

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

June 12, 2014

E-MAIL: lrivas@simplyhealthcareplans.com

Ms. Lourdes Rivas
Chief Executive Officer
Simply Health Holdings, Inc.
1701 Ponce de Leon Blvd
Coral Gables, FL 33134

Re: 2013 Audit Close-Out Notice for All Medicare Advantage and Standalone Prescription Drug Plan
Contract: H5471

Dear Ms. Rivas:

On November 21, 2013, 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, Appeals, and Grievances
3. Part C Organization Determinations, Appeals, Grievances and Dismissals
4. Parts C & D Compliance Program Effectiveness
5. Outbound Enrollment Verification

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, the following observations were noted:

1. **Part D Formulary & Benefit Administration, Formulary Administration** - The Sponsor should improve their process for preparing and reviewing daily rejected claim reports to identify those claims rejecting for quantity limits and to assess the appropriateness of quantity limit rejects.

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2. **Part D Formulary & Benefit Administration, Transition-** The Sponsor should improve their process for preparing and reviewing daily rejected claim reports to specifically identify any new beneficiaries during their transition period, and to assess the appropriateness of claims that reject as non-formulary products for these beneficiaries

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 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 Doreen Gagliano at 410-786-9733 or via email at Doreen.Gagliano@cms.hhs.gov.

Sincerely,

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

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