



Panel Discussion 2010 On-Site Performance Audits

CMS 2010 Medicare Advantage and
Prescription Drug Plan Fall Conference

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Overview

2010 On-Site Performance Audits

- Selection Process
 - Risk assessment
 - Risk indicators (performance, complaints, enrollments, specific referrals)
 - All contracts/products offered by sponsoring organization
 - May also be audited based on serious concerns that are identified through monitoring

Overview

2010 On-Site Performance Audits

- Selection Process
 - Focused on programmatic risk areas (e.g., access to Rx services)
 - Part D formulary administration, coverage determinations/exceptions, appeals, and grievances, enrollment, premium billing
 - Compliance plan effectiveness

Overview

2010 On-Site Performance Audits

- Compliance Plan Effectiveness
 - Performance audits include compliance program effectiveness audits
 - Certain entities only receiving compliance plan audit (subject to prior desk review)
 - Mandatory compliance programs since inception of MA/D programs (extended mandatory requirement for FFS, Medicaid and CHIP programs under ACA)
 - Focus of CMS oversight entities (GAO, OIG, Congressional oversight committees)

Overview

2010 On-Site Performance Audits

- Compliance Plan Effectiveness
 - Includes evaluating fraud, waste and abuse measures/results achieved and targeted measures/results where appropriate (e.g., sponsors operating in high fraud areas of the country)
 - Included in 2011 “readiness checklist” (HPMS – 9/3/10) (note: new requirements for 2011)

Overview

2010 On-Site Performance Audits

- Audit Processes
 - Shortened timeframes for notice and response
 - ACA - right to “timely” audit/inspection
 - Focused on validation (demonstrating compliant results in sponsor’s records/systems)
 - Corrective action process - notice of deficiency and timeframe (e.g., 60 days) to correct
 - Transparency of results
 - Future “listening sessions” planned

Overview

2010 On-Site Performance Audits

- One Third Financial Audits
 - Focus on financials (solvency, bids, Part D costs and data, TrOOP, DIR, etc.)
 - Contract years 2006 and 2007 concluded
 - Contract years 2008 – begin Fall 2010
 - If anything other than “clean” audit opinion – notice requiring prompt correction
 - Failure to maintain and provide requested documentation, lack of internal controls, non-benefit bid expenses
 - Transparency of results