

2017 Program Audit and Enforcement Report

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Agenda

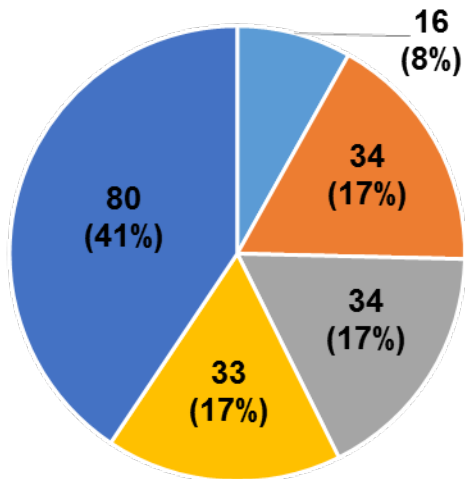
- Audit Landscape
- Audit Scoring
- Cross-year Results
- Most Common ICARs
- Enforcement Actions
- Q&A



Audit Landscape

Percentage of Sponsors Covered by Wave 2 Audits

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ Unaudited

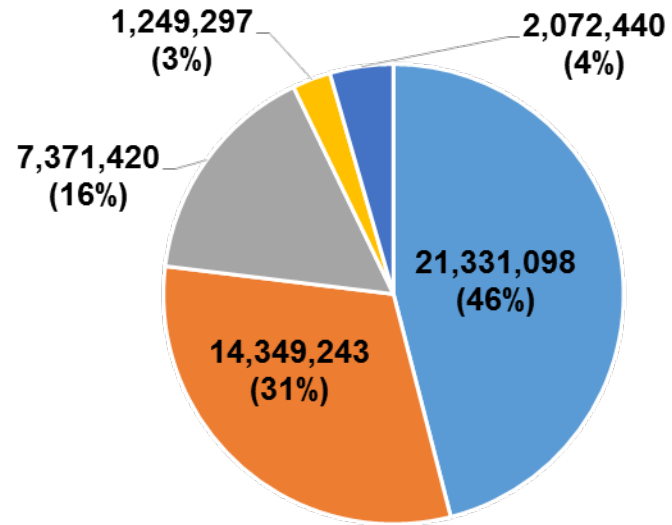


- From 2015-2017, our audits covered 42% of Part C and D Sponsors
- We project our audits will have covered just under 60% of Part C and D Sponsors by the end of 2018

Audit Landscape (continued)

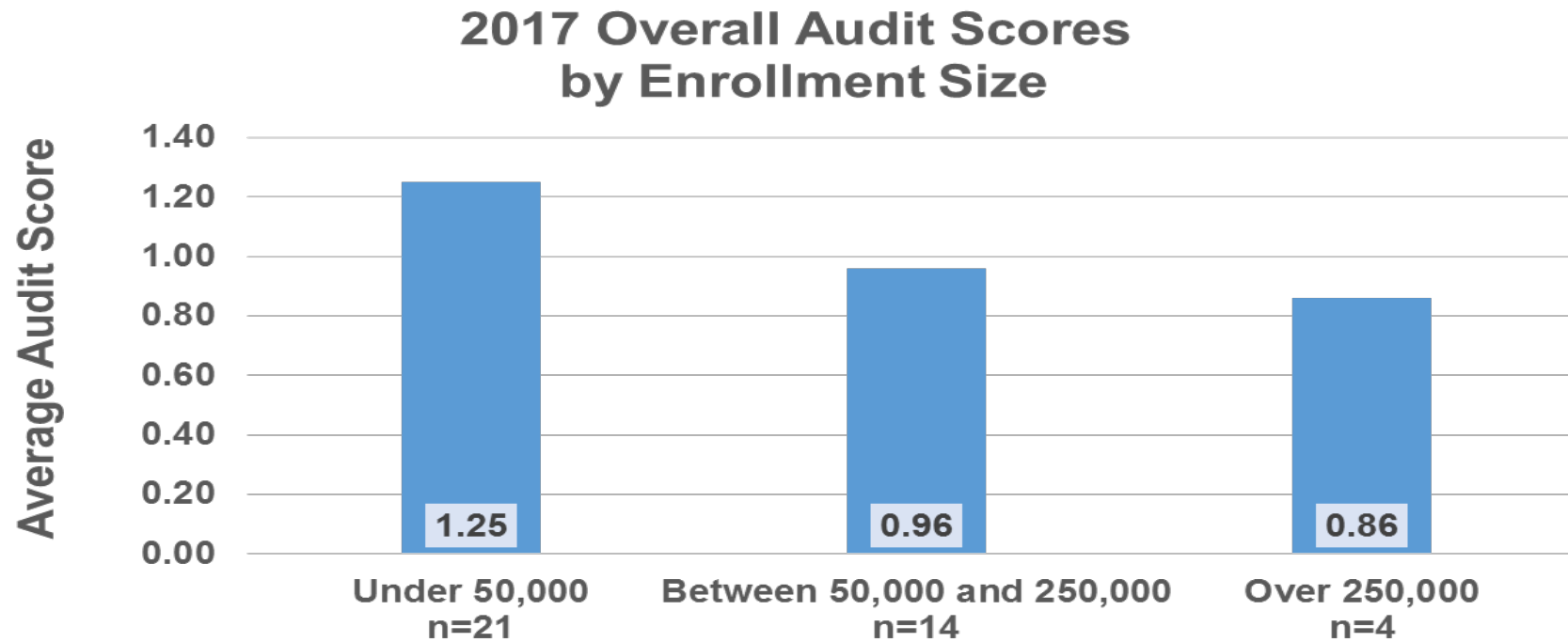
Percentage of Beneficiaries Covered by Wave 2 Audits

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ Not Covered



- From 2015-2017, we audited Sponsors that provide services to 93% of Part C and D beneficiaries
- We project that this number will increase to 96% by the end of 2018

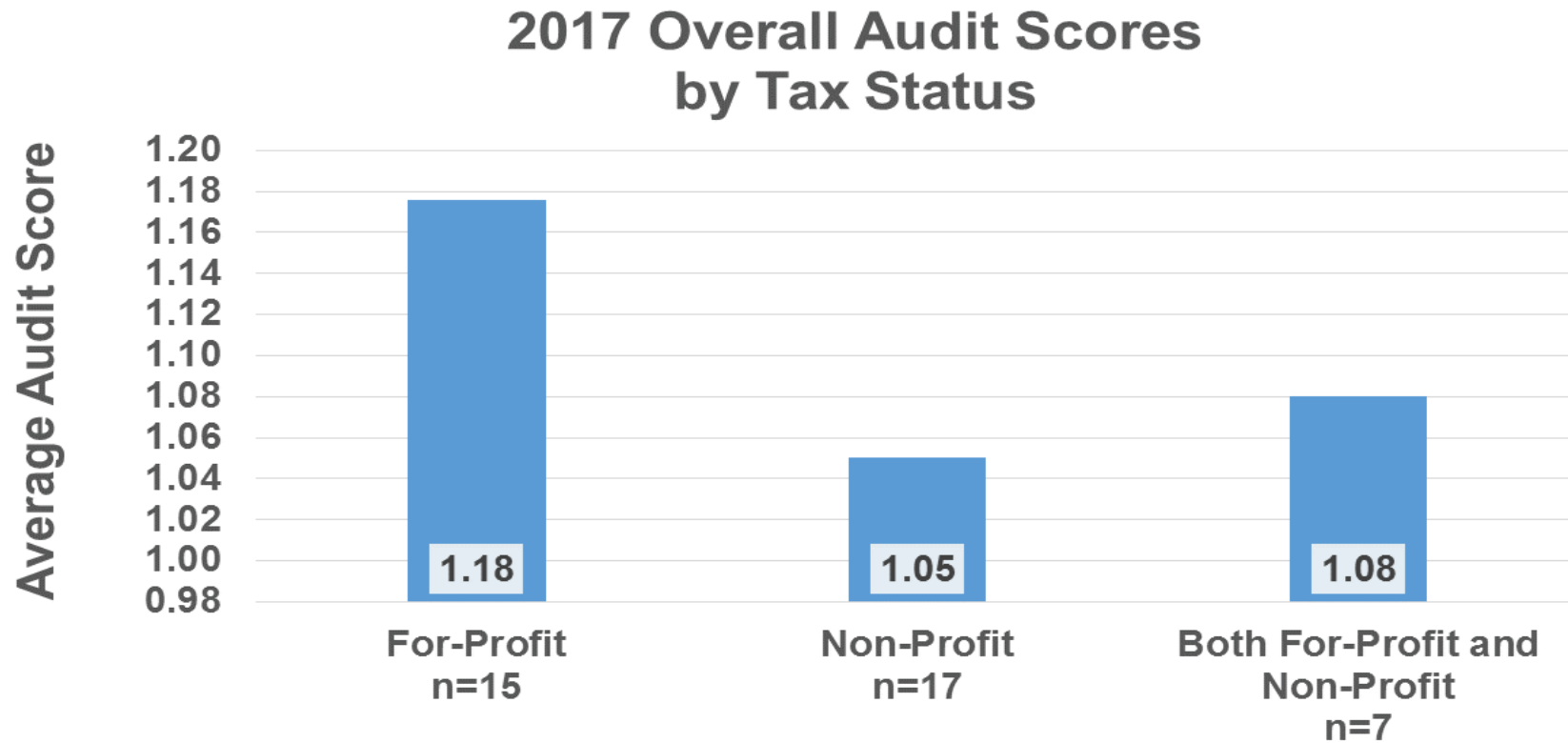
Audit Scores by Enrollment Size



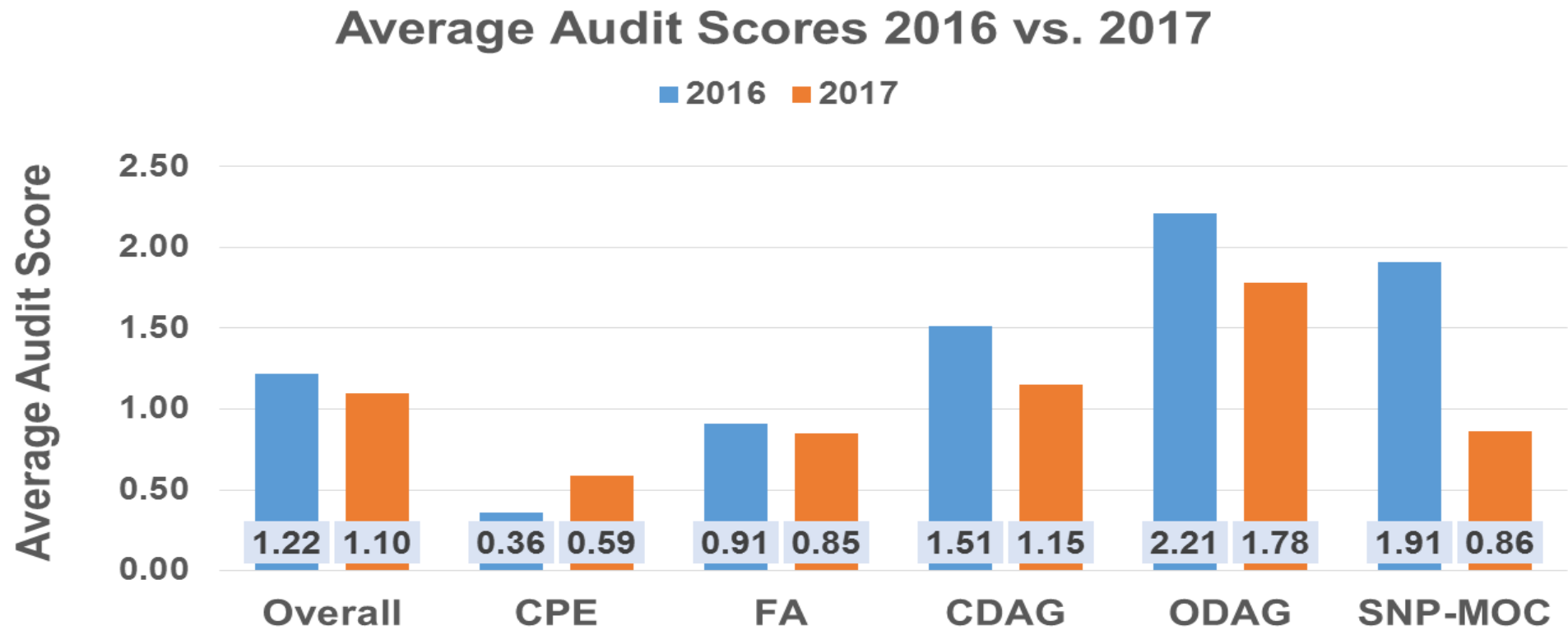
Audit Scores by Program Experience



Audit Scores by Tax Status



Cross-year Results





Most Common ICARs



Condition Language	Program Area	Count
Sponsor misclassified coverage determination or redetermination requests as grievances and/or customer service inquiries.	CDAG	22
Sponsor failed to properly administer its CMS-approved formulary by applying unapproved utilization management practices.	FA	12
Sponsor did not auto-forward coverage determinations and/or redeterminations (standard and/or expedited) that exceeded the CMS required timeframe to the Independent Review Entity (IRE) for review and disposition.	CDAG	5
Sponsor did not demonstrate sufficient outreach to providers or enrollees to obtain additional information necessary to make appropriate clinical decisions.	ODAG	4
Sponsor did not notify enrollees, and providers if the providers requested the services, of its decisions within 72 hours of receipt of expedited organization determination requests.	ODAG	4

Enforcement Actions: Overview

- MA plans, PDPs, PACE Organizations, and Cost Plans that substantially fail to comply with CMS contract requirements may receive an enforcement action
- These enforcement actions include:
 - Civil money penalties (CMPs),
 - Intermediate sanctions, and
 - For-cause terminations
- The Medicare Parts C and D Oversight and Enforcement Group, Division of Compliance Enforcement is responsible for imposing these types of enforcement actions





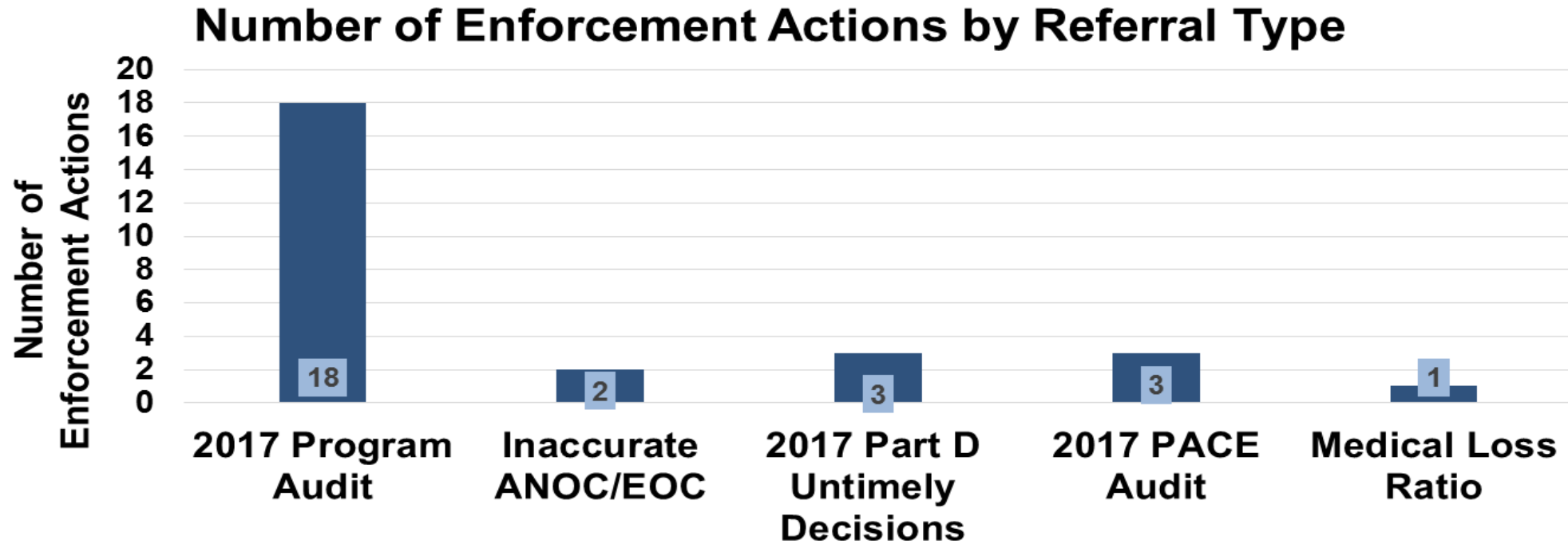
Enforcement Actions: 2017 Referral Summary



Referral Type Calendar Year (CY) 2017	# of Referrals	# of Referrals with No Action	# of Referrals Under Review	# of Enforcement Actions Taken
Medicare Parts C & D Program Audits	35	17	0	18
Annual Notice of Change/Evidence of Coverage (ANOC/EOC)	26	24	0	2
One-Third Financial Audits	20	12	8	0
Part D Untimely Decisions	8	5	0	3
Program of All-Inclusive Care for the Elderly (PACE)	3	0	0	3
Medical Loss Ratio	1	0	0	1
Totals	93	58	8	27

Enforcement Actions: Summary

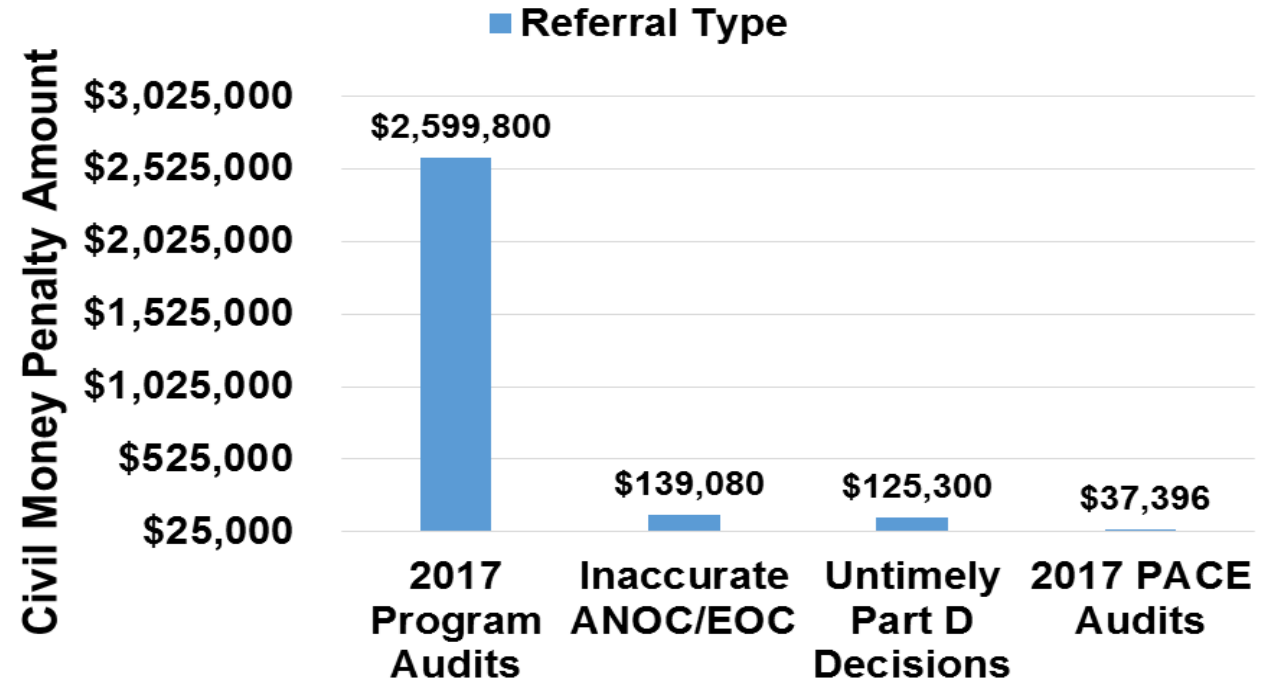
- DCE imposed 24 CMPs and 3 intermediate sanctions during CY 2017 and early 2018



Enforcement Actions: 2017 Referral CMP Totals

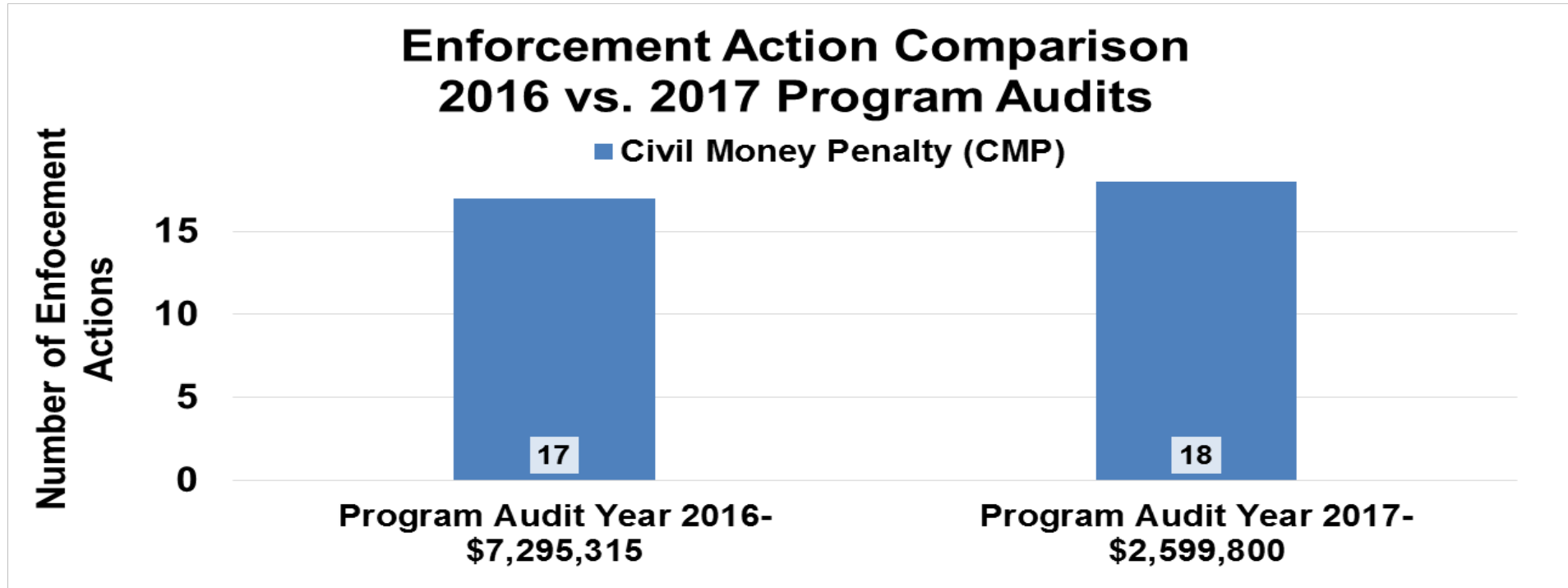
- Sponsors received **\$2.9 million** in CMPs for 2017 referrals
- The average CMP amount was \$120,899
- The highest CMP amount was \$1,368,200
- The lowest CMP amount was \$3,600

2017 Referral Civil Money Penalties



Enforcement Actions: Program Audit CMPs

- 18 of the 24 CMPs were imposed for Medicare Parts C & D program audit failures





Enforcement Actions: Intermediate Sanctions



- Three Sponsors were placed on an intermediate sanction in 2017
 - Two immediate enrollment & marketing suspensions for PACE Audit failures
 - One enrollment suspension for medical loss ratio deficiencies
- One organization was released from an enrollment and marketing sanction
- There were no for-cause terminations as a result of 2017 non-compliance



Questions?



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