

# Panel Discussion 2010 On-Site Performance Audits

CMS 2010 Medicare Advantage and  
Prescription Drug Plan Fall Conference

Brenda Tranchida, Director  
Program Compliance and Oversight Group (PCOG)  
Center for Medicare  
(September 8, 2010)

# 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