

# Part D and MA Compliance Through 2010 and Beyond

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# Session Overview

- Evaluating Performance
- Dimensions of Oversight
  - Account Management
  - Reporting Requirements
  - Monitoring and Surveillance
  - Audits
- Putting it all Together
  - Performance Metrics
  - Comprehensive Performance Review
- Using Performance Results
- ...And Beyond



# Evaluating Performance: Oversight Strategy and Activities

# Evaluating Performance

## Paramount Goals

Protecting Medicare beneficiaries

Ensuring accountability with  
Program rules

Promoting efficiency and  
sustainability

## Foundation

Data driven monitoring and  
quantifiable performance measures

Risk assessment and risk  
management

Transparency

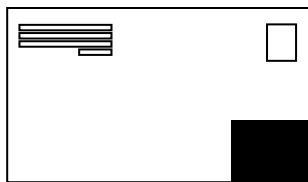
# Oversight Strategy

## Promotes

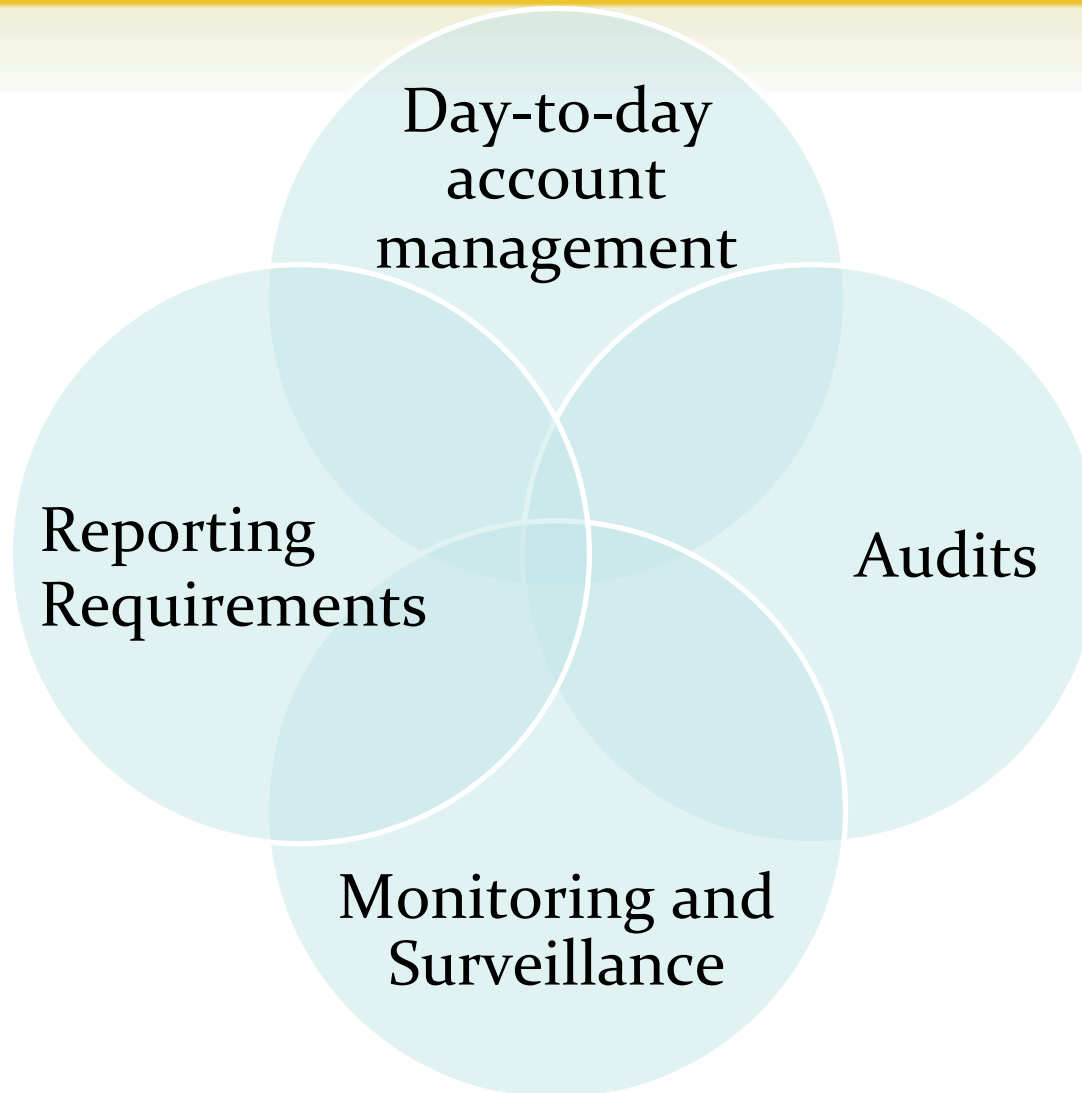
- Early alerts
- Prompt corrective responses at lowest possible level
- Flexibility
- Usable information

## Communication with Stakeholders

- Beneficiaries
- Plan Sponsors
- States/SHIPs
- Program Integrity/Law Enforcement



# Oversight Activities



# Compliance Tools

**Executive Conference Call/  
Meeting**

**Notice of Non-Compliance**

- May include request for business plan

**Warning Letter**

- May include request for business plan

**Various Suppressions and Exclusions:**

- MPDPF suppression
- Medicare & You Handbook exclusion
- On-line enrollment center exclusion
- Fewer formulary update windows
- No reassignments/auto-enrollees

**Request for Corrective Action Plan (CAP)**

**New Applications/SAE Denials**

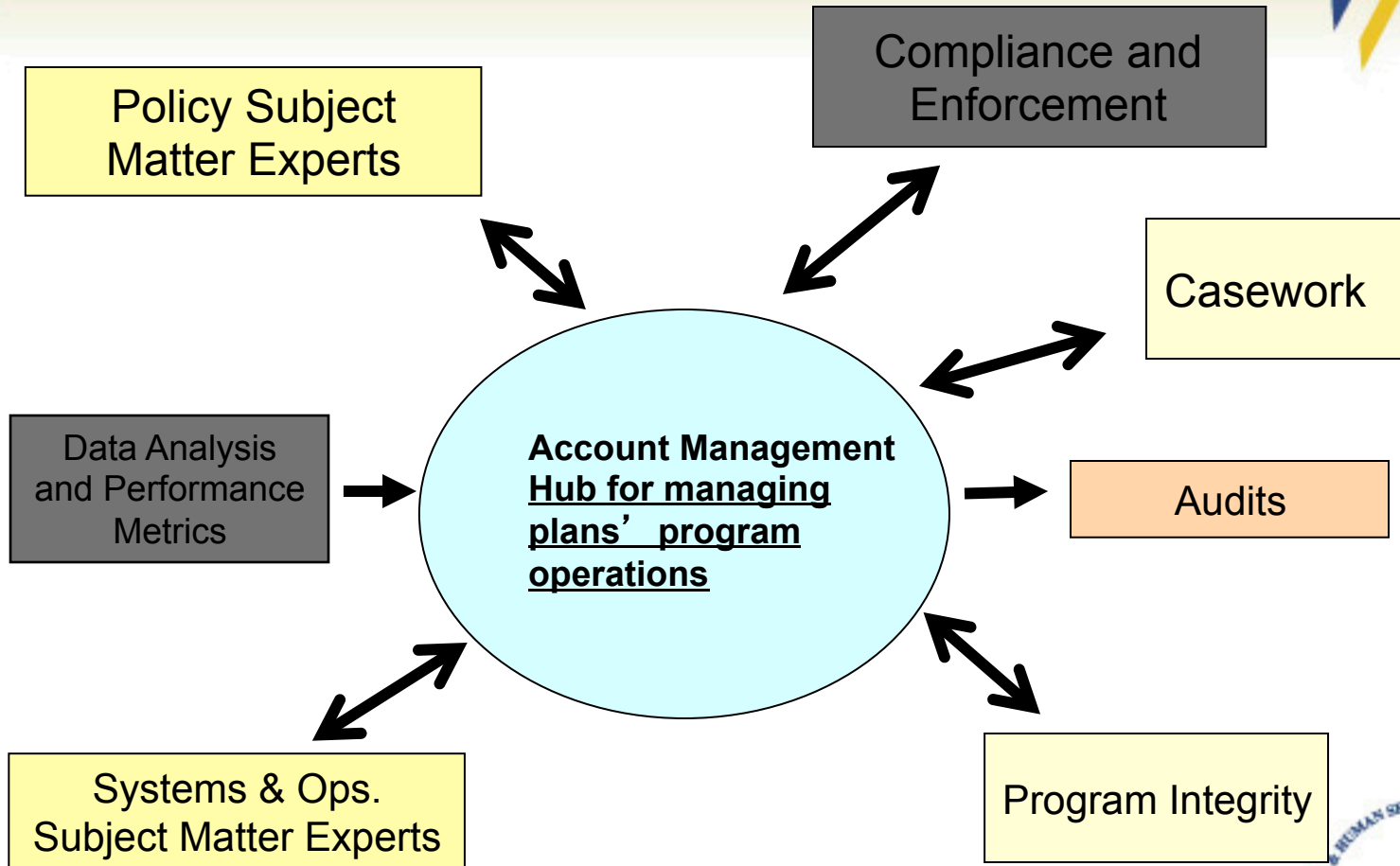
**Audit Selection**

**Enforcement and Termination**

# Dimensions of Oversight: Account Management



# Account Management



# Role of Account Managers

## Daily oversight and communication:

- Learns policy and operations of sponsor inside/out
- Ensures that sponsor complies with program rules, guidance, and program requirements
- Direct communication and point of contact to Compliance Office and other critical sponsor components (marketing, enrollment, etc.)

## Performance review, and follow-up to:

- Communicate and reinforce positive performance
- Ask for an explanation
- Request resolution (e.g., action steps, training/education, and/or business plan)
- Take compliance action, as appropriate

# Dimensions of Oversight: Reporting Requirements

# Why Reporting Requirements?

- CMS' use of plan-reported data
  - Program-descriptive
  - Evaluate differences between plan-types
  - Integrate with evaluation of other data sources
    - 1-800 Medicare complaints data
    - Prescription Drug Event data
    - IRE data
    - Monitoring studies (e.g., call center)
    - Audits

# Why Reporting Requirements? (Cont' d)

- Unavailable through other sources or collection efforts
- More timely than other means of collecting this information

# Examples of Part D Reporting Categories

- Retail, Home Infusion, and LTC Pharmacy Access
- Access to Extended Day Supplies at Retail Pharmacies
- Medication Therapy Management Programs
- Grievances
- Coverage Determinations/Exceptions
- Appeals

# Examples of Part D Reporting Categories

New 2010 sections:

- Enrollment
- Prompt Payment
- Pharmacy Support of Electronic Prescribing
- LTC Utilization
- Fraud, Waste and Abuse Compliance Programs

# Examples of Part C Reporting Categories

- Beneficiary Utilization
  - Procedures
  - Serious Reportable Adverse Events
  - Provider Network Adequacy and Stability
  - Grievances
- CMS will soon have a complete year (CY 2009) of Part C data



# In-depth Example: Grievance Data from Reporting Requirements

- CMS calculated the number of grievances per 1,000 enrollees for each sponsor
- Sponsors with a grievance ratio among the top 5% were issued outlier warning notices



# In-depth Example: Grievance Data from Reporting Requirements

## Required to Report Back to CMS

- The primary underlying enrollee concerns that prompted grievances
- Current procedures for handling grievances and whether these procedures differ in any way from those in place during the reporting period
- Actions to improve the grievance rate
- Explanation of how these actions are designed to “cure” the underlying issues that prompted the initial grievances

# In-depth Example: Grievance Data from Reporting Requirements



After their self-analysis, many sponsors reported they had uncovered data anomalies and process problems

Sponsors found it very useful feedback and have reported process improvements

- Led sponsors to refine their processes for identifying, tracking, and reporting grievances and to address underlying problems that attributed to the grievances in the first instance



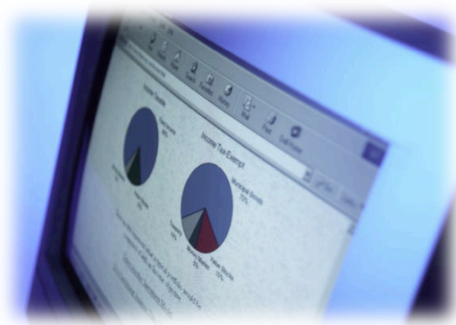
# Part C and D Data Validation

- Effective in 2011, CMS will establish data validation standards and procedures for Part C and D reporting requirements
- Standards will ensure organizations' reported data are reliable, valid, complete, and comparable
- See HPMS Memos dated November 23 and December 23, 2009, and May 10, 2010
- Now available on the CMS website:
  - Organizational Assessment Instrument
  - Data Validation Standards
  - Instructions for Findings Data Collection Form
  - Findings Data Collection Forms
  - Sampling Instructions

# Dimensions of Oversight: Reporting Requirements

# Data-Driven Monitoring

- Key tactic since the beginning of the Part D program
- Intensive effort to expand use of data for Part C



# Sources of Data

## **CMS Systems and Administrative Data**

- 4Rx, PDE, Formulary, Marketing, and many others

## **Contracted Monitoring and Surveillance Projects**

- Monitoring – generally implies conducted systematically across *all* contracts with large enough sample sizes to draw inferences
- Surveillance – activities to address specific program concern; may be short term in nature or apply to only a cohort of contracts

# Strategy for Translating Performance Measurement into Compliance

- Take deadlines seriously
- Look for outliers and missed thresholds
- Take note of single instances of problems, but emphasize patterns of non-compliance





# Strategy for Translating Performance Measurement into Compliance

- Put aside the battering ram (CAP, enrollment sanctions) when a soft nudge (notice of non-compliance) is sufficient
- Don't hesitate to take significant action where warranted
- Consistent application of performance standard and choice of compliance action across all contracts

# Examples of Compliance Action from Data Analysis and Monitoring

## Low Income Subsidy Match Rate

- Failure to successfully submit data
- Failure to exceed the 95% match rate
- Number and type of prior compliance actions on this topic drive the next action

## Call Center Monitoring

- Inadequate call center hours
- Failure to meet call center standards
  - Hold time and disconnect rates
  - Interpreters for limited English-proficient (LEP) beneficiaries
  - TTY/TDD functionality
  - Information accuracy and understandability

# Additional Examples

## Formulary Submissions

- Missed deadlines or other poor performance

## Plan Finder Pricing and Pharmacy Network Data

- Inaccurate prices
- Inclusion of non-network pharmacies

## Timely Processing of Enrollments

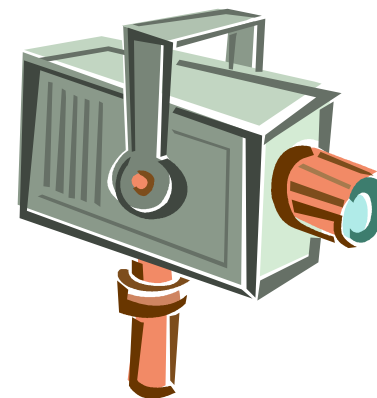
- Submission of enrollments to CMS within 7 days

## Many new studies underway

- BAE, Administrative/Management Capability, Part C Out-of-Pocket Limitations, Foreign Language Translation for Marketing Materials

# Example of Surveillance Activity

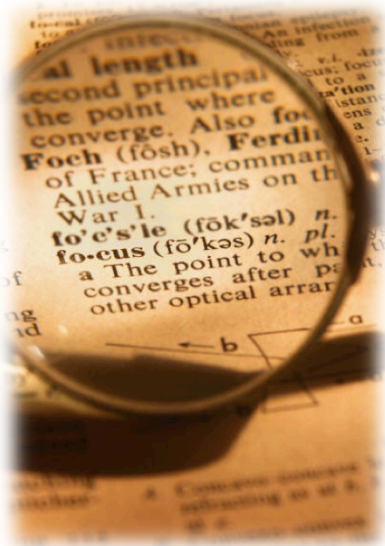
- Marketing Event Secret Shopping
  - Why? Persistent complaints and evidence of broker/agent misconduct
  - What? Over 1,000 secret shops conducted
  - Results:
    - Numerous warning letters
    - Referrals to States that hold agent licenses
    - Sentinel effect



# Dimensions of Oversight: Auditing

# Audit Approach

- **Audit/Review Activities**



- Targeted data-driven/risk-based audits
- Primary focus on outcomes, not policies and procedures
- Earliest possible detection and correction
- Quantifiable results

# Audit Approach

## Audit/Review Activities

- Improved performance and quality improvement
- Meaningful results for CMS and Plan sponsors

## Focused Audits

- Enrollment & Disenrollment
- Marketing & Agent/ Broker
- Appeals & Grievances
- Compliance Program

# Putting it All Together: Performance Metrics and Analyses



# Medicare Plan Ratings

Allow Medicare beneficiaries to compare plans' cost, quality, and performance

Overall Parts C and D composite scores for quick evaluations of plans across broad areas

Domain groupings and display of individual measures provide wealth of information

# Medicare.gov

Medicare.gov · Plan Ratings - Windows Internet Explorer

http://www.medicare.gov/PlanFinder/Shared/Include/Datasection/Metrics/PlanSelection.asp

### Choose Plans to Compare

When you choose 3 plans to compare, quality and performance information will be available to help you make the best choice for you. Quality and Performance varies across plans. Giving good quality care means doing the right thing, at the right time and in the right way to get the best possible results.

These results are sorted by Plan Name. Click on column titles to sort.

### Plan Ratings

The number of [stars](#) shows how well the plans perform.

Excellent ★★★★★

Very Good ★★★★

Good ★★★

Fair ★★

Poor ★

You are currently comparing: ☒ Health and Prescription Drug Plans [View Plans](#)

[\[ What is this? \]](#) ☐ Prescription Drug Plans

[View Health Plan Ratings](#) [View Drug Plan Ratings](#)

Choose up to 3 plans to [Compare](#) Sort Table By: Plan Name [Sort](#)

|                          | Plan Name and ID Numbers<br>▲                   | Drug Plan Customer Service<br>[ What is this? ] | Member Complaints and Staying with Drug Plan<br>[ What is this? ] | Member Experience with Drug Plan<br>[ What is this? ] | Drug Pricing and Patient Safety<br>[ What is this? ] |
|--------------------------|---|---|---|---|--|
| <input type="checkbox"/> | Advantra Freedom-Freedom 5 (H5227-001)          | ★★★★★<br>4 out of 5 stars                       | ★★★★<br>3 out of 5 stars  | ★★★★<br>3 out of 5 stars                              | ★★★★★<br>4 out of 5 stars                            |
| <input type="checkbox"/> | Advantra Freedom-Freedom 5 (H5227-002)          | ★★★★★<br>4 out of 5 stars                       | ★★★★<br>3 out of 5 stars  | ★★★★<br>3 out of 5 stars                              | ★★★★★<br>4 out of 5 stars                            |
| <input type="checkbox"/> | Advantra Freedom-Freedom 5 Plus-GAP (H5227-004) | ★★★★★<br>4 out of 5 stars                       | ★★★★<br>3 out of 5 stars  | ★★★★<br>3 out of 5 stars                              | ★★★★★<br>4 out of 5 stars                            |
| <input type="checkbox"/> | Advantra Freedom-Freedom 5 Plus-OTC (H5227-005) | ★★★★★<br>4 out of 5 stars                       | ★★★★<br>3 out of 5 stars  | ★★★★<br>3 out of 5 stars                              | ★★★★★<br>4 out of 5 stars                            |
| <input type="checkbox"/> | Aetna Golden Choice Premier Plan (H5510-002)    | ★★★<br>3 out of 5 stars                         | ★★★★★<br>4 out of 5 stars   | ★★<br>2 out of 5 stars                                | ★★★★★<br>4 out of 5 stars                            |

# Part D Domains

Drug Plan Customer Service

Member complaints, members who choose to leave, and Medicare audit findings

Member experience with drug plan

Drug pricing and patient safety

# Compare and Get Details

Medicare.gov - Plan Ratings - Windows Internet Explorer

http://www.medicare.gov/PlanFinder/Shared/Include/DatasetSection/Metrics/PlanResults.asp#PartD2

**Types of Plan Ratings**

You are currently viewing **Star Ratings** for your selected plans. You can change the data display to view more detailed information for each quality measure.

Review how your selected plan(s) rated on quality and performance below. Use this information to help you make the best choice for you.

**Learn More**

[Learn how Quality and Performance are measured](#)

|   | Advantira Freedom-Freedom 5 (H5227-001-0) | Bravo Traditions (H2108-020-0)  | Today's Options Premier Plus (H3333-050-0) |
|---|---|---|--|
| <b>View Star Ratings</b>  | <b>View Star Details</b>                  | <a href="#">Show All Measures</a>   <a href="#">Hide All Measures</a> |  |
| <b>Drug Plan Customer Service</b><br><a href="#">Click to view data sources</a>   | ★★★★<br>4 out of 5 stars                  | ★★★★<br>4 out of 5 stars  | ★★★<br>3 out of 5 stars                    |
| <b>Member Complaints and Staying with Drug Plan</b><br><a href="#">Click to view data sources</a>                                     | ★★★<br>3 out of 5 stars                   | ★★★<br>3 out of 5 stars   | ★<br>1 out of 5 stars                      |
| Complaints about the Drug Plan's Benefits and Access to Prescription Drugs (for every 1,000 members)<br><a href="#">What is this?</a> | ★★★                                       | ★★★   | ✓  |
| Complaints about Joining and Leaving the Drug Plan (for every 1,000 members)<br><a href="#">What is this?</a>                         | ★★★                                       | ★★  | ✓  |
| Complaints about the Drug Plan's Pricing and Out-of-pocket Costs (for every 1,000 members)<br><a href="#">What is this?</a>           | ★★★★                                      | ★★★★  | ✓  |
| All Other Complaints about the Drug Plan (for every 1,000 members)<br><a href="#">What is this?</a>                                   | ★★★                                       | ★★  | ✓  |
| Members Who Stay with Their Current Drug Plan from One Year to the Next<br><a href="#">What is this?</a>                              | ★   | ★★★   | ✓  |
| <b>Member Experience with Drug Plan</b><br><a href="#">Click to view data sources</a>   | ★★★★<br>3 out of 5 stars                  | ★★<br>2 out of 5 stars  | 2  |

**Plan Ratings**

The number of **stars** shows how well the plans perform.

Excellent ★★★★★  
Very Good ★★★★  
Good ★★★  
Fair ★★

Medicare.gov - Plan Ratings - Windows Internet Explorer

http://www.medicare.gov/PlanFinder/Shared/Include/DatasetSection/Metrics/PlanResults.asp

[Return to Choose Plans to Compare Page](#)

**Plan Ratings**

**View Plan Ratings for Maryland**

[Print This Page](#) [Close Window](#)

**Types of Plan Ratings**

You are currently viewing the **detailed quality ratings data numbers** for your selected plans. You can change the data display to view star ratings for each quality measure.

Review how your selected plan(s) rated on quality and performance below. Use this information to help you make the best choice for you.

**Learn More**

[Learn how Quality and Performance are measured](#)

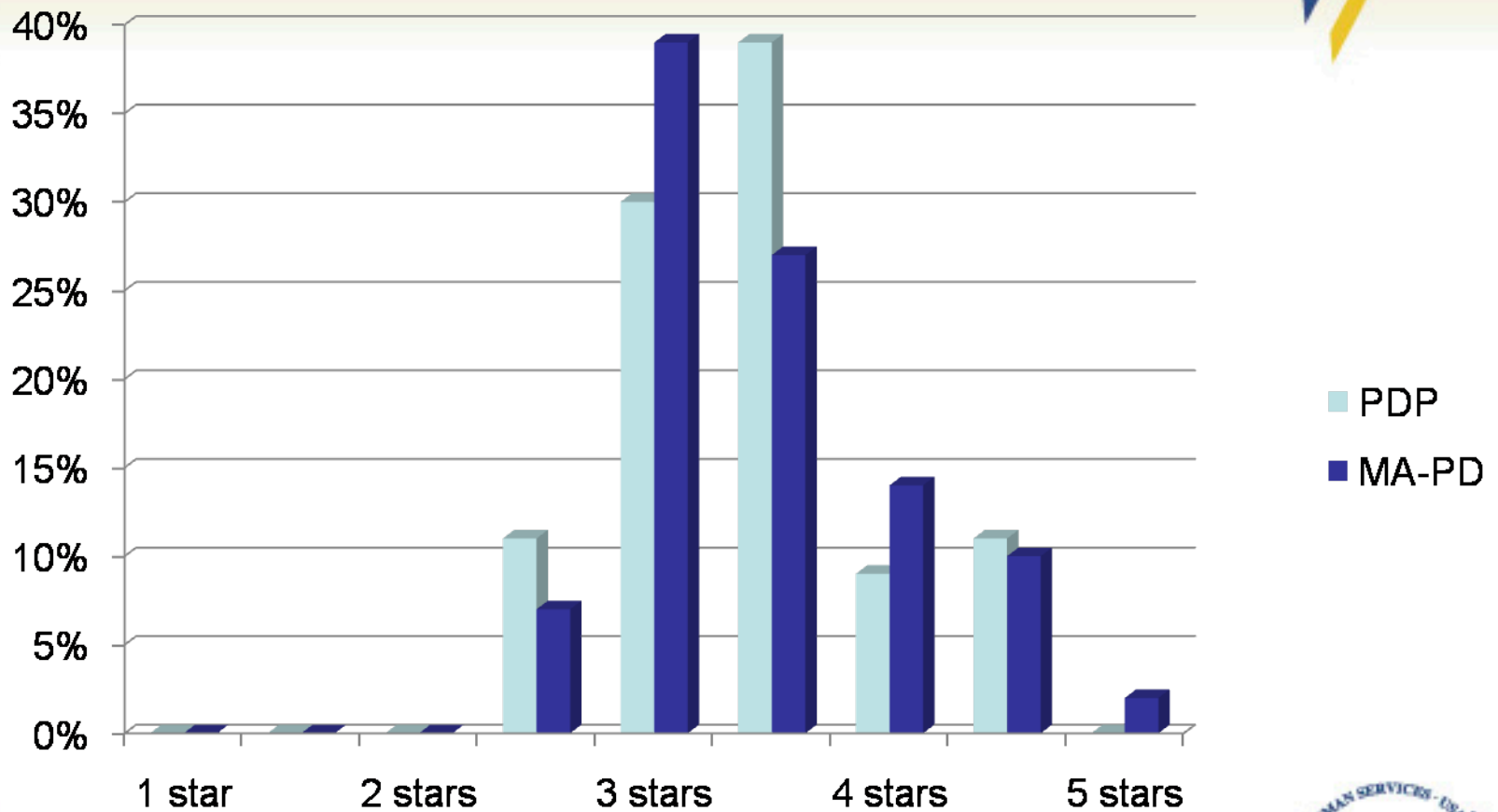
|  | Advantira Freedom-Freedom 5 (H5227-001-0) | Bravo Traditions (H2108-020-0)  | Today's Options Premier Plus (H3333-050-0)     |
|--|---|---|--|
| <b>View Star Ratings</b>   | <b>View Star Details</b>                  | <a href="#">Show All Measures</a>   <a href="#">Hide All Measures</a> |  |
| <b>Drug Plan Customer Service</b><br><a href="#">Click to view data sources</a>  |   |   |  |
| Time on Hold When Customer Calls Drug Plan (minutes:seconds)<br><a href="#">What is this?</a>  | 47 secs.                                  | 18 secs.  | 33 secs.                                       |
| Calls Disconnected When Customer Calls Drug Plan<br><a href="#">What is this?</a>  | 0.4%                                      | 1.3%  | 1.0%   |
| Time on Hold When Pharmacist Calls Drug Plan (minutes:seconds)<br><a href="#">What is this?</a>  | 33 secs.                                  | 27 secs.  | 37 secs.                                       |
| Calls Disconnected When Pharmacist Calls Drug Plan<br><a href="#">What is this?</a>  | 0.0%                                      | 0.6%  | 0.8%   |
| Drug Plan's Timeliness in Giving a Decision for Members Who Make an Appeal (for every 10,000 members)<br><a href="#">What is this?</a> | 0.70                                      | 0.00  | 2.50   |
| Fairness of Drug Plan's Denials to a Member's Appeal, Based on an Independent Reviewer<br><a href="#">What is this?</a>                | 45.2%                                     | No Appeals Required Review  | Not enough data available to calculate measure |
| <b>Member Complaints and Staying with Drug Plan</b>  |   |   |  |

**Plan Ratings**

The number of **stars** shows how well the plans perform.

Excellent ★★★★★  
Very Good ★★★★  
Good ★★★  
Fair ★★  
Poor ★

# Part D Summary Score Distributions\*



\*Data posted on Medicare.gov in Fall 2009

# Part C Domains for Plan Ratings

Ratings of Health Plan Responsiveness and Care

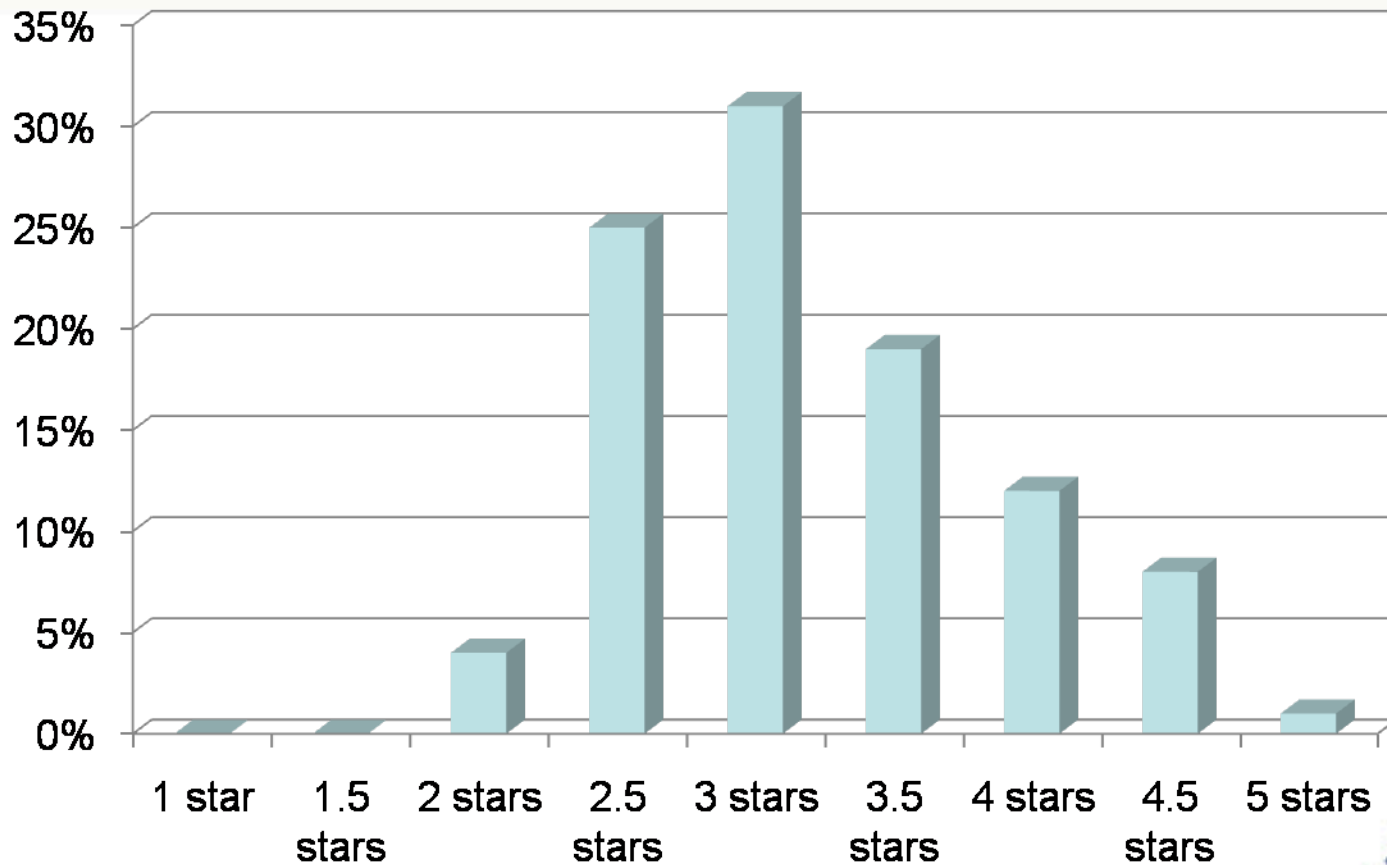
Managing Chronic (Long-Term) Conditions

Members' Complaints, Appeals, and Choosing to Leave

Staying Healthy: Screenings, Tests, and Vaccines

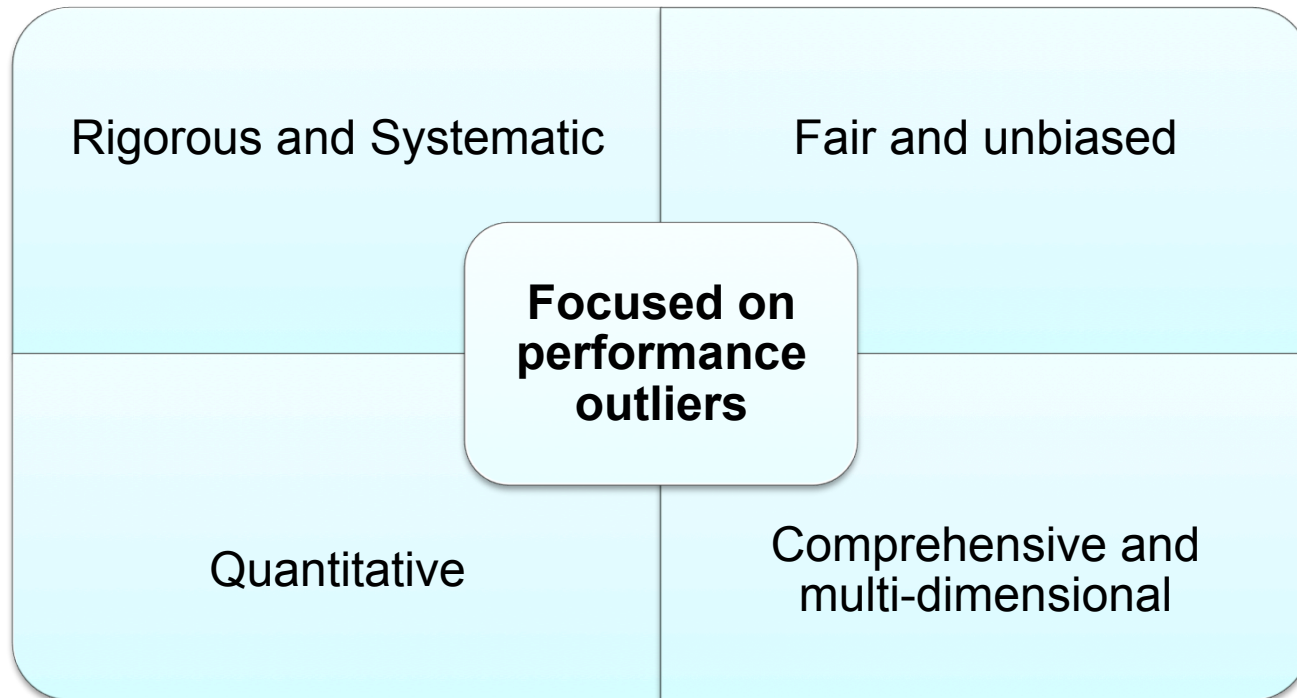
Health Plan's Telephone Customer Service

# Part C Summary Score Distributions\*



\*Data posted on Medicare.gov in Fall 2009

# Annual Performance Review





# Nine Performance Dimensions in 2010

Compliance Letters

Performance  
Metrics

Multiple Ad Hoc  
CAPs

Beneficiary Impact  
of Problems

Financial Instability

Suppressions and  
Exclusions

Enforcement  
Actions

Terminations

Open, Significant  
Problems

# Nine Dimensions (Cont' d)

## Compliance Letters

- Identify sponsors receiving high number of compliance notices adjusted for type of notice
- Compliance notice types weighted differently according to seriousness associated with the action

# Nine Dimensions (Cont' d)

- Performance Metrics
  - Based on the “star rating” data posted on Medicare.gov

## Part D domains:

- Customer service
- Complaints/staying with plan
- Drug pricing
- Patient safety

## Part C domains:

- Staying healthy
- Complaints/staying with plan
- Managing chronic conditions
- Health plan responsiveness and care
- Telephone customer service

- Sponsors with overall score of 2.5 or below identified as outliers

# Nine Dimensions (Cont' d)

## Multiple Ad Hoc CAPs

- Ad Hoc CAPs relative rare, reserved for failure of prior interventions or egregious problems
- More than one is powerful indication of ongoing performance problems

## Beneficiary Impact of Problems

- Review all ad hoc CAPs to assess if problems were directly related to delivery of services to members

## Financial Instability

- CMS performs ongoing assessment of sponsor finances and identifies organizations that appear unstable

# Nine Dimensions (Cont' d)

- Suppressions and Exclusions
  - Exclusion from receiving monthly auto-enrollees
  - Medicare & You Handbook exclusion
  - Lost formulary update opportunity
  - Online Enrollment Center participation exclusion



# Nine Dimensions (Cont' d)

## Terminations

- Requests by an organization to mutually terminate a contract with CMS after the non-renewal deadline or after marketing and enrollment has begun
- Contracts that terminate for the upcoming contract period very late in the year, during the AEP, are especially problematic
  - Usually significant non-compliance if contract had been maintained
- Terminations initiated by CMS most serious scenario

# Nine Dimensions (Cont' d)

Enforcement  
Actions

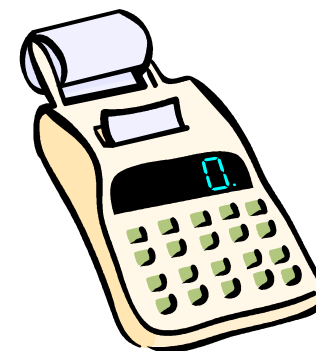
- Intermediate sanctions and CMPs are extremely rare and highly significant, reflecting significantly impaired performance

Open, Significant  
Compliance  
Problem

- For instance, critical compliance violation identified but letter not yet issued

# Compiling Results

- Point values assigned for each dimension
- Analysis identifies overall performance outliers
  - Hones in on sponsors with problems in multiple categories and/or in one or more particularly high risk area





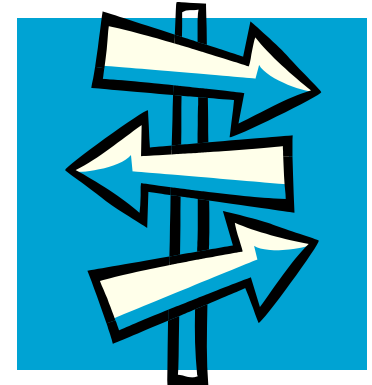
# Performance Review Will Evolve

- Nine performance dimensions in 2010
  - Categories and point values updated since 2009
- Each year methodology will be updated to reflect most current and comprehensive available information
- Aggressively adding new performance metrics each year
- Point values may shift along with categories to reflect proportionate weights based on new information and analytic techniques

# Using Performance Results

# Making Meaningful Decisions

- Oversight activities provide a wealth of information
- Key objective is to summarize data on plan performance for:
  - MA organization and Part D sponsor self-initiated quality improvements
  - Beneficiary and stakeholder decision making
  - Informing policy changes
  - Ensuring the best and most qualified organizations participate in CMS programs



# Taking Action

Public reporting

Technical  
assistance

Policy review

Basis for  
compliance and  
enforcement  
actions

Identifying audit  
candidates

Decisions for  
application  
approval and  
denials

# Example: Past Performance as Basis for Application Denials

Organizations with a recent history of performance problems must focus on their current book of business, and not expand until they are operating in full compliance

- Applicants with high past performance scores:
  - Not approved for service area expansions or new contracts for additional products
  - Opportunity to withdraw applications
  - May appeal the decision
- Regulatory authority supports these actions

# Applications Denied for Past Performance 2009 - 2011

## 2009

- 2 organizations notified their applications would be denied
- Both withdrew

## 2010

- 9 organizations identified as performance outliers, 7 of which had submitted applications
- All 7 organizations withdrew

## 2011

- 21 organizations identified as performance outliers (increase due to inclusion of terminated or non-renewed contracts), 10 of which had submitted applications
- 8 organizations withdrew all pending applications; 2 organizations withdrew most of their applications

**...And Beyond**

# What's On the Horizon?

- Continued emphasis on protecting beneficiaries and ensuring cost-effective, high quality care
- More automation and real-time analysis of problems





# What's On the Horizon?

- Stepped up oversight – more rigorous, proactive, data-driven, targeted monitoring
- High Risk Program areas:
  - Marketing remains an area of concern
  - Compliance program audits
  - Emerging areas of concern: enrollment, appeals, access to providers and benefits, vulnerable beneficiaries
- High Risk Products:
  - SNPs, PFFS



# What's On the Horizon?

- New Part C and D regulations effective June 7, 2010
- Key compliance/monitoring provisions
  - “All or nothing” application standard
  - Past performance analysis
  - Use of outliers for compliance
  - Disruptive mutual termination
  - Mutual termination – 2 year application ban
- Considering options to “raise the bar” for Part C and D application requirements

# Thank You

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