



## CORRECTIVE ACTION PLAN REQUEST

February 12, 2016

Contract ID: S5755

Ms. Stephanie Massad  
Medicare Compliance Officer  
United American Insurance Company  
3700 S. Stonebridge Drive  
McKinney, TX 75070

*Delivered via email to Stephanie Massad at: smmassad@torchmarkcorp.com*

### **Re: Request for Corrective Action Plan for Failure to Submit 4Rx Data**

Dear Ms. Massad,

The Centers for Medicare & Medicaid Services (CMS) is issuing a request for the development and implementation of a Corrective Action Plan (CAP) to United American Insurance Company, which operates the Medicare contract listed in Table 1, due to non-compliance with the Part D program requirement that sponsors need to successfully submit 4Rx data for at least 99% of their 2016 plan year CMS-generated enrollments within 72 hours after receiving the transaction reply report (TRR) for CMS-generated enrollments.

CMS requires each Part D sponsor to submit data in mandatory fields for each enrollment transaction. This data, referred to as 4Rx, stands for Rx ID, Rx BIN, Rx PCN, and Rx Group. The 4Rx data helps to adjudicate drug claims in a timely and efficient manner and support E1 eligibility queries for pharmacies. Sponsors are notified of CMS-generated enrollments, which include Auto-assigned Enrollments, Facilitated Enrollments, Rollovers, Reassignments, and UI Transactions, through TRRs. Part D sponsors are responsible for submitting to CMS a valid plan change transaction "type 72" for updating 4Rx data within 72 hours after receiving the TRR for CMS-generated enrollments.

Pursuant to 42 CFR § 423.32(c), Part D sponsors must process enrollment requests in a timely manner, which includes prompt submission of 4Rx data. As stated in the Health Plan Management System (HPMS) memos dated March 6, 2008 and April 9, 2009, Part D sponsors not meeting a 99% 4Rx data completion standard are identified as out of compliance with their obligation to process enrollment requests in a timely manner.

In a HPMS memo dated September 29, 2015, CMS announced the processing schedule for CY 2016 enrollment transactions to ensure 4Rx data are available timely. Furthermore, the memorandum reminded sponsors that CMS would continue to monitor 4Rx completeness. Auto-assigned and facilitated 2016 enrollments began processing in late October, 2015. The rollovers and terminations were processed on or about November 2, 2015. Our data indicates that as of February 1, 2016, your contract has continued to miss the 72 hour processing requirement and has not met the 99% 4Rx completeness requirement for its CY 2016 enrollment transactions (please see Table 1 below).

Your organization's failure to timely submit the required data places it out of compliance with Part D requirements. Beneficiaries and pharmacists rely on the 4Rx information in CMS systems to be complete and accurate so there is no interruption in service or problems accessing needed prescriptions. Therefore, CMS is issuing this CAP request.

CMS requests that your organization take immediate action to come into compliance. CMS will consider the CAP request closed once all outstanding 4Rx data loads into our systems.

We appreciate your prompt attention to this matter. Should your organization continue to fail in meeting the 4Rx completion standard, CMS will consider additional compliance and enforcement actions, including imposition of intermediate sanctions (*e.g.*, the suspension of marketing and enrollment activities).

Please be aware that this letter will be included in the record of your organizations past Medicare contract performance, which CMS will consider as part of our review of any application for new or expanded Medicare contracts your organization may submit.

For purposes of the past performance analysis, CMS considers this a Part D issue that has beneficiary impact. CMS notes that we are issuing this compliance notice based exclusively on information that we obtained from sources other than the sponsor's own self-disclosure.

If you have any questions about this notice, please contact David McLachlan at (410) 786-4391 or [david.mclachlan@cms.hhs.gov](mailto:david.mclachlan@cms.hhs.gov) and copy your account manager.

Sincerely,



**Jennifer R. Shapiro**

Acting Director, Medicare Drug Benefit and C & D Data Group  
Center for Medicare  
Centers for Medicare and Medicaid Services

**CC: Scott Nelson, CMS**

**CC: Linda Anders, CMS**

**CC: Catherine Snow, CMS at [Catherine.Snow@cms.hhs.gov](mailto:Catherine.Snow@cms.hhs.gov)**

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW:

This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information.

Unauthorized disclosure may result in prosecution to the full extent of the law.

Table 1

CONTRACT ID	CONTRACT_NAME	Total TRC Sent	Missing 4Rx Data	Percent Missing 4Rx Data
S5755	United American Insurance Company	979	190	19.41%