

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**

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**February 26, 2014**

E-MAIL: [lsuyenaga@centralhealthplan.com](mailto:lsuyenaga@centralhealthplan.com)

Mr. Lee Suyenaga  
Chief Executive Officer  
Central Health Plan of California, Inc.  
1540 Bridgegate Drive  
Diamond Bar, CA 91765

Re: 2012 Program Audit – Notice of Audit Closure for Medicare Advantage and/or Standalone Prescription Drug Plan Contracts: H5649

Dear Mr. Suyenaga:

On February 15, 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:**

Mr. Lee Suyenaga

February 26, 2014

Page 2 of 3

**The following condition still remains from the audit report:**

1. **Part C Organization Determinations and Appeals, Effectuation Timeliness, Condition ii.** - CHPC could not provide documentation supporting that proper notification was sent in response to a standard organization determination request. This condition was not validated as corrected because the same condition was identified in 3 of 4 samples reviewed during the validation (ET-6, ET-9, and ET-10).

**The following observation:**

1. **Part C Organization Determinations and Appeals, Effectuation Timeliness** - The validation process demonstrated that CHPC has poor oversight of its delegates, does not monitor delegates to ensure there is coverage over weekends and holidays for beneficiary or provider submitted requests for organization determinations, and lacks an effective system, report or process for monitoring FDR compliance with CMS requirements.

**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 Mr. Steve Hinkle at 206-615-2424 or via email at [steven.hinkle@cms.hhs.gov](mailto:steven.hinkle@cms.hhs.gov).

Sincerely,

/s/

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

cc:

Michelle Turano, CMS/CM/MOEG  
Mr. Steve Hinkle, Account Manager, CMS/Seattle  
Ms. Roya Rezai, Branch Manager, CMS/Seattle

**Mr. Lee Suyenaga**

**February 26, 2014**

**Page 3 of 3**

Ms. Brenda Suiter, Associate Regional Administrator, CMS/Seattle

Ms. Grace Cho, Central Health Plan of California, Inc., gcho@centralhealthplan.com

Ms. Annie H. Shieh, Central Health Plan of California, Inc., ahsu@centralhealthplan.com

Julie Uebersax, CMS/CM/MPPG

Robert Ahern, CMS/CM/MDBG

Tyler Whitaker, CMS/CM/MEAG

Kimberly August, CMS/CM/MCAG

Tanette Downs, CMS/CPI

Elizabeth Brady, CMS/CPI