

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
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PLAN ACCOUNTABILITY AND OVERSIGHT GROUP

DATE: April 18, 2006

TO: All Medicare Advantage Organizations

FROM: Cynthia E. Moreno /s/
Director

SUBJECT: Medicare Advantage Audit Guide

The Centers for Medicare & Medicaid Services (CMS) has revised the Medicare Advantage Audit Guide to address changes implemented from the Medicare Modernization Act of 2003. Changes were made both to the guide and the associated worksheets. CMS is currently working on revising the Private Fee-for-Service Guide and developing guides for Special Needs Plans and Regional PPOs. The Part D Audit Guide will be released in early Fall 2006. The Part D audit guide covers only Part D benefits and will be applicable to both Prescription Drug Plans and MA-PDs. Following the release of the Part D guide, CMS will be working to create a MA-PD guide. Until that time, MA-PDs will be audited using two guides, one for the Part C benefits and one for the Part D benefits.

A list of all comments and responses to each comment is attached. The final Medicare Advantage Audit Guide, Version 4 will be released and posted on HPMS the week of April 24, 2006. The Office of Management and Budget (OMB) review and approval of this guide, per the Paperwork Reduction Act, is pending. CMS will use this guide while it is under OMB review. We would like to thank all organizations who took the time to review the draft guide and provide comments. Your comments were very helpful, and where applicable, CMS has made changes based on your comments.

If you have questions, please contact Christine Perenich at 410-786-2987 or christine.perenich@cms.hhs.gov

Attachment