

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP

July 2, 2014

E-MAIL: adreyfus@bcbsma.com

Mr. Andrew Dreyfus
Chief Executive Officer
Anthem Insurance Co. & BCBSMA & BCBSRA & BCBSVT
401 Park Drive
Mailstop: 0108
Boston, MA 02215
Phone: 617-246-3800

Re: 2013 Audit Close-Out Notice for Standalone Prescription Drug Plan Contract: S2893

Dear Mr. Dreyfus:

On November 22, 2013, the Centers for Medicare & Medicaid Services (CMS) issued the final audit report to your organization for the above-referenced Medicare Advantage and/or Prescription Drug Plan contract. The audit evaluated your organization's compliance with CMS requirements in the following areas:

1. Part D Formulary and Benefit Administration
2. Part D Coverage Determinations , Appeals and Grievances
3. Part D Compliance Program Effectiveness
4. Part D Outbound Enrollment Verification Calls (OEV)

Your organization was afforded 90 calendar days from the report date to provide data and documents to CMS to demonstrate and attest that all of the deficiencies in the audit report were sufficiently corrected and not likely to recur. CMS reviewed your evidence of correction submission and also conducted a review to validate the implementation of required corrective actions and immediate corrective actions.

This notice is to inform you that based on the evidence provided by your organization and the validations conducted, you have corrected all conditions. However, the following observations were noted:

1. **Part D Coverage Determinations, Appeals and Grievances-Appropriateness of Clinical Decision-Making:** When incorrect or insufficient letters were identified during the QA process, Sponsor reissued letters with new information or decision reversals. Recommend Sponsor includes a statement advising the beneficiary that the letter has been reissued and it supersedes the prior communication.

Andrew Dreyfus

July 2, 2014

Page 2 of 3

2. **Part D Coverage Determinations, Appeals and Grievances, Grievances**: Monitoring and internal audit results were reported at a high level and did not include the criteria that were measured (e.g. correct classification of complaint, appropriate resolutions of all complaints). Recommend tracking and trending the unique criteria used to measure compliance, including the responsible party, the issue type, dates, etc. for use in addressing and preventing issues.

Your validation provided CMS with a reasonable assurance you are in compliance with program requirements tested during the audit. However, CMS will require heightened monitoring of the conditions and/or observations noted above to ensure Sponsor continues to implement effective correction. Your Account Manager will contact you to address these issues.

CMS is closing your audit.

CMS considers your compliance program's effectiveness to be essential in preventing, detecting and responding to potential non-compliance and fraud, waste, and abuse. Therefore, CMS expects your organization to continue monitoring the effectiveness of the corrective actions you have implemented and to continue to measure and improve the effectiveness of your compliance program. In addition, your Account Manager will continue to monitor and oversee your operations and compliance program to ensure that your organization is in compliance with all CMS requirements.

If you have any questions concerning this notice, please contact Matt Guerand at 410-786-1450 or by email at matthew.guerand@cms.hhs.gov.

Sincerely,

/s/

Tawanda Holmes
Director, Division of Audit Operations
Medicare Parts C and D Oversight and Enforcement Group

Andrew Dreyfus

July 2, 2014

Page 3 of 3