

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

July 25, 2014

E-MAIL: jconnell@hap.org

James Connelly
President and CEO
Health Alliance Plan
2850 W. Grand Blvd.
Detroit, MI 48202

Re: 2013 Program Audit - Notice of Audit Closure for Medicare Advantage and Standalone Prescription Drug Plan Contract(s): H2312, H2322, and S3440

Dear Mr. Connelly:

On January 9, 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. Parts C & D Compliance Program Effectiveness
2. Enrollment and Disenrollment
3. 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:

The following condition still remains from the audit report:

1. **Compliance Program Effectiveness, Procedures and Systems for Promptly Responding to Compliance Issues, Condition i** – Sponsor did not establish and implement an effective system responding to, investigating, and correcting compliance issues and potential fraud, waste and abuse. This condition was not validated as corrected as Sponsor's compliance department logged in and disseminated all potential issues to business areas to be investigated and corrected but failed to ensure appropriate corrective actions were completed promptly. Sponsor indicated that a lack of staff and resources prevented the compliance department from updating the issues

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tracking log appropriately. As the tracking log could not be appropriately maintained, corrective actions went without validation and vital information regarding issue close out dates and resolution details remained excluded from the compliance tracking tool.

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. Darryl Brookins at 410-786-7542 or via email at Darryl.Brookins@cms.hhs.gov.

Sincerely,

/s/

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