



**CENTER FOR BENEFICIARY CHOICES**

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**Date:** June 30, 2006  
**To:** All Part D Organizations  
**From:** Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group  
**Subject:** Resolution of Medicare Beneficiary Complaints

Since the implementation of the Part D benefit in January, CMS has been monitoring the volume of complaints associated with Part D sponsors on a daily basis and tracking the resolution of all cases. Through these monitoring activities, CMS has worked with Part D sponsors to significantly decrease the number of complaints, with special attention to “immediate action” cases. With enrollments after the initial May 15, 2006 open enrollment deadline and other issues ahead, CMS expects Part D sponsors to further improve their handling of immediate action complaints promptly.

In May 2006, two letters were distributed from Cynthia Tudor via HPMS entitled “Resolution of Medicare Beneficiary Complaints” and “Resolution of Medicare Beneficiary Urgent Complaints—UPDATE” that reminded all Part D sponsors of their responsibility to resolve complaints from their members. An additional document was distributed via email to HPMS users on June 19, 2006, entitled “June 23 HPMS Complaints Tracking Module (CTM) Release.” This document outlined the new HPMS Complaints Tracking Module (CTM) file layouts, processes for Part D organizations, and upcoming enhancements scheduled for a June 23 release. Part D sponsors are the primary resource Medicare beneficiaries rely upon for the prompt resolution of their inquiries. CMS expects each Part D sponsor to educate their members to ensure that beneficiaries call the plan’s call center directly with any Part D related complaints. We appreciate the progress made in improving resolution of urgent complaints in conjunction with these actions, which has resulted in both a reduction in the rate of complaints and progress in resolving them promptly. We intend to continue to work with you to assure that all complaints that need immediate action are addressed accordingly.

CMS will hold all Part D sponsors accountable for the prompt resolution of CMS recorded complaints based on the following criteria and schedule of complaint tracking procedures that will be available on July 13:

- Sponsors will be required to reduce the number of outstanding cases designated as “immediate action” and more than 2 days old by at least 25% by July 27, 2006.

- Sponsors will be required to reduce the number of outstanding cases designated as “immediate action” and more than 2 days old by at least 50% by August 10, 2006.
- Sponsors will be required to reduce the number of outstanding cases designated as “immediate action” and more than 2 days old by at least 75% by August 24, 2006.
- Sponsors will be required to reduce the number of outstanding cases designated as “immediate action” and more than 2 days old by at least 95% by September 7, 2006.

CMS will be monitoring sponsors regularly to ensure that the 2 day resolution is met. In addition, Part D sponsors must share their Standard Operating Procedures (SOPs) with CMS for handling and quickly resolving immediate action cases. Part D sponsors must also submit their strategy outlining the steps they are taking to have their members call them directly for the prompt and expeditious resolution of all inquiries. The SOP should be submitted to [drugbenefitimpl@cms.hhs.gov](mailto:drugbenefitimpl@cms.hhs.gov) by July 10, 2006.

Should the CTM show your organization to have a significant level of cases requiring your urgent attention that take more than 2 days to resolve in the weeks ahead, we will consider that an indication that your organization may be out of compliance with one or more Part D program requirements, including but not limited to requirements related to enrollment; coverage determinations, appeals, and formulary exceptions; and claims processing. In that instance, CMS would conduct a targeted audit of your organization’s Part D program operations. Where audit findings indicate that your organization is not meeting Part D requirements, CMS may demand that you develop and complete a formal corrective action plan (CAP) to cure the deficiencies indicated by the audit. Where there is significant non-compliance, CMS may move to impose intermediate sanctions (i.e., suspend marketing and enrollment activities or withhold CMS payments). Where the non-compliance presents potential harm to beneficiaries, CMS may also pursue civil monetary penalties against your organization.

Part D sponsors that have not secured access to the CTM should immediately request access by sending an e-mail to [CTM@cms.hhs.gov](mailto:CTM@cms.hhs.gov). Requests are to come from your plan’s Medicare Compliance Officer and include the information specified in the April 26, 2006 HPMS letter from Cynthia Tudor.

Thank you for your continued work and support in complaints resolution.

## **Attachment A**

### **How to View Complaints Requiring Immediate Action in the CMS Complaints Tracking Module**

- Immediate action cases are designated in the Complaints Tracking Module by the term “Immediate Need” in the “Issue Level” field.
- Immediate action cases are also color-coded pink in the Complaints Tracking Module.