



CMS 2010 Tri-Regional Plan Compliance Conference
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A MOSAIC of More: More insight, More answers, More compliance...

Verbatim Transcript

CMS Oversight & Monitoring of Plans

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Part 1

>> THIS AFTERNOON'S FIRST PANEL DISCUSSES IN ADDITION

THE CMS OVERSIGHT AND MONITORING OF PLANS.

YOU'VE ALREADY MET MIKE KAVOURAS.

HE IS ON THE PANEL THIS AFTERNOON, AND MIKE AND I ARE

JOINED BY JENNIFER SHAPIRO, WHO IS DIRECTOR OF THE DIVISION

OF BENEFIT PURCHASING AND MONITORING

IN CMS HEADQUARTERS OFFICE IN BALTIMORE. JENNIFER?

>> THANK YOU. GOOD AFTERNOON.

YESTERDAY ON THE PLANE RIDE OUT HERE FROM BALTIMORE, THE PERSON

SITTING NEXT TO ME ON THE PLANE ASKED ME WHAT I WAS GOING



TO DALLAS FOR, AND I SAID, "OH,
I'M JUST GOING OUT TO GIVE

A PRESENTATION,"

AND HOPING THE CONVERSATION
WOULD END THERE.

BUT IT DIDN'T, AS IT USUALLY
DOESN'T, AND WE WENT DOWN

A PATH THAT I'M VERY FAMILIAR
WITH, AND THE PERSON SAID, "OH,

"YOU KNOW, WHAT KIND OF WORK DO
YOU DO?

WHAT'S YOUR PRESENTATION ON?"

I THREW OUT SOME WORDS, YOU
KNOW, LIKE, "WELL,

MEDICARE, COMPLIANCE,
MONITORING, REGULATIONS,"

AND YOU COULD SEE THE EYES JUST
GLAZE RIGHT OVER.

AND THEN, TO TRY TO KIND OF FIX
THE SITUATION I SAID, "NO, NO,

"YOU DON'T UNDERSTAND.

IT'S REALLY VERY INTERESTING,
AND I LOVE MY JOB!"

AND AT THAT POINT, YOU COULD SEE
THE PERSON GIVE THAT KIND OF

HALF-SMILE, HALF-NOD LIKE, "OH,
OK," AND PICK UP THEIR BOOK AND

KIND OF SHIFT A COUPLE INCHES IN
THE OTHER DIRECTION, AND I'M

THINKING TO MYSELF, "WELL, THERE
IT GOES AGAIN,

THE SAME CONVERSATION."

SO IT GIVES ME PARTICULAR
PLEASURE TO BE HERE TODAY TO

SPEAK TO AN AUDIENCE WHO IS HERE
MOSTLY VOLUNTARILY,

WHO UNDERSTANDS WHAT I'M GOING
TO BE TALKING ABOUT

AND IS EVEN INTERESTED IN IT AS
WELL.

SO THANK YOU VERY MUCH FOR
INVITING ME HERE AND GIVING ME

THE OPPORTUNITY TO TALK TO YOU
ABOUT THE SUBJECT.

IT IS A WEIGHTY SUBJECT.

THERE IS A LOT OF INFORMATION
WE'RE GOING TO COVER

IN THE NEXT HOUR.

I'M REALLY DELIGHTED TO BE
JOINED BY JULIE AND MIKE, WHO

ARE GOING TO STEP UP AND DO SOME
PIECES OF THIS,

AND THE OTHER THING I WOULD SAY
IS,

WAY OF INTRODUCTION, IS THAT
THIS COVERS

SUCH A WIDE, DEEP BREADTH OF
INFORMATION THAT WE--

NONE OF US IS AN EXPERT IN ALL
OF THIS.

SO WE'RE GOING TO COVER LOTS OF
DIFFERENT AREAS.

IF YOU HAVE QUESTIONS ABOUT

SPECIFIC AREAS WHERE WE MAY

NOT BE THE COMPLETE EXPERT ON
IT,

WE'LL JUST GET BACK TO YOU WITH
ANSWERS LATER,

BUT WE WANTED TO TRY TO GIVE YOU
THE FULLEST

PICTURE POSSIBLE, EVEN THOUGH WE
MAY NOT INDIVIDUALLY BE

THE COMPLETE EXPERTS ON EACH
PIECE OF THIS,

BUT WE CERTAINLY ARE ON ELEMENTS
OF IT.

OK, SO AGAIN, AS I SAID, THE
GOAL IS TO TELL A VERY BROAD

STORY ABOUT HOW WE APPROACH
OVERSIGHT.

THERE'S NOT A WHOLE OF DETAIL ON
ANY ONE AREA, BUT ENOUGH OF

A FLAVOR SO THAT YOU CAN REALLY
UNDERSTAND

CMS'S PERSPECTIVE ON THE TOPIC
OF OVERSIGHT.

I'M GOING TO JUST MOVE THIS
AROUND HERE.

OK, SO WE'LL TALK ABOUT
EVALUATING PERFORMANCE,

SOME DIFFERENT DIMENSIONS OF
OVERSIGHT.

WE'RE GOING TO PUT IT ALL
TOGETHER FOR YOU

AND TALK ABOUT USING PERFORMANCE
RESULTS.

OK, SO FIRST AND FOREMOST, IN
CONDUCTING OVERSIGHT

FOR THESE PROGRAMS, OUR FOCUS IS
ON PROTECTING

MEDICARE BENEFICIARIES

AND ENSURING THAT THEY RECEIVE
THE SERVICES AND THE BENEFITS

TO WHICH THEY'RE ENTITLED.

THAT'S A THEME YOU'VE HEARD OVER
AND OVER TODAY,

AND WE'LL KEEP SAYING THAT.

WE ALSO WANT TO MAKE SURE THAT
THE PLANS FOLLOW THE RULES.

LIKE THE RULES OR DON'T LIKE
THEM, AGREE WITH THEM OR NOT,

THEY EXIST FOR A REASON AND IT'S
WHAT WE ALL SIGNED UP FOR, AND

SO THOSE RULES ARE IN PLACE FOR
A REASON, AND WE HAVE

TO MAKE SURE THAT THEY'RE BEING
FOLLOWED.

AND FINALLY, OUR OVERSIGHT
STRATEGY HAS TO BE

BOTH EFFICIENT AND SUSTAINABLE.

CMS HOLDS HUNDREDS AND HUNDREDS
OF CONTRACTS WITH ORGANIZATIONS,

AND WE NEED TO BE ABLE TO
MONITOR ALL OF THOSE

WITH PRETTY LIMITED RESOURCES.

SO TO MEET ALL OF THOSE GOALS,
WE'VE DEVELOPED

AN OVERSIGHT STRATEGY THAT RESTS
ON DATA-DRIVEN MONITORING

AND QUANTIFIABLE PERFORMANCE
MEASURES THAT ENABLES US TO

MEASURE ALL ORGANIZATIONS ON THE
SAME CRITICAL ELEMENTS

AND TO APPLY THOSE RESULTS AS
CONSISTENTLY AS WE POSSIBLY CAN.

FOR MORE RESOURCE-INTENSIVE
ACTIVITIES, WE ARE TRYING

TO TARGET OUR EFFORTS IN MORE
SELECTED WAYS BY USING

RISK ASSESSMENT AND RISK
MANAGEMENT TECHNIQUES

TO IDENTIFY ORGANIZATIONS OR
PROGRAM AREAS

THAT WE NEED TO DELVE INTO A
LITTLE BIT MORE.

AND, OF COURSE, THERE IS AN
INCREASING EMPHASIS, AS ALWAYS,

ON MAKING OUR WORK AS
TRANSPARENT AS POSSIBLE.

SO CARRYING OUT OUR OVERSIGHT
STRATEGY IN THE WAY

I JUST DESCRIBED HAS A NUMBER OF
BENEFITS.

WE CAN OFTEN CATCH PROBLEMS
RELATIVELY EARLY, BEFORE THEY

EVOLVE INTO ANYTHING MORE
SYSTEMIC OR BEFORE, YOU KNOW,

MORE HARM, OR ANY HARM, HAS BEEN
DONE.

CORRECTIVE RESPONSES FOR MILD
PROBLEMS THAT ARE CAUGHT EARLY

ARE EASILY REMEDIED AND REQUIRE
FEWER RESOURCES.

I'VE ALREADY MENTIONED THAT AN
IMPORTANT GOAL IS TO BE

CONSISTENT IN HOW WE EVALUATE
AND TREAT ALL OF THE PLANS.

BUT BECAUSE WE HAVE A VARIETY OF
TACTICS THAT I'M GOING

TO TALK ABOUT IN A FEW MINUTES,
WE ACTUALLY HAVE A LOT OF

FLEXIBILITY IN HOW WE CAN HANDLE
ANY PARTICULAR ISSUE, AND WE

ARE FORTUNATE THAT WE CAN TAILOR
OUR RESPONSE

TO THE UNIQUE CIRCUMSTANCES

OF ANY PARTICULAR COMPLIANCE
SITUATION.

AND ALSO, AS I'LL TALK ABOUT
LATER IN THE PRESENTATION,

OUR STRATEGY'S VERY
DATA-ORIENTED,

SO WE END UP WITH A TREMENDOUS
AMOUNT OF INFORMATION TO INFORM

DAY-TO-DAY DECISIONS ABOUT OUR
PROGRAM OVERALL,

AND WE ALSO SPEND A LOT OF TIME
INTERACTING

WITH OUR STAKEHOLDERS.

WELL, THE DIAGRAM IS KIND OF
LACKING FROM THE WAY

IT SHOULD BE SHOWING UP.

IT SHOULD BE LIKE A VENN DIAGRAM
THERE WITH CIRCLES.

I'M NOT SURE WHAT HAPPENED
THERE.

IT WAS THERE ORIGINALLY.

HOPEFULLY, IT'S IN THE VERSION
IN YOUR BINDERS.

SO IF YOU WOULD SEE THE VERSION
AS IT WAS MEANT TO BE SEEN,

YOU'D SEE THE 4 PRIMARY WAYS WE
CONDUCT OVERSIGHT OF MA PLANS

AND PART D SPONSORS, AND I'M
GOING TO GO THROUGH--

OR WITH THE HELP OF MIKE AND
JULIE--EACH OF THOSE.

BUT THE MAIN POINT THAT I WANT
TO MAKE HERE IS THAT WHILE

WE'RE PRESENTING EACH OF THOSE
AS ITS OWN KIND OF BUCKET

OF ACTIVITY, THERE'S REALLY NO
SEPARATING THESE.

THEY INTERSECT, THEY INTERACT
WITH EACH OTHER,

THEY INFORM EACH OTHER.

SO PLEASE KEEP THAT IN MIND AS
WE GO THROUGH THE PRESENTATION.

AND AGAIN, WHILE WE'RE
PRESENTING THESE SEPARATELY,

THEY'RE REALLY QUITE
INTERTWINED.

OK, THAT ONE LOOKS RIGHT.

SO RIGHT UP FRONT I WANT TO
INTRODUCE--OR FOR THOSE OF YOU

WHO'VE SEEN THIS BEFORE-- REMIND
YOU ABOUT THE CASCADE

OF COMPLIANCE TOOLS THAT WE USE,
BECAUSE WE USE THEM

ACROSS ALL THE DIFFERENT TYPES
OF OVERSIGHT THAT WE EMPLOY.

AND WE HAVE A VERY BROAD
SPECTRUM OF COMPLIANCE ACTIONS

THAT WE CAN TAKE,

DEPENDING ON THE NATURE OF A
PROBLEM THAT WE'VE UNCOVERED.

SO ON THE SCREEN, I'VE ARRAYED
OUR COMPLIANCE TOOLS

FROM THE MORE MILD TO THE MORE
SEVERE.

AND WORKING OUR WAY DOWN THE
SPECTRUM,

THE MOST MILD FORMS OF
COMPLIANCE ACTIONS INCLUDE

EXECUTIVE CONFERENCE CALLS AND
MEETINGS,

ALONG WITH A WRITTEN NOTICE OF
NON-COMPLIANCE.

NOW, THE NOTICE OF
NON-COMPLIANCE IS

OUR MOST MILD FORM OF WRITTEN
FORMAL COMMUNICATION,

AND DOES NOT INCLUDE WARNING LANGUAGE.

IT DOES NOT INCLUDE THAT FORMAL WARNING LANGUAGE, LIKE,

"IF YOU DON'T GET THIS RIGHT THE NEXT TIME,

SOMETHING ELSE UNPLEASANT IS GOING TO HAPPEN."

AND SO MOST OF OUR COMPLIANCE PROTOCOLS START OUT

WITH THE ISSUANCE OF NOTICES OF NON-COMPLIANCE,

WITH AN ESCALATION TO A WARNING LETTER IF THE PATTERN CONTINUES.

SO DEPENDING ON THE NATURE OF THE PROBLEM, WE SOMETIMES INVOKE

A VARIETY OF SUPPRESSIONS OR EXCLUSIONS--

THAT'S THE NEXT BOX THAT YOU SEE ON THE SCREEN--

SUCH AS TEMPORARY SUPPRESSION FROM THE MEDICARE PLAN FINDER

ON MEDICARE.GOV, OR EXCLUDING THE CONTRACT

FROM THE "MEDICARE AND YOU" PUBLICATION,

EXCLUDING THE CONTRACT FROM RECEIVING

MONTHLY AUTO-ASSIGNMENTS OR RE-ASSIGNMENTS IN THE FALL,

OR THE OTHERS THAT I HAVE LISTED THERE.

THE NEXT KIND OF LEVEL IN THE
CASCADE WOULD BE TO REQUEST

A CORRECTIVE ACTION PLAN, OR
CAP,

WHICH DOES BECOME PUBLIC
KNOWLEDGE.

WE CAN ALSO DISAPPROVE NEW
APPLICATIONS

OR SERVICE AREA EXPANSIONS BY
THE ORGANIZATION,

AND WE HAVE DONE THAT--AND I'LL
TALK ABOUT THAT A LITTLE BIT

LATER IN THE PRESENTATION AS
WELL--

AND WE CAN ALSO REFER THE
ORGANIZATION FOR AN AUDIT.

AND SHOULD NONE OF THOSE
COMPLIANCE ACTIONS WORK TO SOLVE

THE PROBLEM, WE WOULD THEN MOVE
TO ENFORCEMENT, SUCH AS

IMPOSING UN-ENROLLMENT FEES OR
TERMINATION.

NOTICES ARE GENERALLY ISSUED

IN THE ORDER OF THE COMPLIANCE
ACTION MODEL,

OR THIS CASCADE THAT I'VE JUST
TALKED ABOUT.

HOWEVER, DEPENDING ON THE
SEVERITY OR THE CIRCUMSTANCES

OF THE PROBLEM THAT WE'VE
UNCOVERED

OR THAT WE'VE FOUND OUT ABOUT

THROUGH ANY OF OUR MONITORING
EXERCISES, SOME VIOLATIONS

MAY REQUIRE CMS TO BEGIN AT ANY
POINT IN THAT CONTINUUM.

OK SO NOW IT'S MY PLEASURE TO
TURN THE PRESENTATION OVER

TO JULIE, WHO WILL TALK ABOUT
ACCOUNT MANAGEMENT.

>> HERE YOU SEE A DEPICTION OF
ACCOUNT MANAGEMENT,

OR ACCOUNT MANAGERS, AS THE HUB
OF ACTIVITY

SURROUNDING THOSE PARTICULAR
INDIVIDUALS,

AND THAT'S WHAT ACCOUNT MANAGERS
ARE.

IN JULY OF 2008, THE ACCOUNT
MANAGEMENT FUNCTION WAS

CONSOLIDATED IN THE 10 HEALTH
PLAN OPERATIONS'

REGIONAL OFFICES.

PRIOR TO THAT TIME, THE ACCOUNT
MANAGEMENT FUNCTION

FOR PRESCRIPTION DRUG PLANS WAS
IN OUR HEADQUARTERS OFFICE,

IN FACT, SUPERVISED BY JENNIFER
SHAPIRO,

AND THE PART C ACCOUNT
MANAGEMENT FUNCTION WAS DIVIDED

BETWEEN INDIVIDUALS IN CENTRAL
OFFICE

AND INDIVIDUALS IN THE FIELD.

BEGINNING IN JULY OF 2008,

ALL OF THE ACCOUNT MANAGER
RESPONSIBILITIES--

RESIDES NOW IN THE REGIONAL
OFFICES.

I PROBABLY DON'T HAVE THESE
STATISTICS EXACTLY FOR TODAY,

BUT THERE ARE APPROXIMATELY 110
ACCOUNT MANAGERS OVERSEEING

ABOUT 290 PARENT ORGANIZATIONS.

THAT TRANSLATES INTO

ABOUT 750 MEDICARE ADVANTAGE
ORGANIZATIONS AND 88 PDPs.

THESE 110 ACCOUNT MANAGERS
RESIDE IN 10 REGIONAL OFFICES.

YOU WILL SEE FROM THE DIAGRAM
THAT THE ACCOUNT MANAGER IS

NOT INTENDED TO FUNCTION IN A
VACUUM.

IN FACT, COMMUNICATION IS JOB
ONE FOR ACCOUNT MANAGERS.

YOU WILL NOTICE THAT THEY
COMMUNICATE

TO POLICY AND SUBJECT MATTER
EXPERTS IN HEADQUARTERS,

AND THOSE INDIVIDUALS
COMMUNICATE BACK.

SAME WITH THE DATA ANALYSIS AND
PERFORMANCE METRICS--

INFORMATION FLOWS BACK AND
FORTH--

AS WITH SYSTEMS AND OPERATIONS
SUBJECT MATTER EXPERTS.

THE ACCOUNT MANAGERS HAVE

A CONTINUOUS AND ONGOING
RELATIONSHIP

WITH COMPLIANCE AND ENFORCEMENT
LEADS,

AND AS MIKE KAVOURAS HAD BEEN
INTRODUCED, HE IS

THE NATIONAL PART C COMPLIANCE
LEADS,

I'M SURE HE KNOWS EACH ACCOUNT
MANAGER VERY WELL.

YOU SEE THE CONNECTION BETWEEN
ACCOUNT MANAGERS AND CASEWORK.

WHAT IS IN CTM WILL BE REVIEWED,
ANALYZED, SYNTHESIZED,

PUT IN BUCKETS, UN-BUCKETED,
RE-BUCKETED,

AND HANDED TO THE ACCOUNT
MANAGER

SO THAT INDIVIDUAL KNOWS WHAT
INFORMATION IS COMING

FROM THE COMPLAINTS IN CTM

TO BETTER EQUIP THE ACCOUNT
MANAGER IN DEALING

WITH MANAGING, ADVISING,

PROVIDING TECHNICAL ASSISTANCE
TO THE PLAN.

AUDITS RELATE TO THE ACCOUNT
MANAGER.

CERTAINLY THE ACCOUNT MANAGER
MAY NOT GO ON EVERY AUDIT

PERSONALLY, BUT THE ACCOUNT
MANAGER IS RESPONSIBLE

ONCE THE AUDIT IS OVER

TO MAKE SURE THAT ANY CORRECTIVE
ACTION AND IMPROVEMENT

OF RESULTS TAKES PLACE.

PLUS, YOU HAVE THERE AT THE
BOTTOM A CONNECTION

WITH PROGRAM INTEGRITY, AND I'M
SURE THERE'S OTHER BOXES

AND RECTANGLES THAT I'M NOT
THINKING OF

THAT COULD BELONG ON THIS CHART.

I THINK YOU GET THE PICTURE,
THOUGH.

Part 2

THE ROLE OF THE ACCOUNT MANAGER
IS, AS I HAVE STATED,

DAILY OVERSIGHT AND
COMMUNICATION WITH PLANS.

WE EXPECT A LOT OF ACCOUNT
MANAGERS.

WE EXPECT THEM TO UNDERSTAND
THEIR SPONSOR PLANS,

ORGANIZATIONS, OPERATIONS,
POLICIES.

WE EXPECT THAT THEY ENSURE AND
OVERSEE AND MONITOR

THAT SPONSOR'S COMPLIANCE WITH
PROGRAM RULES, GUIDANCE,

AND REQUIREMENTS.

WE EXPECT THE ACCOUNT MANAGER TO
BE THE PRIMARY POINT OF CONTACT

FOR THAT PARENT ORGANIZATION,

AND THAT FROM THE ACCOUNT

MANAGER,

THAT INDIVIDUAL REFER A PLAN

TO SPECIALIZED SUBJECT MATTER
EXPERTS

THAT THAT PARTICULAR ACCOUNT
MANAGER

DOESN'T HAVE THE EXPERTISE, SUCH
AS, FOR MYSELF, IT WOULD BE

PAYMENT, BID SUBMISSION.

THEY ALSO ARE RESPONSIBLE FOR
REVIEWING PERFORMANCE,

MAKING SURE THAT THEY
COMMUNICATE

AND REINFORCE POSITIVE
PERFORMANCE.

THEY'RE GOING TO ASK--AND I'M
SURE MANY OF YOU HAVE HAD

THIS EXPERIENCE--THEY'RE GOING
TO ASK FOR EXPLANATIONS.

"WHY DID THIS HAPPEN?"

"WHAT IN YOUR OPERATION CAUSED
THIS TO HAPPEN?"

"WAS IT A HUMAN ERROR THAT
HAPPENED ONCE, OR IS THERE

"A ROOT CAUSE DOWN THERE THAT'S

CAUSING THIS PARTICULAR THING

TO HAPPEN OVER AND OVER?"

THE ACCOUNT MANAGER WILL REQUEST
RESOLUTION, ACTION, TRAINING,

EDUCATION, A BUSINESS PLAN, AND
THE ACCOUNT MANAGER WILL WORK

WITH MIKE KAVOURAS AND THE PART
D COMPLIANCE LEADER

IN WORKING ON COMPLIANCE ACTIONS
THAT MAY, UNFORTUNATELY,

BE APPROPRIATE FOR A PARTICULAR
PLAN.

ONE THING THAT I WANT TO GIVE
YOU A FLAVOR OF, IS THAT

ALTHOUGH ACCOUNT MANAGERS, 110,
ARE LOCATED

IN 10 DIFFERENT REGIONAL
OFFICES, CMS

HAS TAKEN A VERY PROACTIVE VIEW
OF PROMOTING CONSISTENCY,

GOOD COMMUNICATION,

AND COLLABORATION FOR ACCOUNT
MANAGERS.

WE ALSO FEEL THAT IT'S CMS'S
RESPONSIBILITY

TO PROVIDE ACCOUNT MANAGERS WITH
TOOLS

WITH WHICH TO DO THEIR JOBS
WELL.

YOU MAY NOT KNOW THAT THERE IS

AN ACCOUNT MANAGEMENT STEERING
COMMITTEE COMPOSED

OF LEADERS FROM THE FIELD
OFFICES AS WELL

AS FROM HEADQUARTERS THAT
COLLABORATE AND DEAL

WITH ISSUES RELATIVE TO ACCOUNT
MANAGEMENT.

THEY MEET AT LEAST MONTHLY, PUT
OUT MINUTES, AND THEN CHANGES

HAPPEN IN THE STANDARD OPERATING
PROCEDURE WHICH WE HAVE

FOR ACCOUNT MANAGERS.

YOU KNOW, CMS CAN'T DO ANYTHING
SMALL.

IT'S ABOUT A 100-PAGE DOCUMENT
WITH, I THINK, 26 APPENDICES,

SO YOU'RE NOT THE ONLY ONES THAT
GET THAT.

WE DO IT TO OURSELVES AS WELL.

BUT WE HAVE EQUIPPED ACCOUNT
MANAGERS WITH

STANDARD OPERATING PROCEDURES,
SO THAT THEY KNOW HOW TO HANDLE

SITUATIONS THAT COME UP.

WE HOLD TRAINING SESSIONS AND
OTHER MANAGEMENT-TYPE SESSIONS

FOR ACCOUNT MANAGERS AT LEAST
EVERY OTHER WEEK.

WE COVER TOPICS ALL ACROSS THE
BOARD, MANY OF WHICH ARE LED

BY OUR HEADQUARTERS SUBJECT
MATTER EXPERTS.

IN JULY, WE'RE GOING TO HAVE OUR
FIRST

ANNUAL ACCOUNT MANAGER
CONFERENCE,

WHERE ALL 110 OF THESE VERY
IMPORTANT INDIVIDUALS

ARE GOING TO MEET IN CHICAGO AND
HEAR FROM TOP LEADERSHIP

IN CMS ABOUT THE IMPORTANCE OF
THE WORK THAT WE ALL DO

AND MAKING SURE THE WORK WE ALL
DO IS DONE WELL.

THERE ARE ALSO DATA TOOLS THAT
WE ARE ENHANCING HPMS

TO PROVIDE THE ACCOUNT MANAGER
WITH A TRACKING SYSTEM ON

COMPLIANCE ACTIONS, TO PROVIDE
THE ACCOUNT MANAGER AND OTHERS

WITH BASIC INFORMATION ABOUT
EACH PLAN, AS WELL AS DATA

FLOWING THROUGH HPMS,

COMING FROM MANY DIFFERENT
SOURCES, SO

THAT ACCOUNT MANAGER IS EQUIPPED
TO UNDERSTAND WHAT'S GOING ON

WITH THE PLAN AT ALL TIMES.

OUR AIM, AGAIN, IN ACCOUNT
MANAGEMENT, IS TO PROMOTE

CONSISTENCY ACROSS ALL 110 OF
US, AND YOU KNOW THAT'S

NOT NECESSARILY EASY; TO PROVIDE
COORDINATION--

THE ACCOUNT MANAGER IS NOT A
STAND-ALONE PLAYER;

AND TO ENHANCE COMMUNICATION.

AND ONE ITEM I'M THROWING IN FOR
PLANS IS THE IMPORTANCE--WHEN

WE SPEAK OF COMMUNICATION, THAT
ACCOUNT MANAGER COUNTS ON YOU

TO CONSIDER HIM OR HER AS YOUR
PRIMARY POINT OF CONTACT.

WE'RE NOT SAYING YOU CAN NEVER
SPEAK WITH ANOTHER PERSON

FROM CMS.

HOWEVER, AFFORD YOUR ACCOUNT
MANAGER THE SAME COURTESY.

IF YOU HAVE A CONVERSATION WITH
SOMEONE ELSE IN CMS

THAT CHANGES OR ALTERS YOUR
THINKING, HAVE THE COURTESY

TO TELL YOUR ACCOUNT MANAGER.

ANYTHING YOU KEEP FROM YOUR
ACCOUNT MANAGER COULD END UP

BITING YOU.

SO PLEASE TREAT YOUR ACCOUNT
MANAGER WITH THE SAME MIND-SET

THAT WE EACH TREAT OUR BOSS.

THINGS THAT OUR BOSS NEEDS TO
KNOW,

WE MAKE SURE THAT WE TELL THEM.

AND MY LAST COMMENT IS THAT,
AGAIN, YOUR ACCOUNT MANAGER

SHOULD BE YOUR PRIMARY POINT OF

CONTACT.

THE DAYS WHERE--I'M SURE NONE OF
YOU--BUT THE DAYS

WHERE THOSE OTHER PLANS WOULD
SHOP FOR ANSWERS IN CMS

OR IN VARIOUS REGIONAL OFFICES,
THEY EXIST NO LONGER,

BECAUSE YOUR ACCOUNT MANAGER IS
YOUR PRIMARY POINT OF CONTACT.

THANK YOU.

[APPLAUSE]

>> OK, SO MOVING RIGHT ALONG,
THE NEXT DIMENSION OF OVERSIGHT

WE'RE GOING TO TALK ABOUT IS
REPORTING REQUIREMENTS,

AND I'M GOING TO TRY TO DO THIS
VERY QUICKLY

SO THAT WE HAVE AS MUCH TIME
LATER ON IN THE PRESENTATION

FOR SOME OF THE NEW INFORMATION
THAT WE WANT TO PRESENT.

BUT NEVERTHELESS, THIS IS A VERY
IMPORTANT DIMENSION

OF OVERSIGHT.

LET'S SEE IF I CAN ACTUALLY GET
TO THE RIGHT SLIDE.

NOW, BROADLY SPEAKING, THESE ARE
SPECIFIC DATA ELEMENTS

THAT DERIVE FROM, YOU KNOW,
DAY-TO-DAY PLAN OPERATIONS

THAT YOU ALL HAVE THAT CMS

DOESN'T HAVE ACCESS TO WITHOUT
YOU PROVIDING THEM TO US, THOUGH

THEY'RE REALLY VALUABLE TO US,
AND THEY PROVIDE INFORMATION

THAT'S SIMPLY NOT AVAILABLE FROM
OTHER SOURCES.

AND IT'S CERTAINLY MORE TIMELY

THAN IF WE TRIED TO GO OUT AND
COLLECT IT OURSELVES

THROUGH SOME OTHER MECHANISM.

AND SO, YOU KNOW, WE CAN USE
THIS INFORMATION TO LOOK AT

DIFFERENCES BETWEEN DIFFERENT
ORGANIZATION OR PLAN TYPES.

WE CAN SOMETIMES INTEGRATE IT
WITH OTHER DATA THAT WE HAVE,

FOR INSTANCE, OR COMPARE IT TO
THE DATA THAT WE HAVE

ON OUR OWN--FOR INSTANCE,
LOOKING AT GRIEVANCE RATES

VERSUS CTM COMPLAINT RATES.

AND IN SOME INSTANCES, YOU KNOW,
THIS INFORMATION

SUPPLEMENTS WHAT WE ALREADY
HAVE;

IN SOME INSTANCES, IT STANDS ON
ITS OWN.

SO HERE ARE SOME EXAMPLES

OF THE PART D REPORTING
CATEGORIES--

RETAIL, HOME INFUSION,

AND LONG TERM CARE PHARMACY
ACCESS,

ACCESS TO EXTENDED DAY SUPPLIES,

AND THE OTHERS LISTED ON THE
SCREEN.

I DON'T WANT TO TAKE UP TIME
JUST READING THAT TO YOU,

ESPECIALLY SINCE I ASSUME MOST
OF YOU ARE

AT LEAST A LITTLE BIT FAMILIAR
WITH THE REPORTING REQUIREMENTS.

IN 2010, WE HAVE ADDITIONAL
CATEGORIES--ENROLLMENT,

PROMPT PAYMENT--AND AGAIN, THE
OTHER ONES

THAT YOU CAN READ ON THE SCREEN
FOR YOURSELVES.

NOW, PART C IS, YOU KNOW, I
THINK--DEFINITELY IT'S NEWER

FOR US IN THAT WE'VE ONLY BEEN
COLLECTING PART C REPORTING DATA

FOR A YEAR, AND WE'RE VERY
EXCITED BECAUSE SOON--

IN A MATTER OF DAYS, I BELIEVE,
AT THE END OF THIS MONTH--

WE'LL HAVE CLOSE TO AN ENTIRE
YEAR'S WORTH OF INFORMATION

FOR PART C REPORTING
REQUIREMENTS

FOR THE FIRST TIME.

AND SO WE'RE DEFINITELY LOOKING
FORWARD TO THAT,

AND I PUT UP ON THE SCREEN SOME
OF THE CATEGORIES OF DATA

THAT WE'RE GOING TO HAVE THROUGH
THIS EFFORT,

LIKE BENEFICIARY UTILIZATION AND
PROCEDURES,

SERIOUS REPORTABLE ADVERSE
EVENTS, AND SO FORTH.

SO THIS IS A NEWER EFFORT FOR
US, AND WE'RE VERY MUCH LOOKING

FORWARD TO GETTING THAT YEAR'S
WORTH OF DATA IN AND LOOKING AT

IT AND SEEING WHAT IT TELLS US.

NOW, WE DO USE REPORTING
REQUIREMENTS DATA,

AND FOR THE REASONS I DESCRIBED,
SUCH AS POLICY

AND TRYING TO UNDERSTAND THE
PROGRAM BETTER,

BUT WE ALSO CAN USE IT FOR
COMPLIANCE.

FROM A COMPLIANCE PERSPECTIVE,
WE DEFINITELY TREAT

REPORTING REQUIREMENTS
INFORMATION DIFFERENTLY

FROM THE DATA THAT WE'VE
COLLECTED

FOR OURSELVES OR THAT HAS BEEN
AUDITED IN SOME WAY,

BUT AS LONG AS THIS IS
SELF-REPORTED AND NOT AUDITED,

THEN WE NEED TO TREAT IT A

LITTLE BIT DIFFERENTLY.

SO WE'VE IMPLEMENTED AN APPROACH
THAT WE THINK WORKS PRETTY WELL

AND HAS BEEN SUCCESSFUL, AND I
PULLED OUT THE EXAMPLE

OF GRIEVANCES TO GIVE YOU AN
IDEA OF HOW IT WORKS.

SO FIRST WE CALCULATED

THE NUMBER OF GRIEVANCES PER
1,000 ENROLLEES

FOR EACH SPONSOR, AND EACH
ORGANIZATION

WITH A GRIEVANCE RATE IN THE TOP
5% WERE ISSUED NOTICES BY US.

AND THOSE ORGANIZATIONS WERE
THEN ASKED TO REPORT BACK

TO CMS ON WHAT THEY THOUGHT
CAUSED THEIR GRIEVANCES TO BE

SO HIGH--FOR INSTANCE, WHETHER
IT WAS

SIMPLY A REPORTING ISSUE OR
THERE WAS

SOME KIND OF UNDERLYING PROBLEM,
ACTUALLY,

IN THE ORGANIZATION THAT WAS
CAUSING GRIEVANCES TO BE HIGH.

AND SO, WE ASKED FOR INFORMATION
BACK ON CURRENT PROCEDURES FOR

HANDLING GRIEVANCES; HOW THOSE
PROCEDURES CHANGED OVER TIME;

ANY FURTHER PLANS THE
ORGANIZATION MIGHT HAVE

TO IMPROVE PERFORMANCE IN THE
AREA; AND HOW THOSE ACTION STEPS

RELATE BACK TO WHAT PROMPTED THE
GRIEVANCES IN THE FIRST PLACE.

A NUMBER OF SPONSORS TOLD US
THAT THEY FOUND IT TO BE A VERY

HELPFUL EXERCISE, AND, IN FACT,
WE WENT BACK AND LOOKED, AND

FOUND DATA ANOMALIES AND PROCESS
PROBLEMS IN THEIR ORGANIZATION

AS A RESULT OF THE FEEDBACK THAT
WE'D PROVIDED AFTER WE DID

THIS ANALYSIS.

AND A LOT OF TIMES IT WAS A
MATTER OF CATEGORIZATION

OR A MATTER OF THE WAY THEY
REPORTED IT TO US, BUT THAT

WAS--A USEFUL FEEDBACK LOOP.

AND SO, WE'LL BE CONDUCTING
SIMILAR TYPES OF ANALYSES

GOING FORWARD.

NOW, I DID MENTION A SECOND AGO
THAT WE TREAT THIS INFORMATION

A LITTLE CAREFULLY BECAUSE IT
HASN'T BEEN VALIDATED

OR AUDITED. AND, AS I IMAGINE
MOST OF YOU KNOW,

THAT'S GOING TO CHANGE.

IN OUR RECENTLY PUBLISHED RULE,
WE INCLUDED A PROVISION THAT

REQUIRES THE MEDICARE ADVANTAGE
ORGANIZATIONS

AND THE PART D SPONSORS TO

OBTAIN

INDEPENDENT DATA VALIDATION
AUDITS FOR THE INFORMATION

REPORTED TO CMS THROUGH THESE
REPORTING REQUIREMENTS.

AND, YOU KNOW, WE'RE VERY
EXCITED ABOUT THIS, BECAUSE, AS

I'VE SAID, THIS DATA HAS BEEN A
LITTLE SUSPECT; WE HAVE TO

TREAT IT A LITTLE CAREFULLY, AND
WE THINK THAT THIS EFFORT

IS GOING TO GO A LONG WAY TOWARD
PROVIDING MUCH MORE RELIABLE,

COMPLETE, AND COMPARABLE
INFORMATION.

AND THERE ARE NOW--VERY
RECENTLY, IN FACT, WE POSTED

SOME ADDITIONAL INFORMATION ON
THE CMS WEB SITE.

THERE WAS A MEMO THAT WENT OUT
ON MAY 10th, AND SO THE ITEMS I

POSTED UP THERE ON THE SLIDE ARE
AVAILABLE ON THE WEB SITE NOW.

THAT INCLUDES THE ORGANIZATIONAL
ASSESSMENT INSTRUMENTS

AND DATA VALIDATION STANDARDS,
INSTRUCTIONS,

AND SAMPLING INSTRUCTIONS, AND
SO FORTH,

SO IF YOU'RE INVOLVED WITH
REPORTING REQUIREMENTS

IN YOUR ORGANIZATION AND, IN PARTICULAR,

THE DATA VALIDATION WORK, BE SURE TO LOOK AT

THAT MOST RECENT MEMO AND THE NEW INFORMATION

THAT WE'VE POSTED ON THE WEB SITE.

OK, AND SO NOW, MIKE IS GOING TO COME UP AND TALK TO US

ABOUT THE NEXT DIMENSION OF OVERSIGHT:

MONITORING AND SURVEILLANCE.

Part 3

>> GOOD AFTERNOON.

THE NEXT ASPECT, THE NEXT DIMENSION WE'RE GOING

TO TALK ABOUT--ACTUALLY, THE NEXT 2 DIMENSIONS OF OVERSIGHT--

COVER MONITORING AND SURVEILLANCE.

WE'RE NOT GOING TO REPEAT THE SURVEILLANCE PRESENTATION

ALL OVER AGAIN. DON'T WORRY ABOUT THAT.

DATA-DRIVEN MONITORING IS

THE FIRST ONE I WANT TO START WITH HERE.

DATA-DRIVEN MONITORING IS REALLY A SUPPLEMENT TO THE AUDITS

AND THE TRADITIONAL MODELS OF

OVERSIGHT THAT ALL OF YOU ARE

FAMILIAR WITH--FOR EXAMPLE, THE
ACCOUNT MANAGEMENT MODEL

THAT JULIE HAD PREVIOUSLY TALKED
ABOUT.

THE GOAL BEHIND DATA-DRIVEN
OVERSIGHT IS TO USE

PROGRAM-WIDE DATA TO ASSESS
PERFORMANCE IN KEY AREAS.

AND IT REALLY IS AN AREA THAT
JENNIFER AND HER DIVISION HAS

JUST DONE A TREMENDOUS JOB IN
THIS AREA, STARTING

WITH THE IMPLEMENTATION OF THE
PART D PROGRAM, AND NOW THAT'S

EXPANDED INTO THE PART C PROGRAM
OVER THE LAST COUPLE OF YEARS.

USING DATA HAS A NUMBER OF KEY
BENEFITS FOR US.

ONE, AND I THINK THIS IS THE
MOST OBVIOUS ONE,

IS CONSISTENCY.

WHEN YOU HAVE THE OPPORTUNITY TO
USE DATA AND LOOK AT THAT DATA

ACROSS ALL CONTRACTS, THAT
ENSURES THAT CMS

IS MAKING ASSESSMENT ON
PERFORMANCE IN A CONSISTENT WAY.

NEXT, IT ALLOWS YOUR
ORGANIZATION TO FOSTER RESPONSE

MUCH MORE QUICKLY IN AN EARLIER
STAGE OF THE PROCESS,

SO THAT WE'RE DETECTING PROBLEMS
EARLY ON,

PASSING THAT INFORMATION ALONG
TO YOU, THE ORGANIZATION,

AND ALLOWS US TO HANDLE ISSUES
MUCH EARLIER

BEFORE ISSUES ESCALATE INTO MORE
SERIOUS PROBLEMS.

USING DATA ALLOWS US ALSO TO
IDENTIFY AREAS

WHERE ADDITIONAL PROGRAM
GUIDANCE OR TECHNICAL ASSISTANCE

MIGHT BE NEEDED.

WE CAN ALSO USE OUTLIERS THAT
WE'VE GLEANED FROM DATA

TO IDENTIFY ORGANIZATIONS WHERE
WE CAN UTILIZE

SOME OF OUR OTHER TOOLS-- FOR
EXAMPLE, AUDIT REVIEW.

SO IF DATA'S SHOWING POOR
PERFORMANCE, FOR EXAMPLE,

OR INDICATIONS OF PROBLEMS, WE
CAN TAKE THAT DATA AND PASS IT

ALONG TO SOME OF THESE OTHER
MORE TRADITIONAL MODELS,

SUCH AS AUDITS.

WE CAN USE DATA--AND I KNOW
JENNIFER'S GOING TO COVER THIS

LATER IN HER PRESENTATION-- TO
INFORM THE PUBLIC

ON PERFORMANCE. FOR EXAMPLE,
STAR RATINGS.

THERE'S 2 SOURCES OF DATA,
PRIMARY SOURCES OF DATA.

FIRST IS CMS'S SYSTEMS AND
ADMINISTRATIVE DATA.

THERE IS JUST A WEALTH OF
INFORMATION AROUND DATA,

AND IT SEEMINGLY GROWS EVERY
DAY.

MOST OF THESE YOU'RE FAMILIAR
WITH.

WE'VE GOT INFORMATION ON 4RX,
PDE, FORMULARY INFORMATION,

MEDICARE REVIEW INFORMATION--
THAT'S ON OUR WEB SITE.

IT'S JUST TREMENDOUS HOW MUCH
DATA THERE IS THAT HELPS CMS

INFORM US ON PERFORMANCE OF
PLANS.

THE KEY DRIVER HERE FOR US IS
THAT WHEN WE'RE LOOKING AT DATA,

PRIMARILY WE'RE TRYING TO ENSURE
THAT WE'RE KEEPING PLANS

ON THEIR TOES AS IT RELATES TO
MEETING DEADLINES, MAKING SURE

THAT PLANS UNDERSTAND THAT THESE
DEADLINES ARE IMPORTANT

TO CMS,

THEY'RE IMPORTANT FOR PROTECTING
MEDICARE BENEFICIARIES,

AND THAT'S AN AREA WE'RE LOOKING
AT VERY CLOSELY.

BUT WE ARE MOVING MORE TOWARDS A
QUALITATIVE ANALYSIS AS WELL,

MAKING SURE THAT WE'RE ANALYZING
THE DATA IN MORE DEPTH TO

TELL US HOW WELL OR HOW POORLY A
PARTICULAR PLAN IS PERFORMING.

THE OTHER BIG SOURCE OF DATA FOR
US ARE

MONITORING AND SURVEILLANCE, AND
I'LL BE GETTING MORE

INTO SOME OF THE MONITORING
ASPECTS IN JUST A MOMENT.

OK, AS I JUST MENTIONED, WHEN IT
COMES TO MONITORING AND

DATA-DRIVEN PERFORMANCE, A KEY
STRATEGY FOR US IS WE TAKE

OUR DEADLINES SERIOUSLY, AND WE
EXPECT PLANS TO TAKE

THEIR DEADLINES SERIOUSLY AS
WELL.

I KNOW THAT YOU ALL HAVE SEEN

A NUMBER OF THE COMPLIANCE
ACTIONS THAT HAVE COME OUT

ARE RELATED TO TIMELINESS
PERFORMANCE.

WHETHER IT'S CALL CENTER,

WHETHER IT'S FORMULARY
SUBMISSIONS,

MARKETING REVIEWS.

TIMELINESS IS INCREASINGLY
IMPORTANT TO CMS,

AND WE'VE TAKEN ACTION
ACCORDINGLY.

WE LOOK AT OUTLIERS, AND WE LOOK
AT BOTH ENDS OF THE SPECTRUM.

WE LOOK FOR OUTLIERS THAT ARE
GOOD, AND FROM THAT WE GLEAN

SOME BEST PRACTICES.

WE ALSO LOOK FOR OUTLIERS

THAT ARE ON THE OTHER END OF THE
SPECTRUM--

THE SPECTRUM NOBODY WANTS TO BE
ON, OBVIOUSLY, AND THAT'S

THE POOR PERFORMERS.

AND FROM THE OUTLIERS IN THE
DATA WE CAN,

ONE--ISSUE COMPLIANCE LETTERS,
OBVIOUSLY.

WE ALSO CAN DIG INTO UNDERLYING
CAUSES OF POOR PERFORMANCE, AND

AGAIN, CONDUCT OTHER MODELS OF
INVESTIGATION OR ANALYSES,

SUCH AS AUDITS.

LET ME TALK FOR A MINUTE ABOUT
THE MODEL WE USE IN TERMS

OF TAKING COMPLIANCE ACTION--

THIS IDEA OF ONE-TIME INSTANCES
OF PROBLEMS

VERSUS REPEAT RECURRING
PATTERNS.

IT'S REALLY IMPORTANT THAT PLANS
UNDERSTAND THAT CMS GENERALLY

WILL NOT TAKE ACTION ON A
ONE-TIME INCIDENT

OF A VIOLATION.

UNLESS THAT INCIDENT HAPPENS TO
BE EGREGIOUS ENOUGH ON ITS OWN

TO WARRANT COMPLIANCE ACTION,

WE GENERALLY ARE LOOKING FOR
REPEAT PATTERNS OF PROBLEMS,

AND THAT'S WHAT THAT DATA SHOWS
US.

WE CAN TRY TO TACKLE IT EARLY IN
THE PROCESS, BUT IF IT

RECURS AGAIN, WE'LL GO UP THAT
COMPLIANCE CONTINUUM

THAT WAS DESCRIBED EARLIER.

NOW, HOW DO WE TRANSLATE THAT
INFORMATION, THAT DATA,

THAT MONITORING INFORMATION
WE'RE COLLECTING

INTO COMPLIANCE?

AS WE'VE TALKED ABOUT, THERE'S A
COMPLEX ARRAY OF TOOLS

IN OUR COMPLIANCE TOOLBOX, WE
LIKE TO CALL IT,

ANYWHERE FROM THE NOTICES OF
NON-COMPLIANCE

ALL THE WAY UP THROUGH AD-HOC
CAPs,

AND THEN, IF NEEDED--AND I KNOW
JIM COVERED THIS AT THE ONSET--

WE'RE NOT AFRAID TO MOVE TOWARDS
ENFORCEMENT,

AND THAT HAS HAPPENED.

WE LIKE NOT TO GO THERE, BUT IF
WE HAVE TO, WE WILL.

OUR GOAL AND OUR STRATEGY
GENERALLY IS TO USE

THE LOWEST LEVEL OF COMPLIANCE
ACTION THAT'S APPROPRIATE

TO RESOLVE THE PROBLEM.

SO THE WAY THAT I KNOW
JENNIFER'S TALKED ABOUT IT

IN THE PAST, WE TRY NOT TO PULL
OUT THE BATTERING RAM

WHERE A SOFT NUDGE WILL DO.

FOR US THE SOFT NUDGE COULD BE,
FOR EXAMPLE, THAT LOWEST-LEVEL

NOTICE OF NON-COMPLIANCE,
PUTTING OUT A NOTICE OF WHAT

THAT PROBLEM IS WITHOUT PULLING
OUT

THAT PROVERBIAL BATTERING RAM.

OK, LET ME MOVE ON TO SOME OF
THE EXAMPLES OF WHERE WE'VE

USED DATA ANALYSIS AND
MONITORING, AND I'M NOT GOING

TO SPEND A LOT OF TIME ON THIS.

I KNOW JENNIFER'S GOT A LOT OF
REALLY GOOD NEW INFORMATION

TO SHARE SHORTLY. SO I'M GOING
TO HIGHLIGHT THE NEXT COUPLE

OF SLIDES, JUST SOME EXAMPLES OF
THE AREAS THAT WE CONSIDER TO BE

AREAS WHERE WE USE DATA AND
MONITORING.

THE LOW-INCOME SUBSIDY MATCH
RATE PROJECT IS ONE EXAMPLE.

OUR CALL CENTER MONITORING
ACTIVITIES--I KNOW MANY OF YOU
ARE FAMILIAR WITH THAT.

AND THE NEXT SLIDE COVERS HERE
ADDITIONAL EXAMPLES,

AND THIS COVERS ANYTHING FROM
CHECKING DEADLINES

FOR FORMULARY SUBMISSIONS ALL
THE WAY TO ENSURING

THAT PLANS ARE SUBMITTING
ENROLLMENT TRANSACTIONS

WITHIN 7 DAYS.

SO WE'RE USING ALL THIS
INFORMATION, COLLECTING

ALL OF IT TO MEASURE PLANS'
OVERALL PERFORMANCE.

OK, WE'RE GOING TO SKIP THE
SURVEILLANCE SLIDES

SINCE WE SPENT AN HOUR ON THAT
THIS MORNING.

THE LAST DIMENSION I'M GOING TO
TALK ABOUT AT A VERY HIGH LEVEL

IS AUDITING.

NOW, THIS IS SOMETHING THAT GOES
BACK YEARS.

ALL OF YOU ARE VERY FAMILIAR
WITH OUR AUDITING PROTOCOLS,

BUT I'D LIKE TO COVER SOME NEW
ASPECTS OF AUDITING THAT YOU

MAY NOT BE FAMILIAR WITH.

OK, AS I MENTIONED, AUDITING
USED TO BE

THE PRIMARY MECHANISM THAT CMS
USED TO ASSESS PERFORMANCE

AND OVERSIGHT, AND I THINK WE'D
LIKE TO SAY

THAT WE'RE "SHAKING THINGS UP"
IN THE AUDITING REALM RIGHT NOW.

SO AUDITING IS GOING TO LOOK
DIFFERENT THAT WHAT YOU ALL

MAY BE USED TO.

WE'RE MOVING AWAY FROM THE
CYCLICAL APPROACH OF AUDITING,

WHERE WE GO OUT AND WE DO A
COMPREHENSIVE AUDIT

OF EVERY ORGANIZATION EVERY FEW
YEARS.

THAT IS GOING AWAY, AND INSTEAD,

WE'RE MOVING TO A MORE
RISK-BASED AUDITING APPROACH.

RISK-BASED COULD BE BASED ON
VARIOUS FACTORS--

THE TYPE OF PLANS YOU OFFER.

YOUR PERFORMANCE HISTORY IS A
KEY INDICATOR FOR US

IN TERMS OF ASSESSING RISK.

AND WE'RE SHIFTING AS WELL AWAY
FROM AUDITING PAPER,

AUDITING POLICIES AND
PROCEDURES.

I THINK THAT THERE WAS A NOTION
IN YEARS PAST THAT CMS SPENT

A LOT OF OUR TIME AND RESOURCES
INVESTED IN LOOKING AT

POLICIES AND PROCEDURES,

AND WERE THOSE POLICIES AND
PROCEDURES ACCURATE?

BUT THAT DIDN'T ACTUALLY TELL US
THE TRUE MEASURE

OF AN ORGANIZATION'S
PERFORMANCE.

SO WE'RE SHIFTING TO WHAT WE
CALL

AN OUTCOME-BASED AUDIT MODEL.

WE'RE LOOKING MORE AT THE
RESULTS.

OF COURSE WE WANT YOUR POLICIES
AND PROCEDURES TO BE ACCURATE,

BUT--ALSO, IT'S IMPERATIVE THAT
THOSE OUTCOMES ARE

IN ALIGNMENT WITH CMS POLICY
RULES AND FEDERAL REGULATIONS.

AGAIN, THE GOAL THERE IS TO
CREATE THE EARLIEST DETECTION

POSSIBLE AND TO HAVE
QUANTIFIABLE RESULTS.

WE'VE REALLY FOCUSED ON TRYING
TO IMPROVE OUR AUDIT STRATEGY

SO THAT THE RESULTS ARE
MEANINGFUL NOT JUST TO CMS

BUT TO PLANS AS WELL.

THE WHOLE GOAL HERE, AGAIN, IS
TO LEAD TO IMPROVED PERFORMANCE

THROUGH AN EMPHASIS ON OUTCOMES,

AND YOU'LL BE SEEING A MIX OF
COMPREHENSIVE AUDITS,

BUT MORE FOCUSED AUDITS AS WELL,
TARGETED IN THE HIGH-RISK AREAS.

FOR EXAMPLE, WE'RE GOING TO LOOK
MORE CLOSELY

AT SPECIAL MEDICARE PRODUCT
TYPES SUCH AS DUAL SNPs,

AGENT AND BROKER
PERFORMANCE--AND I KNOW

MICHELLE TURANO WILL BE HERE
THIS AFTERNOON, AND SHE'LL BE

COVERING THE CONCEPT OF SPECIAL
COMPLIANCE PROGRAM AUDITS.

SO WE'VE COVERED A FEW OF THE
DIMENSIONS HERE.

I'M NOW GOING TO SHIFT IT BACK
TO JENNIFER SHAPIRO,

WHO WILL TAKE THE NEXT SECTION.

>> YEAH, I NEED THE LITTLE STOOL
THERE SO I DON'T HAVE TO JUMP UP

AND DOWN SO YOU CAN SEE ME WHILE
I ACTUALLY TALK THROUGH THIS.

OK, SO WE JUST COVERED AN AWFUL
LOT OF INFORMATION.

AND WE DID THAT AT A PRETTY HIGH
LEVEL JUST TO GIVE YOU A FLAVOR

OF THE WAY WE THINK ABOUT
OVERSIGHT AND THE DIFFERENT WAYS

WE APPROACH IT. AND AGAIN,
THINKING BACK AND KEEPING

IN MIND THAT WHILE WE TALKED
ABOUT THESE AS SEPARATE BUCKETS

OF THESE APPROACHES THAT WE
TAKE,

THEY'RE REALLY QUITE INTEGRATED.

AND SO WHAT I WANT TO DO NOW IS
TALK ABOUT HOW WE DO INTEGRATE

THAT INFORMATION, AND USE THAT.

AND SO WE TAKE ALL THAT
INFORMATION.

AND THERE ARE 2 KIND OF KEY
THINGS WE DO WITH IT.

ONE IS THAT WE PUT TOGETHER THE
INFORMATION IN A WAY

SO THAT IT'S USEFUL FOR THE
PUBLIC.

AND ONE OF THE MAIN WAYS WE DO
THAT IS

THROUGH THE PERFORMANCE METRICS,
ALSO CALLED THE PLAN RATINGS,

OR THE STAR RATINGS.

AND THEN THE OTHER IS

AN ANNUAL COMPREHENSIVE
PERFORMANCE REVIEW

THAT WE CONDUCT FOR EVERY SINGLE
SPONSOR EVERY YEAR,

AND THE GOAL OF THAT IS TO
SYNTHESIZE

ALL OF THE OVERSIGHT INFORMATION
THAT WE HAVE,

REGARDLESS OF WHERE IT CAME
FROM,

AND USE IT TO GENERATE AN
OVERALL PERFORMANCE SCORE

FOR EACH ORGANIZATION.

AND SO I'M GOING TO BE TALKING
ABOUT BOTH OF THESE EFFORTS.

OK, SO AS WAY OF BACKGROUND, FOR
THE LAST FEW YEARS--

SO FOR STARTING OFF WITH THE
PLAN RATINGS

AND THAT PUBLIC EMPHASIS-- WE
HAVE SUPPLEMENTED

THE MEDICARE PRESCRIPTION DRUG
PLAN FINDER

AND MEDICARE OPTIONS COMPARE WEB
SITES TO INCLUDE

THE PARTS C AND D PLAN RATINGS,
AGAIN, OR STAR RATINGS.

AND THOSE RATINGS ALLOW
BENEFICIARIES TO COMPARE

AVAILABLE PLAN OPTIONS, LOOKING
AT COST, QUALITY,

AND PERFORMANCE.

AND THEY'RE OFTEN CALLED STAR
RATINGS, BECAUSE EACH OF

THESE MEASURES IS DISPLAYED ON A
1-TO-5 STAR SCALE,

WHERE 5 IS THE BEST RATING THAT
AN ORGANIZATION CAN RECEIVE

FOR A PARTICULAR MEASURE, AND A
ONE IS THE LOWEST.

WE GENERALLY CONSIDER A 3-STAR
RATING TO BE THE DIVIDING LINE

BETWEEN ACCEPTABLE AND
UNACCEPTABLE PERFORMANCE.

ANYTHING BELOW 3 STARS WOULD BE
A MATTER OF CONCERN FOR CMS.

NOW, THE FIRST COUPLE OF YEARS
WE DIDN'T HAVE THIS, BUT NOW WE

HAVE AN OVERALL COMPOSITE, OR
SUMMARY SCORES,

FOR THE PARTS C AND D PLAN
RATINGS.

AND SO I THINK THAT THAT WAS A
GREAT IMPROVEMENT

BECAUSE IT ALLOWS ANYBODY
LOOKING AT THESE RATINGS

TO GET A QUICK SNAPSHOT OF HOW
AN ORGANIZATION HAS

PERFORMED, KIND OF ROLLING UP
ALL THOSE DIFFERENT MEASURES

INTO ONE SUMMARY MEASURE, AND TO
PROVIDE

AN EXTRA LEVEL OF
DIFFERENTIATION.

WE HAVE CREATED THAT IN A WAY TO
ACTUALLY MEASURE

THAT AT THE HALF-STAR RATING.

SO WHEREAS THE INDIVIDUAL
MEASURES ARE

1, 2, 3, 4, 5 STARS, YOU CAN
ACTUALLY HAVE

A HALF-STAR, 2 1/2 STARS, 3 1/2

STARS--THAT SORT OF THING--

FOR THAT SUMMARY LEVEL,

AND WE THINK THAT'S A USEFUL
IMPROVEMENT.

Part 4

AND SO ANYONE WHO HASN'T SEEN
HOW THIS INFORMATION IS

PRESENTED ON THE WEB, HERE'S A
SCREEN SHOT.

THIS PARTICULAR SCREEN SHOWS
STAR RATINGS AT

THE DOMAIN LEVEL, WHICH IS KIND
OF A SUMMARY LEVEL THAT FALLS

BETWEEN THE INDIVIDUAL
PERFORMANCE METRICS

AND THE OVERALL SUMMARY SCORE.

SO HERE, THE ROWS REPRESENT
DIFFERENT PLANS, AND THE COLUMNS

SHOW THE STAR RATINGS SUMMARY
FOR EACH DOMAIN.

AND SO JUST FROM THIS SORT OF
TINY, BLURRY SNAPSHOT, YOU CAN

SEE HOW EASY IT IS TO COMPARE

THE PERFORMANCE OF DIFFERENT
PLANS.

OK, SO NOW, THESE ARE THE 4
DOMAINS THAT ARE

CURRENTLY IN THE PART D PLAN
RATINGS.

WE'VE GOT THE DRUG PLAN CUSTOMER
SERVICE DOMAIN, AND THAT

INCLUDES MEASURES SUCH AS TIME
ON HOLD WHEN A CUSTOMER CALLS

A DRUG PLAN, OR A DRUG PLAN'S
TIMELINESS IN GIVING A DECISION

FOR MEMBERS WHO MAKE AN APPEAL.

WE ALSO HAVE THE MEMBER
COMPLAINTS, MEMBERS WHO CHOOSE

TO LEAVE, AND MEDICARE AUDIT
FINDINGS DOMAIN.

THE THIRD DOMAIN IS MEMBER
EXPERIENCE WITH THE DRUG PLAN,

AND THE LAST DOMAIN IS DRUG
PRICING AND PATIENT SAFETY, AND

THAT INCLUDES MEASURES SUCH AS
WHETHER PRICES DID NOT INCREASE

MORE THAN EXPECTED DURING THE
YEAR

AND THE DRUG PLANS' PRICES ON
MEDICARE'S WEB SITE

ARE SIMILAR TO THE PRICES THAT
MEMBERS PAY AT THE PHARMACY.

AND SO, IN THIS VIEW, I'VE
SELECTED 3 PLANS THAT I WOULD

HYPOTHETICALLY WANT TO COMPARE
IN MORE DETAIL.

NOW, IN THIS VIEW, THE PLANS ARE
IN THE COLUMNS,

AND THE BLUE ROWS SHOW THE
DOMAIN LEVEL STARS,

AND UNDERNEATH ONE OF THOSE, I
EXPANDED THE VIEW TO SHOW

THE INDIVIDUAL MEASURES WITHIN
THAT DOMAIN.

SO I'M JUST THROWING THIS UP
THERE TO JUST GIVE YOU A SENSE

OF HOW IT'S POSSIBLE TO NAVIGATE
THROUGH THIS.

AND THE SCREEN SHOT ON THE RIGHT
HAS THE SAME INFORMATION,

BUT ACTUALLY DISPLAYS THE
UNDERLYING DATA

ON WHICH THE STAR RATING IS
BASED.

AND SO YOU CAN ACTUALLY TOGGLE
BACK AND FORTH BETWEEN

THE STARS OR THE ACTUAL DATA
THAT THE STAR RATING ITSELF

IS BASED ON.

YOU CAN GO, STICK TO THE HIGH
LEVEL IF YOU WANT.

I JUST WANT TO KNOW--YOU KNOW,
WHEN I GO ON AMAZON, I JUST WANT

TO SEE WHICH ONE, WHICH PRODUCTS
HAVE 5 STARS AND JUST

LEAVE IT AT THAT, OR I CAN
REALLY DIG IN AND READ

THOSE REVIEWS, SO THERE'S LOTS
OF DIFFERENT WAYS TO USE

THIS INFORMATION.

THIS SLIDE SHOWS THE
DISTRIBUTION OF PDPs AND MAPDs

PART D SUMMARY SCORES, AND WE
SEE THAT MOST ORGANIZATIONS

RECEIVED EITHER 3 1/3 OR 3 STARS

AS AN OVERALL PERFORMANCE
RATING,

AND WHILE NO PDPs RECEIVED 5
STARS, A SMALL NUMBER OF MAPDs

RECEIVED THAT HIGHEST OVERALL
RATING.

FORTUNATELY, NO PDPs OR MAPDs
RECEIVED ONE OR 2 STARS,

ALTHOUGH A FEW DID RECEIVE 2 1/2
STARS,

WHICH, AS I MENTIONED EARLIER,
WOULD BE OF SOME CONCERN TO CMS,

AS WE CONSIDER ANYTHING BELOW 3
STARS SORT OF FALLING BELOW

THAT ACCEPTABLE LEVEL OF
PERFORMANCE.

TURNING TO PART C, THESE ARE THE
DOMAINS ON THE PART C SIDE:

RATING OF HEALTH PLAN
RESPONSIVENESS AND CARE.

THAT INCLUDES ITEMS LIKE DOCTORS
WHO COMMUNICATE WELL.

THE NEXT DOMAIN IS MANAGING
CHRONIC CONDITIONS,

AND THAT WOULD INCLUDE A NUMBER
OF DIABETES CARE MEASURES

AND CONTROLLING BLOOD PRESSURE,
AMONG OTHERS.

MEMBERS' COMPLAINTS, APPEALS,
AND CHOOSING TO LEAVE.

THAT INCLUDES A NUMBER OF ITEMS,
SUCH AS HOW QUICKLY AND HOW WELL

A PLAN HANDLES MEMBER COVERAGE

APPEALS.

THE NEXT DOMAIN IS STAYING
HEALTHY, SCREENING, TESTS,

AND VACCINES.

AND LASTLY, THE HEALTH PLAN'S
TELEPHONE CUSTOMER SERVICE

IS THE FIFTH DOMAIN.

AND LIKE THE PART D
DISTRIBUTION, YOU CAN SEE

THIS ONE ON THE SCREEN.

THIS IS FOR THE PART C SUMMARY
SCORE DISTRIBUTIONS, AND THIS,

IN COMPARISON TO THE PART D
DISTRIBUTION, THIS IS A LITTLE

BIT MORE EVENLY DISTRIBUTED
ACROSS THE 5-POINT SCALE,

THE RATINGS FOR PART D WERE A
LITTLE BIT MORE SKEWED

TO THE RIGHT, AND THIS ONE'S A
LITTLE BIT

MORE EVENLY DISTRIBUTED.

OK, SO, AS I SAID AT THE OUTSET

OF THIS PART OF THE
PRESENTATION,

WE HAVE THESE 2 MAJOR
INITIATIVES.

ONE IS TRYING TO SYNTHESIZE ALL
THIS INFORMATION FOR THE PUBLIC,

AND THEN ANOTHER INITIATIVE IS
TO CONDUCT

THIS ANNUAL PERFORMANCE REVIEW,

SO TO TAKE ALL THAT INFORMATION
AND SYNTHESIZE IT

TO PROVIDE A SCORE THAT LETS US
EVALUATE

AN ORGANIZATION'S PERFORMANCE.

AND WE HAVE DEVELOPED A VERY
RIGOROUS

QUANTITATIVE METHODOLOGY THAT
I'M GOING TO GO THROUGH

IN SOME DETAIL THAT REALLY
STRIVES, AGAIN,

TO TAKE EVERY BIT OF INFORMATION
WE HAVE

ABOUT AN ORGANIZATION'S
PERFORMANCE AND SYNTHESIZE IT

OVER A 14-MONTH PERIOD.

SO WE HAVE A 14-MONTH LOOK-BACK.

AND AGAIN, WE LOOK AT EVERY
PIECE OF INFORMATION WE HAVE

AND SYNTHESIZE IT, AND WE THINK
THAT THIS APPROACH

I'M GOING TO PRESENT IS FAIR,
IT'S UNBIASED.

IT DOESN'T TARGET ONE TYPE OF
ORGANIZATION OVER ANOTHER

BASED ON SIZE OR ANY OTHER
FACTORS.

AND THE WHOLE PROJECT REALLY
DRIVES

TOWARD IDENTIFYING ORGANIZATIONS
THAT ARE

SOMEWHAT EXTREME PERFORMANCE
OUTLIERS.

I MEAN, WE RECOGNIZE THAT EVERY
ORGANIZATION IS GOING

TO STUMBLE FROM TIME TO TIME.

WE UNDERSTAND THAT, AND WE'LL
TAKE APPROPRIATE

MILD CORRECTIVE ACTION STEPS, AS
WE'VE BEEN TALKING ABOUT,

WHENEVER NECESSARY.

SO THIS ANALYSIS IS MEANT TO
REALLY ALLOW US TO HONE IN

ON ORGANIZATIONS THAT ARE HAVING
MUCH MORE SIGNIFICANT PROBLEMS.

SO, AGAIN, THE METHODOLOGY IS
QUITE COMPREHENSIVE, AND IT

CURRENTLY INCLUDES 9 DISTINCT
PERFORMANCE DIMENSIONS.

THESE ARE ON THE SCREEN.

I'M GOING TO WALK THROUGH EACH
ONE, BUT JUST VERY BRIEFLY,

THESE INCLUDE COMPLIANCE
LETTERS,

THE PERFORMANCE METRICS THAT I
JUST TALKED ABOUT.

WE LOOK AT AD-HOC CAPs IN A
COUPLE OF DIFFERENT WAYS,

INCLUDING ANY IMPACT ON
BENEFICIARIES;

WE LOOK AT FINANCIAL
CIRCUMSTANCES OF ORGANIZATIONS;

WE LOOK AT WHETHER THE

ORGANIZATION HAS EXPERIENCED

ANY SUPPRESSIONS OR EXCLUSIONS;

ANY ENFORCEMENT ACTIONS;
TERMINATIONS;

OR OTHER OPEN SIGNIFICANT
PROBLEMS.

AND WE TAKE EACH ONE OF THESE AS
A SEPARATE ANALYSIS, AND FOR

ORGANIZATIONS THAT MEET THE
CRITERIA OR CROSS

A THRESHOLD AS APPEARING TO BE
AN OUTLIER FOR EACH OF THESE,

THEY'RE ASSIGNED ONE OR MORE
NEGATIVE PERFORMANCE POINTS.

AND SO WHAT HAPPENS IS, AS AN
ORGANIZATION IS FOUND TO BE

AN OUTLIER IN ONE OR MORE OF
THESE, THEY ACCUMULATE

NEGATIVE PERFORMANCE POINTS,

AND THEN AT THE END THEY GET AN
OVERALL SCORE

RANGING FROM ZERO TO WHATEVER.

AND IN THIS CASE, THE CLOSER TO
ZERO YOU ARE, THE BETTER.

SO TO START, YOU'LL RECALL THE
DISCUSSION WE HAD EARLIER

ABOUT COMPLIANCE LETTERS, WHERE
THERE ARE MANY DIFFERENT TYPES,

RANGING FROM NOTICE OF
NON-COMPLIANCE

TO WARNING LETTERS

TO CORRECTIVE ACTION PLAN, AND
WE LOOK FOR SPONSORS HERE

THAT ARE RECEIVING A HIGH NUMBER
OF COMPLIANCE NOTICES

AFTER WE'VE ADJUSTED FOR THE
TYPE OF NOTICE,

SO IN THIS ANALYSIS, A NOTICE OF
NON-COMPLIANCE IS GOING TO BE

WEIGHTED MUCH LESS THAN AN
AD-HOC CAP.

AND SO WE DO THAT SCORING. AND
CONTRACTS IN THE WORST 10% ARE

GOING TO RECEIVE 2 NEGATIVE
PERFORMANCE POINTS.

AND THE NEXT 10% OF CONTRACTS
RECEIVE

ONE NEGATIVE PERFORMANCE POINT.

SO AGAIN, YOU CAN SEE HOW WE'RE
REALLY TRYING TO FOCUS

ON ORGANIZATIONS THAT APPEAR AS
OUTLIERS.

THE NEXT DIMENSION IS THE
PERFORMANCE METRICS, AND WHAT

I'M GOING TO SAY WILL BE
ABSOLUTELY NO SURPRISE

BECAUSE I'VE ALREADY HIT ON THIS
POINT A BUNCH OF TIMES,

BUT SPONSORS--AND THIS IS AT THE
CONTRACT LEVEL--

WITH AN OVERALL SCORE OF 2.5 OR

BELOW ARE IDENTIFIED

AS OUTLIERS. AND SO THOSE

ORGANIZATIONS

GET 2 NEGATIVE PERFORMANCE POINTS.

OK, HERE ARE THE NEXT 3 DIMENSIONS.

THE FIRST ONE IS WHETHER AN ORGANIZATION RECEIVED

MULTIPLE AD-HOC CAPs IN THE 14-MONTH PERIOD.

AD-HOC CAPs ARE RELATIVELY RARE.

AS, AGAIN, WE'VE BEEN SAYING OVER AND OVER,

WE RESERVE THEM FOR WHEN THERE'S EITHER BEEN

AN EGREGIOUS INSTANCE OF A PROBLEM

OR A PROBLEM THAT'S GONE ON,

WE'VE TRIED THE LOWER-LEVEL ACTIONS,

IT HASN'T WORKED, AND IT'S CONTINUING.

AND SO, TO GET MORE THAN ONE SUCH CAP,

MORE THAN ONE AD-HOC CAP--

AND BY AD-HOC, I MEAN NOT RELATED TO AN AUDIT--IS

A PRETTY SIGNIFICANT INDICATOR OF PERFORMANCE.

AND SO AN ORGANIZATION WOULD BE ASSIGNED ONE POINT,

ONE NEGATIVE PERFORMANCE POINT FOR EACH AD-HOC CAP

THEY GOT DURING THE 14 MONTHS.

NEXT WE DELVE INTO THE NATURE OF
THOSE AD-HOC CAPs.

WE GO BACK, WE READ EVERY SINGLE
ONE, AND WE LOOK TO SEE

WHAT THE PROBLEM WAS THAT CAUSED
THE ORGANIZATION TO RECEIVE

THIS AD-HOC CAP IN THE FIRST
PLACE.

AND SO IF THE CAPs HAD
BENEFICIARY IMPACT,

THERE WOULD BE A NEGATIVE POINT
ASSIGNED THERE AS WELL.

I GOT SOMETHING BACKWARDS.
MULTIPLE AD-HOC CAPs--

IF THERE WAS MORE THAN ONE,

IT'S ONE NEGATIVE PERFORMANCE
POINT.

IT'S ONE POINT PER CAP WITH
BENEFICIARY IMPACT.

I APOLOGIZE.

AND THEN THE THIRD CATEGORY ON
THE SCREEN IS

FINANCIAL INSTABILITY.

WE HAVE A GROUP IN CMS THAT VERY
CLOSELY MONITORS

AND WATCHES FINANCIAL ISSUES,
WORKS VERY CLOSELY

WITH ORGANIZATIONS WHEN THERE
SEEMS TO BE ANY INDICATOR

OF INSTABILITY AT ALL.

AND SO THAT'S ANOTHER NEGATIVE
PERFORMANCE POINT,

IF AN ORGANIZATION IS GOING
THROUGH

THAT KIND OF INTENSIVE
MONITORING.

THE NEXT CATEGORY, OR THE NEXT
DIMENSION,

IS THE SUPPRESSIONS AND
EXCLUSIONS.

AGAIN, HARKING BACK TO THAT ONE
SLIDE THAT I HAD

WITH THE CASCADE, THIS WAS ONE
OF THOSE CATEGORIES.

WE MIGHT EXCLUDE AN ORGANIZATION

FROM RECEIVING MONTHLY
AUTO-ENROLLEES.

THAT'S PRETTY SERIOUS IF THAT
HAPPENS,

AND SO THAT'S WORTH MULTIPLE
POINTS.

THERE ARE OTHER TYPES OF
SUPPRESSIONS AND EXCLUSIONS,

SUCH AS BEING EXCLUDED FROM THE
"MEDICARE & YOU" HANDBOOK.

THAT MIGHT HAPPEN IF AN
ORGANIZATION IS UNABLE TO GET

THEIR FORMULARY APPROVED, FOR
INSTANCE, BY THE FALL DEADLINE

FOR CONTRACTING.

IN THAT CASE, WE MAY SAY, YOU
KNOW, "YOU STILL MAY HAVE

"A CHANCE TO GET YOUR FORMULARY
APPROVED AND YOUR CONTRACT

"ULTIMATELY SIGNED WITH US, BUT
YOU'RE NOT GOING TO BE IN

"THE MEDICARE & YOU HANDBOOK

"BECAUSE YOU JUST COULDN'T GET
IT DONE IN TIME.

YOU HAD TOO MANY FORMULARY
OUTLIERS"--OR WHATEVER

THE PROBLEM WAS--"YOU'RE NOT
GOING TO BE IN THE HANDBOOK."

SIMILARLY, IF AN ORGANIZATION
HAS PROBLEMS

WITH THEIR FORMULARY REPEATEDLY,

THEY MAY LOSE OUT ON AN UPDATE
WINDOW,

SO THAT WOULD BE ANOTHER
INSTANCE WHERE WE WOULD

LOOK BACK AND FIGURE OUT IF THAT
HAPPENED

AND ASSIGN A NEGATIVE POINT IF
IT DID.

AND THEN THE NEXT ONE IS ONE WE
HAVEN'T HAD HAPPEN, WHICH IS

WONDERFUL, BUT IF AN
ORGANIZATION WOULD BE

EXCLUDED FROM PARTICIPATING IN
THE ONLINE ENROLLMENT CENTER.

THIS IS ONE OF THE MONITORING
PROJECTS

THAT I THINK WAS ON THE SCREEN
EARLIER,

WHERE ORGANIZATIONS ARE REQUIRED
TO DOWNLOAD

THEIR ONLINE ENROLLMENTS DAILY.

AND IF THAT DOESN'T HAPPEN, WE
START OFF

WITH NOTICES OF NON-COMPLIANCE.

THAT MIGHT ESCALATE TO A WARNING
LETTER, EVENTUALLY A CAP,

AND EVENTUALLY, IF NONE OF THAT
WORKED, WE WOULD SAY,

"OK, YOU'RE DONE. YOU'RE NOT
PARTICIPATING IN THIS ANYMORE."

SO IF IT ESCALATED THAT FAR,
THIS IS THE STEP WE WOULD TAKE,

BUT, AS I SAID, HAPPILY, OUR
LOWER-LEVEL COMPLIANCE ACTIONS

WORKED; WE HAVEN'T GOTTEN THERE
IN ANY SITUATION, WHICH

I'M HAPPY TO SAY.

Part 5

TERMINATIONS. THERE ARE

A VARIETY OF DIFFERENT TYPES OF
TERMINATIONS THAT OCCUR.

THERE COULD BE A REQUEST BY AN
ORGANIZATION

TO MUTUALLY TERMINATE A CONTRACT
WITH CMS.

AND WHEN THIS HAPPENS VERY LATE
IN THE CONTRACT YEAR--AND I'M

TALKING LIKE CHRISTMAS WEEK--
AND IT IS

ONE OF THE MOST PAINFUL
EXPERIENCES WE AT CMS HAVE,

IS WHEN AN ORGANIZATION COMES TO
US CHRISTMAS WEEK,

THEY'VE ALREADY BEEN MARKETING,
THEY'VE ALREADY BEEN ENROLLING

BENEFICIARIES FOR THE UPCOMING
YEAR, AND THEY SAY, "OH, WE

"JUST CAN'T GET OUR NETWORK OFF
THE GROUND FOR THE NEXT YEAR.

"IT'S CHRISTMAS WEEK, SO WE
REALIZE WE'RE GOING TO BE

"OUT OF COMPLIANCE IF WE LAUNCH
THIS ON JANUARY 1,

SO WE'D LIKE TO MUTUALLY
TERMINATE."

I CANNOT OVERSTATE WHAT A
DIFFICULT SITUATION

THAT PUTS US ALL IN.

BENEFICIARIES NEED TO BE
NOTIFIED AND MOVED

IN THE MIDDLE OF THE HOLIDAYS.

AND, UNFORTUNATELY--I'D LIKE TO
SAY THIS HAS HAPPENED ONLY ONCE.

IT HASN'T; IT'S HAPPENED
MULTIPLE TIMES.

IT'S A VERY DIFFICULT SITUATION.

WE TAKE THAT CONTRACT YOU SIGN
WITH US OR RENEW WITH US

IN AUGUST OR SEPTEMBER VERY
SERIOUSLY. SO PARTICULARLY

IF A MUTUAL TERMINATION REQUEST
COMES IN AFTER MARKETING HAS

STARTED, AFTER ENROLLMENT HAS
STARTED, IT'S A BIG PROBLEM.

AND SO WE WOULD ASSIGN NEGATIVE
PERFORMANCE POINTS

SHOULD THAT OCCUR.

THERE'S A LESS SERIOUS KIND OF
MUTUAL TERMINATION,

WHICH IS ONE THAT MIGHT HAPPEN
MAYBE IMMEDIATELY

AFTER THE NON-RENEWAL DEADLINE,

WHICH IS ABOUT THIS TIME OF
YEAR,

CERTAINLY BY THE TIME THAT BIDS
COME IN.

SOMEBODY DECIDES. LET'S SAY, IN
JULY, THAT THEY

SHOULDN'T HAVE RENEWED.

THEY REALLY WANT TO NON-RENEW
FOR THE UPCOMING YEAR.

IT'S PRETTY MUCH NO HARM, NO
FOUL, OK?

THEY MISSED THE NON-RENEWAL
DEADLINE, BUT IT'S STILL

A MUTUAL TERMINATION,

SO IT STILL KICKS OFF DIFFERENT
PROCEDURES

AND REQUIREMENTS THAT WE'D
PREFER NOT TO HAPPEN

BECAUSE WE HAVE A PROCESS.

IT'S NON-RENEWAL, SO THIS IS NOT AS SERIOUS.

SO IT'S WORTH ONLY ONE POINT,

WHEREAS THAT OTHER KIND THAT I TALKED ABOUT THAT HAPPENS

LATE IN THE YEAR IS MANY MORE POINTS THAN THAT.

AND THEN, OF COURSE, THERE ARE THE TERMINATIONS

THAT ARE INITIATED BY CMS.

THAT'S THE MOST SERIOUS SCENARIO.

WE REALLY DON'T LIKE WHEN THAT HAPPENS, BUT AS JIM SAID, AS

WE'VE ALL SAID, WE'LL DO IT WHEN WE HAVE TO, AND THAT'S WORTH

THE MOST NUMBER OF NEGATIVE PERFORMANCE POINTS.

AND YOU MAY BE THINKING TO YOURSELF, WELL, WHY WOULD WE

EVEN BE LOOKING IN THIS ANALYSIS AT AN ORGANIZATION

THAT TERMINATED LAST YEAR?

THEY DON'T EXIST. SO WHAT'S THE POINT?

WELL, THE POINT THERE IS, WHAT IF THEY WANT TO COME BACK

INTO THE PROGRAM?

THEN--WE ARE IN A SITUATION WHERE EVERY ORGANIZATION

THAT HAS HAD A CONTRACT WITH US NEEDS TO HAVE A SCORE

SO WE CAN LOOK BACKWARDS IN CASE
THEY WANT TO COME BACK

AND BE A PARTNER WITH US IN THE
FUTURE.

THEN, OF COURSE, ENFORCEMENT
ACTIONS, YOU KNOW,

INTERMEDIATE SANCTIONS AND CMPs
ARE EXTREMELY RARE.

THEY'RE HIGHLY SIGNIFICANT, AND
THEY REFLECT

SIGNIFICANTLY IMPAIRED
PERFORMANCE, SO THERE'D BE

ONE TO 2 NEGATIVE PERFORMANCE
POINTS DEPENDING

ON THE AMOUNT OF THE CMP,

OR BETWEEN 2 AND 7 POINTS FOR
SANCTIONS DEPENDING

ON THE TYPE,

WHETHER IT'S A REGULAR OR AN
IMMEDIATE KIND OF SANCTION,

AND WHETHER IT'S STILL OPEN AT
THE END OF THAT 14 MONTHS.

AND THEN, LASTLY, WE SURVEY OUR
ACCOUNT MANAGERS AND OTHERS

THROUGHOUT THE AGENCY AND TRY TO
GET A FEEL FOR WHAT EXACTLY IS

GOING ON AT THE MOMENT IN TIME
WE'RE DOING THIS ANALYSIS.

IN THESE ORGANIZATIONS, THERE
MAY BE A SITUATION

WHERE THEY'RE IN THE MIDDLE OF
DEVELOPING AN ISSUE,

BUT THE LETTER HASN'T GONE OUT
YET.

THAT KIND OF THING. AND WE WANT
TO MAKE SURE--

WE VERY CONSERVATIVELY BUT
NEVERTHELESS CAPTURE

WHAT MIGHT BE COMING FORTH. AND
SO THAT'S WORTH ONE TO 2 POINTS.

SO THEN WE LOOK ACROSS THE BOARD
AT THE POINTS, WE ADD THEM UP,

AND THAT ALLOWS US TO LOOK AT
THE HIGH SCORES

AND REALLY HONE IN

BECAUSE THOSE HIGH SCORERS ARE
OUTLIERS THAT HAVE PROBLEMS

IN EITHER MULTIPLE CATEGORIES OR
IN AT LEAST ONE CATEGORY

THAT REPRESENTS PARTICULARLY
HIGH RISK TO CMS.

SO WE'RE NOT LOOKING FOR MAJOR
COMPLIANCE PURPOSES

AT THE ONE POINT, THE 2 POINTS.

WE'RE LOOKING AT ORGANIZATIONS
THAT HAVE ACCUMULATED

QUITE A NUMBER OF POINTS, AGAIN,
ACROSS MULTIPLE AREAS,

AND THAT'S HOW WE HONE IN ON
ORGANIZATIONS TO FOCUS ON.

THIS EFFORT HAS BEEN DONE FOR A
FEW YEARS.

IT HAS EVOLVED ALREADY, AND IT
WILL CONTINUE TO DO SO.

EACH YEAR, WE UPDATE THE
METHODOLOGY TO MAKE SURE

THAT WE'RE REFLECTING THE MOST
CURRENT AND COMPREHENSIVE

INFORMATION AVAILABLE.

EACH YEAR WE'RE AGGRESSIVELY
MONITORING NEW THINGS, WE'RE

COLLECTING ADDITIONAL DATA, AND
WE WANT TO MAKE SURE WE'RE

SYNTHESIZING EVERY PIECE OF
INFORMATION WE HAVE

AVAILABLE TO US.

AND THE POINT VALUES MAY SHIFT
AS WELL,

ALONG WITH THE CATEGORIES,

TO REFLECT APPROPRIATE AND
PROPORTIONATE WEIGHTS

BASED ON THE NEW INFORMATION AND
ANALYTIC TECHNIQUES.

AND SO NOW, TO TALK ABOUT HOW WE
USE ALL THIS INFORMATION--

I KNOW WE'VE COVERED A LOT IN
THIS PRESENTATION.

WE TOLD YOU ABOUT OUR COMPLIANCE
STRATEGY.

WE'VE WALKED YOU THROUGH THE 4
KEY OVERSIGHT ACTIVITIES THAT

WE PERFORM, AND WE'VE TOLD YOU
ABOUT HOW WE INTEGRATE ALL THAT

INFORMATION TO HELP CONSUMERS,
AND IDENTIFY PLANS THAT SEEM

TO BE HAVING PROBLEMS

IN PARTICULARLY NOTABLE OR
PERVASIVE AREAS.

AND SO NOW WE GET TO THE "SO
WHAT"

PART OF THE PRESENTATION.

WHAT'S THE POINT, AND WHAT DO WE
DO WITH ALL THIS INFORMATION

THAT WE'VE ACCUMULATED AND PUT
THROUGH THE PACES?

WELL, HOPEFULLY WE'RE MAKING THE
PROGRAM BETTER AND STRONGER

AND MORE EFFICIENT. AND WE'RE
SHARING THIS INFORMATION BACK

WITH SPONSORS.

WHEN WE COLLECT INFORMATION
THROUGH ANY KIND OF PROJECT, WE

PUT THE DATA UP ON HPMS TO LET
YOU LOOK AT IT FOR YOURSELF.

WE PUBLISH INFORMATION ON THE
WEB, SO THAT'S IT'S AVAILABLE

AND TRANSPARENT FOR
BENEFICIARIES AND STAKEHOLDERS.

WE LOOK AT THIS INFORMATION FOR
BEST PRACTICES.

WE WANT TO TRY TO UNDERSTAND WHO
IS DOING THIS RIGHT,

AND WHAT CAN WE LEARN FROM THAT.

ON THE FLIP SIDE, WE ALSO LOOK
TO SEE

WHERE PERFORMANCE PROBLEMS ARE

OCCURRING,

AND ARE THERE, YOU KNOW,
PARTICULAR FUNCTIONAL

OR ORGANIZATIONAL AREAS WHERE
WE'RE HAVING,

WE'RE SEEING PROBLEMS, IN
CERTAIN GEOGRAPHIC REGIONS?

HOW CAN WE REALLY HONE IN AND
FIX THAT?

AND THEN WE ALSO ASK OURSELVES
WHETHER, IF THERE'S A PERVASIVE

PROBLEM IN A PARTICULAR AREA, WE
NEED TO PROVIDE

ADDITIONAL TECHNICAL ASSISTANCE

BECAUSE THE PROBLEM MAY LIE IN
OUR GUIDANCE

AND NOT NECESSARILY IN
PERFORMANCE.

AND WE USE THE INFORMATION TO
TAKE COMPLIANCE ACTION

TO ENSURE THAT THE BEST AND MOST
QUALIFIED ORGANIZATIONS

REMAIN IN OUR PROGRAM.

SO THIS SAYS PRETTY MUCH THE
SAME THING, SO I'LL SKIP AHEAD.

AND SO WHAT I WANT TO, HOPEFULLY
GETTING CLOSE TO CLOSING WITH,

IS TO TALK ABOUT HOW WE USE THE
PAST PERFORMANCE SCORES THAT I

JUST TALKED ABOUT AT LENGTH IN
MAKING APPLICATION DECISIONS

GOING FORWARD.

AND WHAT WE DO IS WE TAKE A VERY
HARD LOOK

AT THE PERFORMANCE SCORES, THOSE
OUTLIER SCORES

THAT I JUST TALKED ABOUT, AND WE
USE THAT

TO MAKE DECISIONS ABOUT
APPROVING OR DENYING

PART C AND D APPLICATIONS.

YOU KNOW, EACH YEAR WE RECEIVE
HUNDREDS OF APPLICATIONS,

AND MOST OF THOSE ARE FROM
ORGANIZATIONS THAT WE

CURRENTLY DO BUSINESS WITH.

AND SO, THROUGH THOSE NEW
APPLICATIONS,

ORGANIZATIONS ARE ATTEMPTING TO
EXPAND INTO

EITHER NEW GEOGRAPHIC AREAS OR
TO OFFER ADDITIONAL PLAN TYPES.

AND IN OUR VIEW--AND WE TAKE
THIS VERY SERIOUSLY--

ORGANIZATIONS WITH A RECENT
HISTORY OF PROBLEMS MUST FOCUS

ON THEIR CURRENT BOOK OF
BUSINESS, AND NOT THINK

ABOUT EXPANDING UNTIL THEY
REALLY HAVE THAT UNDER CONTROL.

AND SO TO THAT END, APPLICANTS

WITH A HIGH PAST PERFORMANCE
SCORE

FOR THEIR CURRENT BOOK OF
BUSINESS WILL NOT BE PERMITTED

TO EXPAND IN THE PART C OR PART
D PROGRAMS.

WE LET THOSE ORGANIZATIONS KNOW
THAT WE WANT THEM TO FOCUS

ON THEIR CURRENT MEMBERS AND
IMPROVE THEIR PERFORMANCE

BEFORE THEY CAN EXPAND FURTHER.

APPLICANTS HAVE THE OPTION

TO EITHER WITHDRAW THEIR
APPLICATIONS

OR PURSUE AN APPEAL THROUGH THE
REGULATION.

AND OUR AUTHORITY TO DO THIS IS
CLEARLY SPECIFIED

IN THE REGULATION.

WE'VE BEEN DOING THIS FOR
SEVERAL YEARS.

IN 2009, WE ALERTED 2
ORGANIZATIONS THAT THEIR

APPLICATIONS WOULD BE DENIED
BASED ON PAST PERFORMANCE.

BOTH OF THEM DECIDED TO WITHDRAW
IN--

I'M SORRY--LEADING UP TO 2009.

LEADING UP TO 2010, 9
ORGANIZATIONS WERE IDENTIFIED

AS PERFORMANCE OUTLIERS, 7 OF
WHICH HAD SUBMITTED

APPLICATIONS, AND ALL 7 WITHDREW
THEIR APPLICATIONS.

AND LEADING UP TO THE 2011
CONTRACT YEAR--

SO JUST IN THE LAST FEW
WEEKS--WE IDENTIFIED

21 ORGANIZATIONS AS PERFORMANCE
OUTLIERS.

AND NOW, THAT INCREASE IS
DEFINITELY AND CLEARLY DUE

TO OUR INCLUSION OF PREVIOUSLY
TERMINATED

OR NON-RENEWED CONTRACTS.

SO IT'S NOT A PER SE INCREASE

WHERE WE'RE FINDING MORE
ORGANIZATIONS WITH PROBLEMS.

IT OCCURRED TO US, WE NEED TO
HAVE THESE SCORES

FOR CONTRACTS THAT DON'T EXIST
WITH US ANYMORE, SO THAT'S WHY

THERE WERE SO MANY MORE FOR THE
2011 YEAR,

10 OF WHICH SUBMITTED
APPLICATIONS.

8 OF THOSE ORGANIZATIONS
WITHDREW

ALL OF THEIR PENDING
APPLICATIONS,

AND 2 WITHDREW MOST OF THEIR
PENDING APPLICATIONS.

AND I THINK THAT THIS SPEAKS TO
THE REASON ORGANIZATIONS HAVE

WITHDRAWN THEIR APPLICATIONS
RATHER THAN PURSUING THEM

AND APPEALING AND SO FORTH, IS
BECAUSE THIS IS

A VERY RIGOROUS, VERY
ANALYTICAL,

VERY QUANTITATIVE APPROACH THAT
WE TAKE.

VERY CONSERVATIVE--AGAIN, WE'RE
REALLY FOCUSING

ON THOSE OUTLIERS AND
ORGANIZATIONS

THAT HAVE HIGH SCORES, AND IT'S
A VERY COMPELLING STORY.

ALL RIGHT. I HAVE 35 SECONDS TO
FINISH--AND LET'S SEE

WHAT I CAN DO HERE, BUT THESE
LAST COUPLE SLIDES

JUST MAKES THE POINT THAT WE'RE
GOING TO CONTINUE DOWN THE PATH

OF PROTECTING BENEFICIARIES, AND
ALL THE MONITORING,

COMPLIANCE THAT WE DO, REALLY
FOCUSING ON ENSURING

COST-EFFECTIVE AND HIGH QUALITY
CARE.

TO THE EXTENT WE CAN FURTHER
AUTOMATE,

USE DATA AND INFORMATION, WE
HOPE TO DO THAT.

WE'LL CONTINUE WITH THESE KINDS
OF OVERSIGHT ACTIVITIES.

WE'LL CONTINUE TO FOCUS IN ON
HIGH-RISK PROGRAM AREAS LIKE

MARKETING, COMPLIANCE PROGRAM
AUDITS THAT YOU'RE GOING

TO HEAR MORE ABOUT, AND HIGH
RISK PRODUCTS.

HOPEFULLY YOU'RE ALL FAMILIAR
WITH THE NEW REGULATIONS

THAT ARE GOING TO BE EFFECTIVE
ON JUNE 7th.

THERE ARE A COUPLE OF KEY
COMPLIANCE PROVISIONS IN THERE.

WE DO TALK ABOUT THE PAST
PERFORMANCE ANALYSIS

AND THE 14-MONTH PERIOD IN THAT
REGULATION.

WE TALKED ABOUT A NEW ALL OR
NOTHING APPLICATION STANDARD,

USE OF OUTLIERS FOR COMPLIANCE,

DISRUPTIVE MUTUAL TERMINATIONS
THAT I MENTIONED PREVIOUSLY,

THAT KIND OF THING.

AND THEN ANOTHER ITEM THAT'S NOT
IN THE REGULATION BUT WE'RE

THINKING ABOUT FOR THE FUTURE IS
RAISING THE BAR ON APPLICATIONS

THEMSELVES AND HOW TO DO THAT.

SO WITH THAT, I THINK I ENDED
RIGHT AT ZERO SECONDS.

THANK YOU VERY MUCH FOR YOUR
ATTENTION.

I APPRECIATE IT.

[APPLAUSE]

Photographs, Courtesy of: Photohome.com and Korreectech.com