

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

December 16, 2014

VIA EMAIL: mark.ganz@regence.com

Mark Ganz
Chief Executive Officer
Cambia Health Solutions, Inc.
100 SW Market Street, M/S E15A
Portland, OR 97201
503-226-8721

Re: 2013 Audit Close Out Notice for Medicare Advantage and Prescription Drug Plans
Contracts: H1304, H3817, H4605, H5009, H5010, S5609, and S5916

Dear Mr. Ganz:

On February 18, 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, CMS noted the following observation(s):

1. **Part D Formulary Benefit Administration:** During review of one of the cases which passed, CMS noted the CS rep entering a vacation override did not follow procedures. This did not result in an inappropriate rejection. The sponsor indicated that as a result of this, starting November 26, 2014, only specially trained staff are authorized to enter vacation overrides.

- 2. Part D Coverage Determinations, Appeals, and Grievances, Appropriateness of Clinical Decision- Making:** The written notification time that was recorded in the ET redetermination universe was the time of the letter generation and should have been the time of the mailing. Letters are mailed on the day they are generated and printed. When CMS considered the actual time of mailing, the cases were timely within the sample.

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 or 410-786-6358.

Sincerely,

/s/

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