

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

November 4, 2014

E-MAIL: lance.hunsinger@chpw.org

Mr. Lance Hunsinger
Chief Executive Officer
Community Health Plan of Washington
720 Olive Way
Suite 300
Seattle, WA 98101

Re: 2012 Program Audit – Notice of Audit Closure for Medicare Advantage and/or Standalone Prescription Drug Plan Contract: H5826

Dear Mr. Hunsinger:

On January 8, 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 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 and Appeals
3. Part D Grievances
4. Part C Organization Determinations and Appeals
5. Part C Grievances
6. Part C Access to Care
7. Parts C & D Agent/Broker Oversight
8. Parts C & D Compliance Program Effectiveness
9. Enrollment and Disenrollment
10. 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 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 except:

1. Part C Organization Determinations, Appeals, and Grievances, Grievances Condition ii. – In 2 cases reviewed during the audit, the beneficiary's grievance was not fully resolved. This condition could not be validated as corrected because 4 of 5 cases reviewed during the validation failed for this issue (GRV-2, GRV-3, GRV-4, GRV-5). In three of the failed cases (GRV-2, GRV-3, GRV-5), Sponsor's acknowledgment and resolution letters did not provide the details of the complaint being investigated and/or the actions taken to resolve the issue. The letters do not provide enough information to the beneficiary and/or provider so the actions taken by sponsor as well as final resolution are easily understood and evident. Sponsor has elected to use template language for all complaints instead of adding case specific details in the resolution letter. In two of the failed cases (GRV-3, GRV-4), when Sponsor received a quality of care and/or service complaints, only medical records were reviewed and there was no further discussion with the provider's office to address the issues raised by the beneficiary.

The following observation:

1. Part C Organization Determinations, Appeals, and Grievances, Sponsor failed to simultaneously process the copay dispute as an appeal. Since the beneficiary is seeing a specialist whose office is located within a hospital facility, this would be considered a specialist visit. An appeal should have been opened when the beneficiary disputed copay charges. (GV-4)

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 Ms. Janice Snyder at 206-615-3822 or via email at Janice.Snyder@cms.hhs.gov.

Mr. Lance Hunsinger

November 4, 2014

Page 3 of 3

Sincerely,

/s/

Tawanda Holmes

Director, Division of Audit Operations

Medicare Parts C and D Oversight and Enforcement Group