

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**

---

**August 21, 2014**

E-MAIL: [Brad.Wilson@bcbsnc.com](mailto:Brad.Wilson@bcbsnc.com)

Mr. James B. Wilson  
President and CEO  
Blue Cross and Blue Shield of North Carolina  
1830 Chapel Hill Blvd.  
Chapel Hill, NC 27517

Re: 2013 Audit Close Out Notice for Medicare Advantage and Prescription Drug Plans  
Contracts: H3404, H3449, S5540

Dear Mr. Wilson:

On February 10, 2014, 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 contracts. 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 C Organization Determinations, Appeals, and Grievances
4. Parts C & D Compliance Program Effectiveness
5. Part C and 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 observation was noted:**

- 1. Part D Coverage Determinations, Appeals, and Grievances, Appropriateness of Clinical Decision- Making:** The Sponsor's "Letter to Unresponsive Providers Template" not only includes the intended communication of the provider's shared accountability in ensuring that beneficiaries receive the services covered by their benefit plans, but also contains an additional outreach attempt to receive the requested information after the case has been closed, without

**Mr. James B. Wilson**

**August 21, 2014**

Page 2 of 2

reference to what the original request was, or a clear method of tracking any responses with information for potential appeal. Recommend Sponsor re-visit the intent of the letter and streamline as necessary.

**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 Jennifer Bates at [Jennifer.Bates@cms.hhs.gov](mailto:Jennifer.Bates@cms.hhs.gov) or 410-786-6358.

Sincerely,

/s/

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