

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

March 28, 2014

E-MAIL: rbarasch@universalamerican.com

Mr. Richard Barasch
Chairman and Chief Executive Officer
Universal American Corporation
Six International Drive
Suite 190
Rye Brook, NY 10573

Re: 2012 Program Audit – Notice of Audit Closure for Medicare Advantage and/or Standalone Prescription Drug Plan Contracts: H2775, H2816, H3333, H3706, H3708, H4506, H5378, H5421, H5656, and H6169

Dear Mr. Barasch:

On October 9, 2012, 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. However, we noted:

The following observations:

- 1. Part C Organization Determinations and Appeals, Effectuation Timeliness and Appropriateness of Clinical Decision-Making** – Validation results disclosed that UAC did not make timely determinations and provide timely notification of its determinations to beneficiaries in several expedited organization determination and reconsideration requests sampled. Although the samples that failed validation did not result from a systemic failure, CMS recommends that UAC review their processes to ensure compliance with CMS requirements for processing expedited organization determination and reconsideration requests.
- 2. Compliance Program Effectiveness, Procedures and Systems for Promptly Responding to Compliance Issues** – UAC implemented additional procedures to improve timeliness of remediation of compliance issues through corrective action plans (CAPs). CMS observed during a review of UAC’s procedures that UAC’s processes for implementing CAPs stated that “CAPs should not remain in development for more than 30 days with a target completion of no more than 90 days from date of CAP acceptance”. CMS recommends that UAC revise this language to require that CAPs not remain in development for more than 30 days and completion not occur more than 90 days from date of CAP acceptance.

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. Toni Duplain at 214-767-4433 or via email at toni.duplain@cms.hhs.gov.

Sincerely,

/s/

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

cc:

Richard Barasch

March 28, 2014

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Michelle Turano, CMS/CM/MOEG

Toni Duplain, Account Manager, CMS/CMHPO/Region VI

Arthur Pagan, Branch Manager, CMS/CMHPO/Region VI

Julie Kennedy, Associate Regional Administrator, CMS/CMHPO/Region VI

Tyrina Blomer, Compliance Officer, UAC, tblomer@universalamerican.com

Travis Christie, Chief Financial Officer, UAC, tchristie@universalamerican.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