LIS benefit
- Premium billing
- Marketing violations
- Appeals and grievances
- Claims payment

Financial Solvency/Licensure Issues

5 Marketing/Enrollment Sanctions

CM

CENTERS for MEDICARE & MEDICAID SERVICES



2009 Enforcement Actions

Contract Termination

Financial Solvency

Licensure

1 Contract Termination Action

Enforcement Actions on CMS Website

<http://www.cms.hhs.gov/MCRAAdvPartDEnrolData/EA/list.asp>

2010 Enforcement Focus

- Access to services/drugs
- Beneficiary Communications – ANOCs/EOCs (10/20/09 HPMS notice re: CMPs)
- Marketing – unlicensed, untrained agents/brokers, misrepresentation affecting especially vulnerable beneficiaries
- Processing enrollment elections
- Appeals and grievances
- Failing to properly oversee delegated entities
- Providing false/misleading information to CMS

2010 On-Site Performance Audits

- No broad based audits – all focused
- Simplified process, shortened timeframes
- Focused on validation and demonstrating results
- CAP process - notice of deficiency and timeframe to correct (no request for corrective action plans that are approved by CMS)
- Sponsors selected based on performance concerns, complaints, enrollments, referrals
- Areas of focus – enrollment operations, marketing, beneficiary communications (ANOCs/EOCs), appeals/grievances, premium billing, access

2010 Compliance Plan Oversight

- Proposed Regulations - 74 Fed Reg 54634 (10/22/09)
 - 422 CFR 503(b)(iv), 423 CFR 504(b)(iv)
- Audits
 - On-site
 - Not just a “paper exercise” (“print, post and pray”)
 - Focused on evaluating effectiveness - find and fix problems - prevent, detect, and respond timely and effectively to compliance issues)
 - Extensive validation, including requirements to implement programs to control and combat fraud, waste and abuse (FWA)
- Chapter 9 (Prescription Drug Manual) to be revised; same guidance will apply to MAOs

2010 Compliance Plan Oversight

- Conduct internal monitoring and audits?
- Proper internal controls over all of your operational processes and any delegated entities you rely upon to perform those operational functions?
- Prompt, effective, corrective action on compliance issues when they are detected through internal monitoring, audits, employee complaints, etc?
- Ongoing efforts and information to make improvements in your program?

Questions?

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