



2013 Program Audit Validation Process



*Tawanda Holmes, CPA
Director, Division of Audit
Operations (DAO)*

*Centers for Medicare &
Medicaid Services (CMS)
Medicare Parts C & D
Oversight and Enforcement
Group (MOEG)*

Purpose of the Validation

CMS conducts a validation of the audited Sponsoring Organization's (SO) corrective action plan (CAP) to verify that the SO has implemented the CAP and conducted internal testing to test the effectiveness of the corrective action for all conditions identified during the program audit.

CAP Requirements

- Ensures all conditions identified have been addressed.
- Explanation of how and when SO will implement long-term correction for each issue.
- Explanation of how SO will prevent the conditions from reoccurring.
- All CAPs should be reasonable and complete (i.e. should describe the SO's corrective action in sufficient detail and with sufficient specificity to provide reasonable assurance that the area of review has been corrected).

2013 Validation Process

New for 2013:

- SO has 7 calendar days from issuance of Final Audit Report to submit a CAP for each condition.
- The CAPs are reviewed and approved for reasonableness by the CMS audit lead.
- SO has 90 calendar days from CMS approval of the CAPs to implement and test the results of their CAPs.

2013 Validation Process (cont.)

CMS validation exercises include but may not be limited to:

- Conducts a reasonableness review of each CAP.
- Leverage results from other CMS reviews (ex: transition reviews, formulary reviews, etc.).
- Conduct a virtual walkthrough of the sponsor's internal testing results, systems, processes and procedures; and/or
- If necessary, sample testing and review.

2013 Closing the Audit Process

- If all CAR/ICARs are corrected, then CMS issues close out letter and the audit is considered closed.
- If CMS has reasonable assurance that the SO has made sufficient progress implementing their CAP, but a small number of CARs remain, or new conditions are identified, CMS will still close the audit. However, the SO will receive a compliance action for the remaining/new conditions which their AM will monitor for correction.
- The SO will be referred for an enforcement action if they fail validation.
- Validation results are published on MOEG's website.

CMS Validation Resources

Central Office (CO)MOEG and the Regional Offices work in conjunction to oversee the validation process. In most instances, Regional Office staff lead the validations and verify a SO's CAP is effective. Central Office assists with validation process and policy clarifications.

2012 – 2013 Validation Statistics

2012 Audits

- Number of 2012 audits – 40
- Number of validations scheduled - 38 (2 SOs did not renew their contracts in 2013)
- Number of 2012 audit validations completed and CMS analyzing results - 11 (28 %)

2012 – 2013 Validation Statistics

2012 Audits (continued)

- Number of 2012 audits validations closed - 23 (61%)
- Number of 2012 audit validations referred to enforcement - 4 (11 %)

2013 Audits

- Number of 2013 Audits - 29 (1 SO did not renew their contract in 2014)
- Number of 2013 CAPs approved - 26 (93%)

Questions?

Please visit our webpage:

www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/index.html