MA Program Audit Trends

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The Program Audit Cycle

- ► Audit approach redesign: 2010
- ► First cycle: 2010 – 2014
  - ► Audited 49% of sponsors/parent organizations
  - ► Covered 96% of all Parts C and D enrolled beneficiaries
- ► Second cycle: 2015 - present
  - ► Audited about 40% of sponsors/parent organizations
  - ► Covered 76% of all Parts C and D enrolled beneficiaries at the end of 2016
- ► 2017 Audits: the first routine engagement letters to initiate audits will be sent beginning February 21, 2017 for audit start dates in early April.

The Program Audit Cycle, cont'd

► Multi-year audit cycle; 2nd cycle started in 2015

► 2017 audits will begin in April; audits letters are being released

Four Phases to an Audit:

- ► Audit Engagement and Universe Submission (weeks 1 – 6)

- ► Audit Fieldwork (weeks 7-8/9)

- ► Audit Reporting (weeks 8/9-21)

- ► Audit Validation and Close Out (weeks 22 – 48)

Frequently Cited Audit Findings

Compliance Program Effectiveness

► Sponsor did not have an effective system to monitor first tier, downstream related entity (FDR) compliance with Medicare program requirements.

► Sponsor did not establish and implement a formal risk assessment and an effective system for routine monitoring and auditing of identified compliance risks.

Formulary Administration

► Sponsor failed to properly administer its CMS-approved formulary by applying unapproved quantity limits.

► Sponsor failed to properly administer the CMS transition policy.

► Sponsor improperly effectuated prior authorizations or exception requests.

Frequently Cited Common Conditions (continued)

Part D Coverage Determinations, Appeals, and Grievances (CDAG) and Part C Organization Determinations, Appeals, and Grievances (ODAG)

► Denial letters did not include adequate rationales, contained incorrect/incomplete information specific to denials, or were written in a manner not easily understandable to enrollees.

► Sponsor did not demonstrate sufficient outreach to prescribers or beneficiaries to obtain additional information necessary to make appropriate clinical decisions.

Special Needs – Model of Care (SNP-MOC)

► Sponsor did not provide evidence that it developed individualized care plans (ICP) for beneficiaries.

Enforcement Actions

► CMPs are the most common enforcement action

    ► Majority of CMPs issued are based on referrals from program audits

    ► Some CMPs are issued for errors related to plan benefit information in ANOC/EOC documents

    ► In 2017, CMPs will be issued for high rates of auto-forwarding cases to the Independent Review Entity (IRE)

    ► Other CMPs are issued based on referrals of non-compliance

► Released final CMP methodology on December 15, 2016

    ► CMS will begin applying this methodology in 2017

Other New Monitoring Initiatives

► Provider Network Adequacy

► Provider Directories

► IRE Appeals Timeliness Monitoring

I am Happy to Continue the Discussion

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