

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

June 11, 2014

E-MAIL: Christopher.booth@excellus.com

Mr. Chris Booth
Chief Executive Officer
Lifetime Healthcare Inc.
165 Court Street
Rochester, NY 14647
Phone: (1-585-453-6359)

Re: 2013 Audit Close-Out Notice for All Medicare Advantage and Standalone Prescription Drug Plan Contracts: H3335, H3351, & S3521

Dear Mr. Booth:

On September 23, 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, Appeals, and Grievances
3. Part C Organization Determinations, Appeals, and Grievances
4. Parts C & D Compliance Program Effectiveness
5. Parts 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, the following observations were noted:

1. **Part C Organization Determinations and Appeals, Grievances** - Sponsor reported that customer service staff (CSS) receive verbal grievances, however, Sponsor submitted documentation reflects only 1 grievance case classification and investigation training session was offered for these staff. In contrast, submitted documentation reflects that the Medicare advocacy

Mr. Chris Booth

June 11, 2014

Page 2 of 3

staff received training on 30 occasions since January 2013. During the validation, Sponsor reported that CSS underwent 'virtual' training in April 2013 and were scheduled for annual training in May 2014. Because the Sponsor must take prompt, appropriate action, including a full investigation of any grievance received, (MMCM Ch. 13, Sec. 20.3), it should consider providing additional education and training to its CSS.

- 2. Part C Organization Determinations and Appeals, Dismissals** - Sponsor should revise its Dismissal Processing Policy & Procedure (AG1011) to reflect that requests should not be dismissed until the conclusion of the appeal timeframe (60 days). Sponsor revised its policy and procedure to be consistent with CMS requirements that became effective January 1, 2014, however, it failed to address this timeframe requirement.

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. Joann Young at 410-786-0879 or via e-mail at joann.young@cms.hhs.gov.

Sincerely,

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

Mr. Chris Booth

June 11, 2014

Page 3 of 3