

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

October 20, 2014

E-MAIL: tkellogg@bcbsal.org

Mr. Terry D. Kellogg
Chief Executive Officer
Blue Cross and Blue Shield of Alabama
450 Riverchase Parkway East
Birmingham, AL 35244

Re: 2012 Audit Close-Out Notice for the Medicare Advantage and Prescription Drug Plans
Contract: H0104

Dear Mr. Kellogg:

On December 5, 2012, 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. This audit report 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 C Organization Determinations, Appeals, and Grievances
4. Part C Access to Care
5. Parts C and D Compliance Program Effectiveness
6. Agent/ Broker Oversight
7. Enrollment and Disenrollment
8. Late Enrollment Penalty (LEP)

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. A review was also conducted to re-validate the implementation of required corrective actions which did not pass the original validation.

This notice is to inform you that based on the evidence provided by your organization and the validations conducted, you have corrected all conditions and as a result 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

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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 Mr. Darryl Brookins at 410-786-7542 or via email at Darryl.Brookins@cms.hhs.gov.

Sincerely,

/s/

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