



**CMS 2010 Tri-Regional Plan Compliance Conference  
Dallas Hilton Lincoln Center – May 19-20, 2010**

**A MOSAIC of More: More insight, More answers, More compliance...**

**Verbatim Transcript  
Surveillance**

Michael Kavouras, National Part C Compliance Lead, Medicare Drug & Health Plan Contract Administration Group  
Gloria Parker, Atlanta Associate Regional Administrator, Division of Medicare Health Plans Operations

**Part 1**

>> WE HAVE JOINING US MICHAEL  
KAVOURAS FROM OUR HEADQUARTERS

OFFICE IN BALTIMORE.

MIKE IS THE NATIONAL PART C  
COMPLIANCE LEAD.

HE IS IN THE MEDICARE DRUG  
AND HEALTH PLAN CONTRACT

ADMINISTRATION GROUP.

ALSO JOINING MIKE AS A SPEAKER  
IS GLORIA PARKER, WHOM YOU'VE

ALREADY MET THIS MORNING.

AGAIN, GLORIA IS THE  
ATLANTA ASSOCIATE REGIONAL

ADMINISTRATOR FOR  
HEALTH PLAN OPERATIONS.

MIKE AND GLORIA, WE  
LOOK FORWARD TO HEARING

YOUR REMARKS.

[APPLAUSE]

>> GOOD MORNING.



I OPENED THIS MORNING'S  
PRESENTATION ON SURVEILLANCE

WITH THE REMINDER THAT  
SURVEILLANCE

IS A PURPOSE-DRIVEN ACTIVITY.

ITS MAIN GOAL IS TO  
ENSURE THAT ALL MEDICARE

BENEFICIARIES RECEIVE  
COMPLIANT INFORMATION THAT

ALLOWS FOR THEM TO MAKE  
CONFIDENT, INFORMED DECISIONS

REGARDING THEIR  
HEALTH CARE CHOICES.

IT'S A REAL IMPORTANT  
REMINDER.

THE SUCCESS OF SURVEILLANCE  
RELIES HEAVILY ON PLANS

AND SPONSORS UNDERSTANDING  
AND ABIDING BY THE RULES

OF ENGAGEMENT AS IT RELATES  
TO MARKETING OF PRODUCTS TO

BENEFICIARIES IN A VARIETY  
OF HEALTH CARE SETTINGS.

OVER THE LAST THREE YEARS,  
WE'VE DEVELOPED A ROBUST

SURVEILLANCE METHODOLOGY THAT  
HAS EVOLVED LARGELY DUE TO

WEAKNESSES IN THE MARKETPLACE.

BACK IN 2007, SURVEILLANCE GOT  
ITS START BECAUSE OF PRIVATE

FEE-FOR-SERVICE CONCERNS  
THAT WERE PERMEATING THE

MARKETPLACE, AND AT THAT TIME,  
SURVEILLANCE WAS LIMITED TO

SEVEN PRIVATE  
FEE-FOR-SERVICE PLANS.

IN 2008, COMPLIANCE WAS  
DECIDED AS A RESULT OF WHAT

WAS HAPPENING IN THE MARKETPLACE  
WITH PRIVATE

FEE-FOR-SERVICE AND BECAUSE OF  
SOME THINGS THAT WERE OCCURRING

AROUND AGENTS WHO WERE NOT  
COMPLYING WITH THE RULES THAT

WE SHOULD EXPAND SURVEILLANCE  
TO ALL PRODUCT LINES,

AND SO AGAIN, SURVEILLANCE  
GOT A NEW FACELIFT.

IN 2009, WHILE HE HAD,  
WE THINK, THE ISSUES

FOR PRIVATE FEE-FOR-SERVICE  
UNDER CONTROL AND SOME

OF THE CONCERNS WITH THE  
AGENTS WERE BEGINNING TO TAPER

OFF SOMEWHAT, WE HAD A LARGE  
NUMBER OF NONRENEWALS THAT

OCCURRED, AND WE PUT A LOT OF  
EMPHASIS, AMONG OTHER THINGS,

AROUND THE NONRENEWAL ACTIVITY  
DURING THE OPEN ENROLLMENT

PERIOD AND THE ANNUAL  
ENROLLMENT PERIOD.

IN 2010,  
WE WILL CONTINUE TO BUILD

A SURVEILLANCE STRATEGY  
THAT IDENTIFIES POTENTIAL

WEAKNESSES IN THE MARKETPLACE.

FIRST AND FOREMOST, I WANT TO  
ASSURE YOU THAT AS WE DEVELOP

THE STRATEGY, AS IN THE PAST,  
WE WILL BE TRANSPARENT

WITH OUR STRATEGY, AND WHY?

AS I'VE ALREADY EMPHASIZED,  
CMS WILL CONTINUE TO SHARE

OUR METHODOLOGY BECAUSE WE WANT,  
AGAIN, FOR MEMBERS TO HAVE

CLEAR AND COMPLIANT  
MARKETING ENCOUNTERS.

IT DOESN'T SERVE US WELL TO DO  
SURVEILLANCE IF WE DON'T WANT

TO CHANGE THE BEHAVIOR.

WHAT WE REALLY, REALLY WANT IS  
FOR A MEDICARE MEMBER TO HAVE

AN ENCOUNTER--

BE THAT FACE-TO-FACE, ONE-ON-  
ONE, AT A PUBLIC SALES EVENT,

OVER THE PHONE--

BUT THAT IT BE CLEAR AND  
COMPLIANT AND THAT IT DOES,

IN FACT, ALLOW FOR THEM TO  
MAKE A CONFIDENT, INFORMED

DECISION REGARDING THEIR  
HEALTH CARE CHOICES.

SECONDLY, THE 2010 STRATEGY  
IS BEING DESIGNED WITH THREE

WORDS IN MIND--

DETECTION, PREVENTION,  
AND ABILITIES TO RESPOND WHEN

INFRACTIONS ARE IDENTIFIED.

AS WITH EARLIER DETECTION--

I'M SORRY.

TO ENSURE EARLY DETECTION  
OF ISSUES DURING THE AEP

AND THE OEP, A RISK ASSESSMENT ANALYSIS WAS DONE TO DETERMINE

THE NUMBER AND FREQUENCY OF SECRET SHOPS FOR MEDICARE

ADVANTAGE ORGANIZATIONS AND FOR PRESCRIPTION DRUG PLANS.

THIS WAS DONE AT THE PARENT ORGANIZATION THAT, AGAIN,

WE WENT FROM SEVEN PRIVATE FEE-FOR-SERVICE PLANS TO

LOOKING AT ALL OF OUR PARENT ORGANIZATIONS.

THE ANALYSIS WAS BASED ON OBJECTIVE CRITERIA AND DATA

SOURCES AVAILABLE TO CMS.

IN 2010 FOR THIS UPCOMING AEP/OEP, WE WILL CONTINUE TO

UTILIZE A RISK-BASED MODEL THAT WILL ALLOW FOR EARLY

DETECTION OF ISSUES.

AS WITH EARLY DETECTION, WE WANTED TO ENSURE THAT IT

LEADS TO PREVENTION ON THE PLAN'S PART.

OUR SURVEILLANCE CONSOLE WAS DEVELOPED TO PROVIDE THE PLAN

AND THE SPONSORS WITH REAL-TIME ISSUES AS THEY SURFACED,

ALLOWING THE PLANS TO GET AHEAD OF AN ISSUE OR,

HOPEFULLY, TO PREVENT THE ISSUE FROM REOCCURRING AGAIN.

THE CONSOLE ALLOWED YOU TO SEE YOUR PLAN'S RESULTS TO

SECRET SHOPS.

NOW, WE BELIEVE THAT WE WERE  
SUCCESSFUL IN THIS AREA,

AS MANY OF YOU DID TAKE  
CORRECTIVE ACTIONS EARLY ON

DURING THE AEP, AND THOSE  
ACTIONS LOOKED SOMETHING LIKE

MAKING CHANGES TO YOUR  
PRESENTATION MATERIALS.

SOME OF YOU BROUGHT YOUR  
AGENTS BACK IN FOR RETRAINING.

MANY OF YOU, AND SOME OF YOU  
TOOK A CLOSER LOOK AT

THE AGENTS YOU WERE DEALING  
WITH, AND, IN FACT, SOME

OF YOU MAY HAVE SUSPENDED  
AN AGENT OR MAYBE EVEN

TERMINATED AN AGENT.

LASTLY, IN TERMS OF  
RESPONDING, OUR STRATEGY THIS

YEAR PROVIDED RESPONSES  
TO VALIDATED ISSUES, ALSO

ON A REAL-TIME BASIS, IN THAT  
COMPLIANCE ACTIONS WERE TAKEN

ON A FLOW BASIS RATHER THAN AT  
THE END OF THE AEP OR THE OEP.

FOR CONTRACT YEAR 2009--

I HAVE TO KEEP THEM  
STRAIGHT IN MY MIND--

WE GAVE YOU YOUR RESULTS  
AT THE END OF THE AEP.

THIS YEAR, WHAT WE'VE  
ATTEMPTED TO DO IS TO GIVE YOU

THOSE COMPLIANCE ACTIONS--

GOOD, BAD, OR INDIFFERENT--

SOONER SO THAT YOU COULD AGAIN  
HAVE AN OPPORTUNITY TO ACT

ON THEM, AND MANY OF YOU,  
AGAIN, DID DO THAT, AND MIKE

WILL TALK A LITTLE BIT MORE  
ABOUT WHAT WE SAW IN TERMS

OF COMPLIANCE ACTIONS IN A  
FEW MOMENTS, BUT THE ONE THING

THAT I WANT TO DO RIGHT NOW  
IS TO MESSAGE TO YOU THAT

SURVEILLANCE DOESN'T STOP  
WITH THE AEP AND THE OEP AS IT

RELATES TO MARKETING TO  
MEDICARE BENEFICIARIES.

THIS IS AN ACTION  
THAT WILL CONTINUE.

THE CLOCK DOESN'T STOP.

SO IF YOU'RE IN THE AUDIENCE  
AND YOU'RE A PLAN THAT'S

SAYING, "PHEW, WE GOT THROUGH  
THE AEP AND THE OEP, AND WE

ONLY HAD ONE WARNING LEFT,"  
IT DOESN'T STOP.

WE PICK UP WHERE YOU LEFT OFF.  
I WANT YOU TO HEAR THAT.

WE PICK UP WHERE YOU LEFT OFF.

SO I'M HOPEFUL THAT A COUPLE  
OF THINGS HAPPEN THAT YOU LEFT

OFF IN GOOD STANDING.

IF YOU DIDN'T, LISTEN  
CLOSELY BECAUSE, AGAIN,

AS YOU HEARD ME SAY,  
WE'RE GOING TO USE

A RISK-BASED ANALYSIS WHICH WILL  
LOOK AT HOW YOU

PERFORMED DURING THE LAST  
CONTRACT YEAR PERIOD.

I THINK THAT'S ONLY FAIR,  
AND I'M HOPEFUL THAT BETWEEN

THE MARKETING SEASONS THAT  
YOU'RE TAKING A STRONGER LOOK

AT WHAT WAS IN THAT CONSOLE AND  
TWEAKING, MAKING CHANGES TO

WHATEVER NEEDS TO HAPPEN TO  
GET YOU OFF TO THE RIGHT START

WHEN WE START OUR SURVEILLANCE  
ACTIVITIES AROUND THE AEP THIS

YEAR, AND BEFORE I LEAVE THIS  
SLIDE, I WANT TO SPEND A FEW

MINUTES DISCUSSING SOME  
EXAMPLES OF HOW YOU,

AS A HEALTH PLAN, CAN BUILD  
A SURVEILLANCE PROGRAM THAT'S

DESIGNED TO DETECT,  
PREVENT, AND RESPOND.

NOW, IN TERMS OF DETECTION,  
I STRONGLY URGE YOU,

AS A PLAN, TO DO SOME  
SURVEILLANCE RISK ANALYSIS,

AND SOME OF THE THINGS,  
THE THREE EXAMPLES AM GOING

TO SHARE, I DON'T THINK THEIR  
ROCKET SCIENCE, BUT MANY

OF YOU UTILIZED SOME OF THESE  
TECHNIQUES, SO I WANT TO SHARE

WHAT I THINK ARE THREE  
STRONG EXAMPLES.

THE FIRST ONE THAT COMES  
TO MIND IS TO DO A RISK

ASSESSMENT AROUND WHETHER OR  
NOT YOU HAVE EMPLOYED AGENTS,



CONTRACTED AGENTS, OR A  
COMBINATION AND LET THAT GUIDE

YOU IN TERMS OF WHAT  
YOU'RE GOING TO DO OR NOT DO

AROUND SURVEILLANCE.

NOW I SEE SOME HEADS SHAKING.

I HOPE THAT'S BECAUSE  
YOU THINK THAT'S A GOOD

SUGGESTION, AND WHILE  
IT'S SIMPLE, SOME OF YOU

DIDN'T DO THAT.

I WANT YOU TO TAKE A LOOK  
AGAIN TO DECIDE WHERE ARE YOU

GETTING YOUR LEADS FROM.

ARE THEY COMING FROM FIELD  
MAINTENANCE ORGANIZATIONS,

THIRD PARTY LEAD GENERATORS.

THESE ARE THE SITUATIONS  
WHERE YOU'RE MORE PRONE--

I DIDN'T SAY DEFINITELY--  
BUT MORE PRONE.

IF THINGS ARE GOING TO GO  
WRONG, THERE CAN GO WRONG WHEN

AGENTS ARE NOT WITHIN YOUR  
CONTROL, MEANING THEY'RE NOT

BEING PAID BY YOU.

ANOTHER THING THAT YOU CAN DO  
IS TO LOOK TO SEE WHAT TYPE

OF PRODUCT OFFERINGS YOU HAVE.

IF YOU'RE OFFERING  
MULTIPLE PRODUCTS--

AN HMO, A PPO, A PRIVATE  
FEE-FOR-SERVICE--

THEN, AGAIN, I THINK THE  
CHALLENGE FOR YOU IS A LITTLE

GREATER THAN A PLAN THAT,  
PERHAPS, IS ONLY OFFERING ONE

TYPE OF PRODUCT.

SO, AGAIN, YOU WANT TO TAKE  
A LOOK AT THAT

IN YOUR RISK ANALYSIS.

THE OTHER THING THAT YOU WANT  
TO DO IS TO LOOK AT ARE YOU

IN AN AREA WHERE THERE IS  
LIKELY TO BE NONRENEWAL

ACTIVITY OR ARE YOU,  
AS A PLAN, PLANNING ON

NONRENEWING, DOING SOME FORM  
OF NONRENEWAL, EITHER THROUGH

A SERVICE AREA REDUCTION,  
THE NONRENEWAL OF A PRODUCT,

OR NONRENEWAL OF THE CONTRACT,  
AND, AGAIN, ASK YOURSELF,

"WHAT DO WE NEED TO BE DOING  
DIFFERENTLY TO ENSURE THAT WE

ARE COMPLIANT WITH ALL OF  
THE RULES OF ENGAGEMENT

AROUND MARKETING?"

AND THE LAST EXAMPLE THAT  
I THROW OUT IS, YOU CAN BE

A PLAN WITH ALL OF THIS--YOU  
COULD HAVE EMPLOYED AGENTS,

CONTRACTED AGENTS, MULTIPLE  
PRODUCT OFFERINGS; YOU COULD

BE IN A NONRENEWAL AREA;  
YOU COULD BE NONRENEWING--

AND IF THAT IS YOU, THEN,  
AGAIN, WE WANT YOU TO START TO

DO YOUR LEGWORK SOONER  
RATHER THAN LATER.

IN TERMS OF PREVENTION ON YOUR  
SIDE, I WOULD MOST CERTAINLY

ASK YOU TO EMBODY A  
ROBUST SURVEILLANCE PLAN.

NOW, LAST YEAR, IF YOU HAD  
THE OPPORTUNITY TO HEAR

PRESENTATIONS FROM MIKE AND I.

YOU HEARD ME TALK  
ABOUT THE 3Rs.

I'M NOT GOING TO GO THROUGH  
THE 3Rs AGAIN, BUT I'M JUST

GOING TO GIVE YOU A RECAPPED  
VERSION BECAUSE TO DO GREAT

PREVENTION, YOU NEED TO HAVE  
A ROBUST SURVEILLANCE PLAN,

AND IF YOU HEARD ME SPEAK LAST  
YEAR, YOU HEARD ME SAY THAT IT

NEEDS TO, ONE,  
INCORPORATE ALL

OF THE PRODUCTS YOU SELL.

TWO, ANYBODY, ANYBODY THAT HAS  
THE POTENTIAL TO ENCOUNTER ONE

OF YOUR MEDICARE BENEFICIARIES  
NEEDS TO BE THOROUGHLY TRAINED

ON WHAT IT IS YOU'RE OFFERING,  
AND, THREE, YOU WANT TO BE,

AGAIN, ASSURED THAT YOU HAVE  
BUY-IN FROM THE TOP DOWN.

NOW, WE TRY TO HELP WITH THAT  
THIS YEAR, WE MEANING

THE REGIONAL OFFICES.

WE MESSAGE TO ALL OF OUR HIGH-  
RISK PARENT ORGANIZATIONS LAST

YEAR THAT WE EXPECTED FOR  
THEM TO BE COMPLIANT, AND WE

MESSAGE THAT AT THE VERY TOP  
OF THE ORGANIZATION, MEANING

YOUR CEOs, YOUR MEDICARE  
COMPLIANCE PERSONS, AND YOUR

VICE PRESIDENTS OR YOUR  
LEADS FROM MARKETING.

AGAIN, WE NEED YOUR FULL  
COOPERATION FROM THE TOP DOWN

TO MAKE SURE THAT WE ARE  
SEEING ISSUES, THAT WE HAVE

YOUR UNDIVIDED ATTENTION.

ONE OF THE OTHER THINGS  
YOU CAN DO THAT A COUPLE

OF THE PLANS SAID THAT THEY  
FOUND USEFUL WAS TO UTILIZE

OUR SURVEILLANCE  
SHOPPING TOOL.

I SAID AT THE BEGINNING  
THAT WE WERE TRANSPARENT.

WE MADE THAT TOOL AVAILABLE.

SOME OF YOU REALLY TOOK US TO  
HEART, TOOK THAT TOOL, MODELED

YOUR SURVEILLANCE  
TOOL AFTER THAT.

SOME OF YOU USED IT VERBATIM,  
WHICH WAS FINE.

WE'VE HEARD THAT MANY OF YOU  
USED IT FOR TRAINING PURPOSES.

SOME OF YOU USED IT TO  
HELP CARVE OUT YOUR

PRESENTATION MATERIALS.

WHATEVER WORKS FOR YOU,  
AS MY MOTHER WOULD SAY,

WHATEVER FLOATS YOUR BOAT,  
JUST MAKE SURE THAT BOAT

FLOATS IN THE RIGHT DIRECTION.

MAKE SURE OF THAT.

YOU DON'T WANT TO SAIL IN THE  
WRONG DIRECTION, BUT WE WANT

TO MAKE SURE THAT YOU CAN  
UTILIZE THAT TOOL TO GUIDE

YOUR THOUGHTS AROUND SOMETHING  
THAT HELPS YOU GET THROUGH

THE AEP AND THE OEP  
WITHOUT DIFFICULTIES.

THE LAST THING I WANT TO TALK  
ABOUT IN TERMS OF WHAT YOU CAN

DO AROUND PREVENTION IS TO  
HAVE STRONG INTERNAL CONTROLS

IN PLACE AT THE ONSET.

YOU NEED TO BE ABLE, AGAIN,  
TO DEAL QUICKLY WITH ISSUES

WHEN THEY ARISE, NOT THAT  
WE WANT YOU TO USE THEM,

BUT THERE'S NOTHING WORSE IN  
MY MIND THAN HAVING A PLAN

HAVE SOME DIFFICULTIES  
THAT THEY DON'T HAVE A CLUE

ABOUT HOW THEY  
WANT TO HANDLE IT.

NOW, MIKE IS GOING TO TALK  
ABOUT SOME BEST PRACTICES THAT

WE THINK ARE THERE, BUT YOU  
NEED TO BE ABLE TO MESSAGE UP

FRONT AS YOU EMPLOY AGENTS OR  
AS YOU CONTRACT WITH AGENTS

WHAT YOU'RE PREPARED TO DO

SHOULD THEIR BEHAVIOR PUT YOU

IN A PREDICAMENT WHERE YOU'RE  
BEING ASKED

TO CORRECT A BEHAVIOR.

SO AGAIN, STRONG INTERNAL  
CONTROLS

IN PLACE, AND THEN IN TERMS

OF WHAT YOU CAN DO TO RESPOND  
TO ISSUES IS, YOU CAN DEAL

WITH THE ISSUES RATHER  
THAN DEBATING THE PROCESS.

NOW, IT WORKED THIS YEAR.

AGAIN, WE'VE HEARD FROM SOME  
OF YOU LAST YEAR WHEN WE

TALKED ABOUT, "DID WE WANT  
TO GIVE YOU THREE DAYS?

COULD IT WORK?

DID WE DO THIS?  
COULD WE DO THAT?"

IT WORKED. IT WORKED.

I DON'T THINK WE HAD ANY  
ISSUES, PER SE, WITH ANYBODY

RESPONDING WITHIN THOSE TIME  
FRAMES, BUT I'M CONVINCED THAT

IT WORKED BECAUSE YOU PUT YOUR  
EFFORTS INTO DEALING WITH THE

ISSUE RATHER THAN DEBATING THE  
PROCESS OR COMING BACK TO SAY,

"WELL, CAN WE HAVE--" YOU  
DEALT WITH THE ISSUES.

SO, AGAIN, IN ORDER TO BE  
RESPONSIVE TO OUR CONCERNS,

I WANT YOU AGAIN TO BE  
THINKING ABOUT WHAT INTERNAL

CONTROLS LOOK LIKE FOR  
INFRACTIONS, WHAT YOU ARE

PREPARED TO DO, AND THEN  
BE READY TO DO THAT.

**Part 2**

>> NOW LET'S  
MOVE ON. I WANT TO REVIEW.

I JUST THINK IT'S WONDERFUL  
WHEN GADGETS WORK FOR ME.

THEY DON'T ALWAYS WORK FOR ME.

I WANT TO REVIEW WITH YOU,  
IF YOU WILL, SOME OF THE

SURVEILLANCE ACTIVITIES THAT  
WE ENCOUNTERED THIS PAST YEAR.

YOU HEARD ME SAY THAT WE BEGAN  
OUR SECRET SHOPPING PROGRAM

IN 2007 WHEN WE DID PUBLIC  
SALES EVENTS FOR SEVEN PRIVATE

FEE-FOR-SERVICE PLANS,  
BUT WE'VE COME A LONG WAY.

IN CONTRACT YEAR 2010,  
WE ACTUALLY CONDUCTED SHOPS

FOR JUST OVER 1,300  
SALES EVENTS.

THE TRAINING, THERE WAS SOME  
CONCERN INITIALLY ABOUT WHO

WAS SHOPPING THE EVENTS.

WELL, THERE'S A COMBINATION.

PRIMARILY, WE USED CONTRACTOR  
HELP, AND WE UTILIZED A LOT

OF OUR RO SHOPPERS.

I'M REALLY PROUD OF THE SHOPS

THAT OCCURRED THIS YEAR.

THERE WAS SOME RIGOROUS  
TRAINING THAT WENT INTO

THOSE SHOPS.

WE DID A LOT OF TRAINING  
WITH OUR OWN STAFF, STRONG

SHOPPERS, SOME OF THEM  
THAT ARE IN THIS ROOM.

NOT ONLY DID WE DID THE  
INITIAL TRAINING, BUT WE DID

A LOT OF REASSESSMENT OF OUR  
TRAININGS AS WE WENT THROUGH

THE AEP AND THE OEP.

WE MODIFIED OUR TOOLS  
WE'VE IMPROVED OUR TRAINING

PROTOCOLS, AND, AGAIN,  
OUR BOTTOM-LINE GOAL IS TO

ENSURE THAT OBSERVATIONS THAT  
WE SEE FROM YOUR SHOPS ARE

ACCURATE, THEY'RE VERIFIABLE,  
AND THAT THEIR UNDERSTANDABLE.

WE CONDUCTED A SERIES OF  
LISTENING SESSIONS THIS MONTH

AND WILL BUILD IN MANY OF  
THE SUGGESTIONS INTO OUR

DEVELOPMENT OF THE TOOL THAT  
WE'RE GOING TO USE FOR THE 2011

CONTRACT YEAR, SO, AGAIN,  
THE SECRET SHOPPING,

WE THOUGHT, WENT OVER WELL,  
AND, AGAIN, WE CONTINUE TO

POUR A LOT OF ENERGIES  
INTO THAT TOOL.

SECRET SHOPPING,



THAT'S STILL GOOD.

WE DID A PILOT OF WHAT WE  
CALL STAGED EVENTS, OR

ONE-ON-ONE EVENTS.

THE PILOT WAS CONDUCTED DURING  
BOTH THE AEP AND THE OEP,

AND SINCE THIS ACTIVITY WAS A  
PILOT, WE DID NOT ISSUE ANY

COMPLIANCE NOTICES AS A RESULT  
OF WHAT WE SAW

DURING ONE-ON-ONE EVENTS.

WHAT WE WILL DO, HOWEVER, IS,  
WERE GOING TO USE

THAT INFORMATION.

WE WILL CONTINUE TO DO SOME  
FORM OF STAGED SHOPS, AND WE'RE

GOING TO USE THIS DATA THAT  
WE'VE GLEANED FROM THIS PAST

AEP/OEP TO HELP US FINE-TUNE  
THE PROCESS AROUND WHAT'S

OCCURRING WHEN SOMEBODY  
ENCOUNTERS A MARKET ENCOUNTER

WITH JUST THEM AND THE  
SALES AGENT, AND, HOPEFULLY,

YOU'RE THINKING  
ABOUT THAT, AS WELL.

WE PUT A LOT OF  
FOCUS ON NONRENEWALS.

AGAIN, YOU HEARD ME SAY  
EARLIER THAT WE DID ENCOUNTER

A LARGER NUMBER OF NONRENEWALS  
THIS YEAR, AND AS

A RESULT OF THAT,  
WE CONDUCTED SHOPS IN 55

MARKETS WHICH REPRESENTED THE  
HIGHEST RATES OF NONRENEWAL

ACTIVITY TO ENSURE THAT THE  
REMAINING ORGANIZATIONS DID

NOT UTILIZE PRESSURE OR SCARE  
TACTICS TO LURE AFFECTED

BENEFICIARIES INTO THEIR  
PLANS, AND WE'RE HAPPY TO

REPORT THAT WE DIDN'T THINK  
THAT WE SAW ANY EGREGIOUS

ACTIVITIES IN THIS AREA.

HOWEVER, SINCE WE ANTICIPATE  
THERE IS A POSSIBILITY THAT WE

MAY SEE ANOTHER RISE, IF YOU  
WILL, IN NONRENEWAL ACTIVITY

FOR CONTRACT YEAR 2011,  
WE'LL STILL WANT TO KEEP

NONRENEWAL SURVEILLANCE  
ON OUR RADAR SCREEN.

MARKETING REVIEW WEBSITE.

NOW, THIS ACTIVITY WAS SIMPLE.

WHAT WE LOOKED FOR IN TERMS

OF YOUR WEBSITES WERE, ONE,

WAS IT OPERABLE AND WAS THE

INFORMATION EASILY LOCATED

AND WAS IT ACCURATE.

COMPLIANCE ACTIONS WERE TAKEN

FOR ORGANIZATIONS THAT DID NOT

MEET THESE REQUIREMENTS,

SO, AGAIN, AS YOU'RE PULLING  
UP YOUR WEBSITES, REDESIGNING  
THEM, MAKE SURE THAT  
THEY'RE OPERABLE.  
THEY NEED TO, AGAIN, BE  
EASILY ACCESSIBLE FOR MEMBERS,  
AND THEY DO NEED  
TO BE ACCURATE.  
CLIPPING SERVICE.  
THIS ACTIVITY  
HAD TWO PURPOSES.  
THE FIRST WAS TO REVIEW THE  
ADVERTISEMENTS TO ENSURE THAT  
THE EVENTS LISTED WERE  
ACTUALLY REPORTED TO CMS VIA  
OUR HPMS, AND THE SECOND WAS  
TO REVIEW ADVERTISEMENTS,  
PARTICULARLY AROUND THE  
NONRENEWAL AREA'S MARKETS,  
TO ENSURE THAT, AGAIN,  
THEY WERE CLEAR, ACCURATE,  
AND DID NOT USE SCARE  
OR PRESSURE TACTICS.  
NO COMPLIANCE ACTIONS WERE  
TAKEN AGAINST ORGANIZATIONS AS  
A RESULT OF INAPPROPRIATE

CONTENT IN ADVERTISEMENT.

HOWEVER, SOME ORGANIZATIONS

DID, IN FACT, RECEIVE

COMPLIANCE NOTICES DUE TO

UNREPORTED MARKETING EVENTS.

CALL CENTER PERFORMANCE,

AND, AGAIN, THIS WAS

FOR NONRENEWING PLANS,

SO, AGAIN, I HOPE YOU'RE

HEARING THAT, AGAIN, WE ARE

PUTTING A LOT OF EMPHASIS

ON NONRENEWALS BECAUSE,

AGAIN, WE THINK IT'S GOING TO

HAPPEN AGAIN THIS YEAR THAT

PLANS DECIDE TO NONRENEW.

THERE IS BEHAVIOR IN

THE MARKETPLACE THAT IS

EXPECTED BY CMS,

AND AS PART OF OUR YEAR-ROUND

SURVEILLANCE AROUND

NONRENEWALS, CMS CONDUCTED

A PILOT REGARDING CALL CENTER

PERFORMANCE FOR ORGANIZATIONS

THAT WERE NONRENEWING PRODUCTS

DURING CONTRACT YEAR 2010.

THE QUESTIONS IN THIS ACTIVITY

WERE FOCUSED ON SPECIFIC  
NONRENEWAL-RELATED  
QUESTIONS WHICH ASSESS  
THE ORGANIZATION'S ABILITY TO  
PROVIDE ACCURATE RESPONSES TO  
POTENTIAL QUESTIONS THAT A  
BENEFICIARY MAY ASK TO BETTER  
UNDERSTAND THEIR OPTIONS AND  
DEADLINES AS IT'S RELATED TO  
SELECTING A DIFFERENT  
ORGANIZATION OR A PLAN.  
THE INFORMATION GLEANED,  
AGAIN, FROM THIS ACTIVITY  
WILL BE ANALYZED TO STRENGTHEN  
THE ACTIVITY FOR POSSIBLE  
INCLUSION IN CONTRACT 2011.  
  
NOW I JUST WANT TO SPEND  
THE TIME THAT I HAVE LEFT  
  
TALKING A LITTLE BIT ABOUT  
SURVEILLANCE PHILOSOPHIES.  
  
SURVEILLANCE IS REAL-TIME,  
REAL-TIME OBSERVATIONS,  
  
BECAUSE IT'S THE ONLY SHOT  
THAT A MEMBER HAS TO MAKE THAT  
  
ONE DECISION, AND, AGAIN,  
I KNOW YOU KEEP HEARING ME SAY  
  
WE WANT CLEAR, COMPLIANT.  
  
WELL, WE DO BECAUSE THIS IS  
THEIR OPPORTUNITY TO DO THAT.

WE'VE ROLLED OUT  
EFFECTIVELY AND USED AN ONLINE

AUTOMATED SURVEILLANCE CONSOLE  
TO COMMUNICATE VIOLATIONS

AND RESULTS TO M.A.  
AND PDP ORGANIZATIONS.

THE CONSOLE ALLOWS CMS TO  
COMMUNICATE DEFICIENCIES IN AS

CLOSE TO REAL TIME AS  
POSSIBLE.

WITHIN DAYS OF COMPLETING YOUR  
SHOPS FOR YOUR ORGANIZATIONS,

WE WERE ABLE TO SEND  
YOU YOUR RESULTS.

AGAIN, GOOD, BAD,  
OR INDIFFERENT, WE SENT THEM,

AND THE CONSOLE GAVE YOU A  
FORM TO DOCUMENT AND PROVIDE

FORMAL RESPONSES TO ANY  
IDENTIFIED ISSUES, AND, AGAIN,

WE ARE DOING THAT, AS YOU  
HEARD ME SAY EARLIER, SO IF

YOU ARE SEEING SOMETHING VERY  
EARLY IN THE AEP, AND, IF YOU

CAN RECALL, WHILE WE DIDN'T  
TELL YOU WHEN WE SHOPPED YOU,

WE DID DO RISK ANALYSIS  
ASSESSMENT TO HELP US DECIDE

WHO NEEDED TO BE SHOPPED,  
WHEN, HOW MANY TIMES,

ET CETERA, SO IF WE ARE SEEING  
ISSUES, WE WERE ABLE TO GET

THOSE ISSUES IN FRONT OF YOU  
AND GIVE YOU AS MUCH TIME AS

POSSIBLE TO LOOK AT THOSE  
ISSUES BEFORE WE WENT BACK OUT

AND DID ANOTHER ROUND OF  
SHOPS, AND PRIMARILY THAT WAS

A SIGNIFICANT CHANGE IN  
OUR SHOPPING STRATEGY.

AGAIN, WE IMPLEMENTED WHAT  
WE CALLED CLUSTER SHOPPING,

AND WHAT THAT MEANT, AGAIN,  
WAS THAT, RATHER THAN HAVING

OUR SHOPPERS OBSERVE YOUR  
MARKET EVENTS CONTINUOUSLY

AND IN A ROLLING FASHION,  
WE INSTEAD TARGETED EACH

ORGANIZATION DURING A  
PREDEFINED, ANONYMOUS

TIMEFRAME EACH MONTH, AND ALL  
OF OUR SHOPS ARE CONDUCTED

DURING THAT TIMEFRAME, AND ALL  
OF THE RESULTS ARE SENT TO

YOUR ORGANIZATION AT ONE TIME.

AGAIN, THE BENEFIT HERE IS  
THAT IT ALLOWS CMS TO MAKE

A DETERMINATION ABOUT  
YOUR PERFORMANCE.

IT ALLOWS YOU THE OPPORTUNITY  
TO IMPLEMENT IMMEDIATE ACTION

THAT YOU WILL TAKE BEFORE  
WE DO ANOTHER RUN OF SHOPS

AGAINST YOUR ORGANIZATION.

CMS WILL AGAIN USE A RISK  
APPROACH TO IDENTIFY THE

NUMBER OF SHOPS ASSIGNED AT  
THE START OF THE AEP, AND WE

WILL QUICKLY SHIFT TO  
PERFORMANCE-BASED MODEL

AND DECIDE NUMBER OF SHOPS  
DEPENDING ON WHAT WE

SEE INITIALLY.

ORGANIZATIONS WITH POOR  
PERFORMANCE WILL RECEIVE

INCREASED NUMBER OF SHOPS.

CMS CONDUCTED AN INTENSIVE  
LEVEL, MULTI-LAYERED

VALIDATION PROCESS OF OUR  
SECRET SHOPPING DEFICIENCIES,

AND I REALLY WANT  
TO STRESS THIS HERE.

I DON'T WANT ANYONE TO GO AWAY  
AND THINK WE SENT SOMEONE OUT

TO SHOP, THEY COME BACK,  
WE PUT IN THE CONSOLE, AND IT

CAME DIRECTLY TO YOU.

I WANT TO KIND OF WALK YOU  
THROUGH THE LAYERS THAT WE

EMPLOYED BEFORE WE SENT YOU  
A COMPLIANCE ACTION WHERE WE

FELT WE HAD  
VALIDATED THAT PROCESS.

FIRST, THERE WAS THE  
QUALITY ASSURANCE DONE BY THE

CONTRACTOR OR THE RO SHOPPER  
TO ENSURE THAT ALL APPLICABLE

FIELDS WERE COMPLETED.

NEXT, WE HAD A SURVEILLANCE  
ANALYSIS TEAM--WE CALL THEM

THAT S.A.T. TEAM--



THAT REVIEWED THE DEFICIENCIES  
BEFORE THEY WENT TO

THE ORGANIZATION TO CONFIRM  
THAT THE OBSERVATIONS ARE

ADEQUATELY DETAILED AND MAY  
SUPPORT A FINDING, AND THEN

AFTER THAT, WE PROVIDED YOU  
WITH THE OPPORTUNITY TO LOOK

AT THE DEFICIENCIES AND  
PROVIDE YOUR RESPONSES.

THEY THEN WENT BACK TO THAT  
SURVEILLANCE ANALYSIS TEAM

AFTER WE GOT YOUR COMMENTS TO  
SEE IF THEY STILL THEN FELT

THAT THE DEFICIENCY WAS ONE  
THAT COULD BE VALIDATED.

SOME WE INVALIDATED.

OTHERS, WE WERE NOT, AND THEN  
FOR THOSE THAT WE FELT WERE

VALIDATED, THAT NEEDED TO  
COME TO THE COMPLIANCE TEAM,

IT CAME TO A COMMITTEE  
WHERE ALL OF THE VALIDATED

DEFICIENCIES THAT WERE  
CONFIRMED, WE USED THOSE THEN

TO DRIVE OUR DECISIONS ABOUT  
WHETHER YOU GOT A TECHNICAL

ASSISTANCE LETTER, A NOTICE OF  
NONCOMPLIANCE, OR ANY OTHER

HIGHER REQUEST.

SO, AGAIN, WE DON'T JUST SAY,  
"YOU MADE A MISTAKE," OR,

"WE THINK YOU MADE A MISTAKE,"  
AND WE RUN WITH IT.

WE REALLY DO VALIDATE WHETHER  
OR NOT WE THINK THAT THEY ARE,

IN FACT, VALID, GIVE YOU  
AN OPPORTUNITY TO RESPOND.

WE CAN EITHER INVALIDATE OR  
VALIDATE, AND THEN IT MOVES

ON TO A COMPLIANCE COMMITTEE,  
WHERE, AGAIN, WE TRY TO MAKE

SURE THAT THEY'VE HAD  
A CONSISTENT LOOK

AND AN APPROACH.

NOW I'M GOING TO TURN IT OVER  
TO MIKE KAVOURAS, WHO'S

GOING TO TALK TO YOU ABOUT  
SOME OF THE SPECIFIC OUTCOMES

THAT CAME FROM OUR SHOPS.

HE'LL GO OVER SOME BEST  
PRACTICES AND SOME THINGS

WE'VE LEARNED AS A RESULT  
OF THE ACTIVITIES THAT WE

CONDUCTED MOST RECENTLY.

>> GOOD MORNING.

I THINK THIS IS THE LAST  
PRESENTATION BEFORE LUNCH,

SO HOPEFULLY, WE CAN  
CONTINUE THE MOMENTUM.

I WAS LOOKING AROUND THE ROOM,  
AND I DEFINITELY SEE

AN INTEREST IN THIS PARTICULAR  
TOPIC, AND WE HOPE WE HAVE SOME

REAL GOOD, INFORMATIVE  
INFORMATION TO SHARE

WITH YOU ALL HERE WITH THE

BALANCE OF THIS SEGMENT.

AS GLORIA MENTIONED,  
WE'RE GOING TO COVER THREE

ASPECTS OF SURVEILLANCE IN  
THIS NEXT SEGMENT, SOME

OF THE OUTCOMES FROM  
CONTRACT YEAR 2010.

WE'RE GOING TO COVER BEST  
PRACTICES THAT WE'VE HEARD

BACK FROM THE INDUSTRY ABOUT  
AS WELL AS LESSONS LEARNED,

AND WE HAVE A LOT OF LESSONS  
LEARNED FROM THIS LAST YEAR.

OK.

NOW, UP ON THE SCREEN HERE--

AND IT'S NOT IN YOUR PACKETS,  
SO YOU MAY HAVE TO WRITE DOWN

THIS WEB ADDRESS--

BUT WE WANTED TO MAKE SURE

THAT EVERYBODY KNEW THAT WE

HAVE RELEASED THE AEP  
SURVEILLANCE INDUSTRY REPORT.

THIS WAS ACTUALLY PUBLISHED  
AND POSTED ON OUR CMS WEBSITE

A FEW WEEKS AGO, AND I'M NOT  
CONVINCED THAT EVERYBODY IS

AWARE THAT THIS  
REPORT IS PUBLIC.

MUCH OF WHAT I'LL BE  
DISCUSSING HERE IN THIS NEXT

SEGMENT IS ACTUALLY CONTAINED  
IN THIS COMPREHENSIVE REPORT,

SO IF YOU WANT TO GET MORE IN

DEPTH ON SOME OF THE TOPICS

THAT WILL BE COVERING HERE  
WHERE YOU FEEL THAT YOUR

QUESTIONS WERE NOT ANSWERED  
HERE TODAY, PLEASE FEEL FREE

TO GO THROUGH THAT REPORT.

IF YOU HAVE ANY QUESTIONS  
LATER ON AFTER VIEWING IT,

PLEASE FEEL FREE TO CONTACT  
ME, AND I CAN HELP ANSWER ANY

QUESTIONS YOU MAY HAVE.

DID I GIVE PEOPLE ENOUGH  
TIME TO WRITE THAT DOWN?

IT'S  
[CMS.GOV/MANAGEDCAREMARKETING/](http://CMS.GOV/MANAGEDCAREMARKETING/) .

THAT'S ALL ONE WORD.

### Part 3

>> LET ME START FIRST  
WITH INDUSTRY PERFORMANCE,

WHAT WE SAW.

I THINK IT'S SAFE TO SAY THAT  
WE'VE DEFINITELY SEEN STRIDES

IN PERFORMANCE, BUT THERE  
IS ROOM FOR IMPROVEMENT.

YOU KNOW, GLORIA AND I ARE  
NEVER SATISFIED, I THINK,

UNTIL THAT NUMBER  
GETS DOWN TO ZERO.

I THINK THAT'S  
EVERYBODY'S ULTIMATE GOAL.

WE WANT NO VIOLATIONS IN  
THE MARKETPLACE, OBVIOUSLY,

BUT HERE'S WHAT WE SAW.

THE NUMBER UP ON THE SCREEN  
HERE REPRESENTS THE PERCENTAGE

OF EVENTS WITH VIOLATIONS  
DISCOVERED DURING OUR ANNUAL

ELECTION PERIOD, AND THE  
VIOLATIONS AT EVENTS IN THE AEP

WERE AT 40%,  
A NUMBER WE DEFINITELY WANT TO

SEE COME DOWN.

WE ALSO KNOW THERE IS ROOM FOR  
IMPROVEMENT BECAUSE THROUGHOUT

THE AEP AND OVP, WE ISSUED  
OVER 420 NOTIFICATIONS TO

ORGANIZATIONS RELATED TO  
VIOLATIONS WE FOUND

AT MARKETING EVENTS.

MANY OF THOSE WERE OF THE  
TECHNICAL ASSISTANCE VARIETY,

AND I WANT TO EMPHASIZE THAT  
THAT KIND OF NOTIFICATION IS

NOT CONSIDERED A FORMAL  
COMPLIANCE LETTER, BUT IT IS

PUTTING AN ORGANIZATION  
ON NOTICE ABOUT

DEFICIENCIES WE FOUND.

SO, AGAIN, ONE VIOLATION,  
YOU RECEIVED AT MINIMUM

A TECHNICAL ASSISTANCE LETTER.

WE WANT TO MAKE SURE THE  
ORGANIZATIONS ARE RESPONSIVE

TO EVEN ONE VIOLATION AND ABLE  
TO TAKE ACTION, SO WE DIDN'T

BURY THAT.

WE DIDN'T HIDE IT.

WE MADE SURE WE GOT THAT OUT,  
AS GLORIA MENTIONED, REAL-TIME

THROUGH THE CONSOLE, AND  
WE FORMALIZED THAT AS PART

OF THE OFFICIAL RECORD THROUGH  
THE ISSUANCE OF TECHNICAL

ASSISTANCE LETTERS.

WHERE ORGANIZATIONS HAD  
RECURRENT PROBLEMS OR MORE

SERIOUS PROBLEMS, WE GOT  
INTO THE MORE FORMAL ACTIONS.

AGAIN, 420 LETTERS WENT  
OUT AGAIN THE AEP AND OEP

INDUSTRYWIDE.

THAT'S A LOT OF LETTERS,  
OK, BUT WE DEFINITELY HAVE

SEEN SOME GOOD OUTCOMES  
AS A RESULT OF THAT.

ONE OF THE THINGS HERE COVERED  
IN THE SECOND BULLET IS,

NOW THAT WE'VE DONE THIS A FEW  
YEARS, A DEFINITIVE DECREASE

IN THE NUMBER OF EGREGIOUS  
VIOLATIONS IN THE MARKETPLACE,

AND WHEN I SAY EGREGIOUS,  
WE'RE TALKING ABOUT A FEW

CATEGORIES OF VIOLATIONS.

SCARE TACTICS IS ONE OF THOSE,  
ACTS OF MISREPRESENTATION,

AND AGGRESSIVE  
MARKETING TACTICS.

WE'RE NOT SEEING AS MUCH OF  
THOSE VIOLATIONS AS WE HAVE

IN YEARS PAST.

THAT'S GOOD NEWS.

HOWEVER, WE ARE STILL SEEING  
DEFICIENCIES IN THE AREAS

OF PROVIDING CLEAR AND  
ACCURATE INFORMATION TO

MEDICARE BENEFICIARIES THAT ARE  
ATTENDING MARKETING EVENTS.

THE NEXT SLIDE IS GOING TO  
GET INTO SOME OF THE SPECIFIC

DETAILS OF THE MOST  
COMMON DEFICIENCIES THAT WE

SAW INDUSTRYWIDE.

NOW, AGAIN, YOUR LETTERS THAT  
YOU ALL RECEIVED GAVE YOU

A SENSE OF WHAT YOUR  
SPECIFIC PROBLEMS WERE

AT MARKETING EVENTS.

THIS IS GIVING YOU AN  
INDUSTRYWIDE SNAPSHOT OF WHAT

WE SAW BETWEEN THE  
AEP IN THE OEP--

ONE, THE FAILURE TO PROVIDE  
CLEAR AND ACCURATE INFORMATION

RELATED TO YOUR  
PLANS DRUG COVERAGE.

THIS WAS A VERY COMMON  
SUBSTANTIVE DEFICIENCY THAT WE

SAW TIME AND TIME AGAIN.

THERE WERE THREE PRIMARY AREAS  
THAT WE EXAMINED THAT CROPPED

UP OVER AND OVER AGAIN,  
ONE RELATED TO COST, MAKING

SURE THAT THE AGENT OR PLAN  
REPRESENTATIVE GAVE CLEAR

AND ACCURATE INFORMATION  
RELATED TO WHAT

THE COST-SHARING COSTS WERE  
GOING TO BE FOR A PARTICULAR

BENEFICIARY THAT WANTED TO JOIN  
A PARTICULAR PLAN, EITHER

AN MAPD OR PDB PLAN,  
ACCURATELY DESCRIBING

THE PLAN'S COVERAGE GAP.

AGAIN, THIS GOES BACK  
A COUPLE YEARS NOW.

THIS IS ONE OF  
THE HOT BUTTON TOPICS,

AND WE KNOW THE COVERAGE GAP  
IS COMPLICATED.

IT'S DIFFICULT TO EXPLAIN.

IT'S DIFFICULT FOR  
BENEFICIARIES TO UNDERSTAND,

BUT WE SAW REPEATEDLY  
THAT THIS WAS ONE OF OUR MORE

FREQUENT AREAS OF DEFICIENCIES  
IN DESCRIBING ACCURATELY

THE COVERAGE GAP AND THIRD,  
AN ACCURATE DESCRIPTION

OF THE PLAN'S FORMULARY,  
LETTING BENEFICIARIES KNOW THE

CATEGORIES OF DRUGS THAT WERE  
COVERED UNDER THE PARTICULAR

PLAN OR LETTING THE  
BENEFICIARIES KNOW WHERE THEY

CAN OBTAIN THAT INFORMATION,  
WHICH IS ACCEPTABLE.



YOU CAN ACTUALLY REFER THEM  
TO YOUR WEBSITE OR REFER THEM

TO YOUR CUSTOMER SERVICE  
AREA TO GET A COPY

OF THE PLAN FORMULARY.

SECOND, ANOTHER COMMON AREA OF  
DEFICIENCY WE SAW IS WHAT WE

CALL PRESSURE TACTICS,  
PARTICULARLY IN THE AREA

OF REQUIRING BENEFICIARIES TO  
PROVIDE THEIR PERSONAL CONTACT

INFORMATION, AND WE SAW THIS  
OVER AND OVER AGAIN WHERE THE

AGENT OR PLAN REPRESENTATIVE,  
THE BENEFICIARY COMES INTO

THAT PARTICULAR EVENT,  
AND THEY SAY THINGS LIKE,

YOU KNOW, "YOU HAVE TO SIGN  
THIS FORM BECAUSE MY BOSS

REQUIRES ME TO COLLECT ALL  
NAMES OF PEOPLE THAT ATTEND

THIS EVENT," OR, "MEDICARE  
REQUIRES ME TO MAKE SURE THAT

I GET EVERYBODY'S NAMES THAT  
ATTENDS A MEDICARE SEMINAR."

IT GIVES THE BENEFICIARY A  
SENSE THAT THEY HAVE TO GIVE

UP PERSONAL INFORMATION  
THAT ISN'T REQUIRED.

THE BIG CONCERN FOR US HERE  
ISN'T ONLY WITH THE PRESSURE

THE BENEFICIARY FEELS, BUT THE  
POTENTIAL THERE THAT THE AGENT

OR PLAN REP CAN TAKE THAT

INFORMATION AND CONDUCT

ONE-ON-ONE APPOINTMENTS WITH  
THAT BENEFICIARY WITHOUT HAVING

OBTAINED APPROPRIATE SCOPE  
OF APPOINTMENT FORM,

AND THAT'S SOMETHING THAT WE  
LOSE CONTROL OVER AFTER THAT

EVENT OCCURS.

SO THAT PRESSURE TACTICS TELLS  
US SOMETHING ABOUT A BEHAVIOR

THAT WE FEEL IS INAPPROPRIATE,  
AND WE WANT TO MAKE SURE THAT

THAT DISCONTINUES.

THIRD, INAPPROPRIATE,  
UNSUBSTANTIATED--

I ITALICIZE THAT FOR A  
REASON; I'LL COME BACK TO THAT

IN A MOMENT--

BUT INAPPROPRIATE,  
UNSUBSTANTIATED COMPARATIVE

MARKETING STATEMENTS MADE AT  
EVENTS, FOR EXAMPLE, "WE ARE

THE BEST PLAN IN THE STATE OF  
TEXAS," OR, "WE OFFER THE MOST

COMPREHENSIVE DRUG COVERAGE  
IN ALL OF ARIZONA."

THOSE KIND OF STATEMENTS  
ARE INAPPROPRIATE IF THEY'RE

UNSUBSTANTIATED, AND I'M  
GOING TO PUT SOME PARAMETERS

AROUND THAT BECAUSE PLANS ARE  
OBVIOUSLY SELLING PRODUCTS.

WE GET THAT.

YOU'RE TRYING TO SELL AND  
MARKET TO BENEFICIARIES.

YOU'RE TRYING TO PAINT YOUR  
PLANS IN THE BEST PICTURE THAT

YOU POSSIBLY CAN, BUT THE  
MEDICARE MARKETING GUIDELINES

ARE VERY CLEAR ABOUT WHAT'S  
ALLOWED AND WHAT'S NOT ALLOWED

IN THIS AREA.

OUR ADVICE TO ORGANIZATIONS  
TO MAKE SURE AND ELIMINATE ANY

DOUBT IN THIS AREA IS TO  
FOLLOW THE REQUIREMENTS THAT

ARE SPELLED OUT IN THE  
MEDICARE MARKETING GUIDELINES

AS IT RELATES TO PROVIDING  
THESE TYPES OF CLAIMS

AND COMPARISONS IN THE SECTION  
THAT TALKS ABOUT THE WAY YOU

CAN TALK ABOUT THIS FOR  
WRITTEN MARKETING MATERIAL.

THE SAME RULES APPLY.

IF YOU'RE GOING TO HAVE AGENTS  
OR BROKERS USE TALKING POINTS

OR MAKE STATEMENTS THAT MAKE  
COMPARISONS LIKE THIS, FOLLOW

THE RULES IN THAT SECTION  
WHICH STATE THAT IT MUST BE

SUPPORTED BY SOME  
AUTHORITATIVE SOURCE,

THAT IT CAN'T JUST BE  
SORT OF HYPERBOLE.

IT CAN'T BE AN AGENT STANDING  
UP THERE AND JUST MAKING

A STATEMENT THAT, YOU KNOW,  
TOES THE LINE OF WHAT'S

ACCURATE AND  
TRUTHFUL, OK?

SO SAYING YOU'RE THE BEST HAS  
TO BE SUPPORTED IN SOME WAY.

IS IT THE BEST IN QUALITY?

WHEN YOU SAY YOU HAVE THE MOST  
COMPREHENSIVE DRUG COVERAGE,

WHAT DOES THAT EXACTLY MEAN?

SO YOU HAVE TO MAKE  
SURE YOU'RE CITING TO

AN AUTHORITATIVE  
SOURCE, ONE.

TWO, MAKE SURE THAT THAT  
PARTICULAR SCRIPT, THAT

PARTICULAR PRESENTATION,  
THAT PARTICULAR TALKING POINT

HAS BEEN APPROVED BY YOUR  
CMS REGIONAL OFFICE, OK,

THE SAME WAY THAT YOUR  
MARKETING MATERIAL IS.

IF IT'S BEEN APPROVED AND IT'S  
BEEN SUPPORTED, THEN YOU'LL

NOT HAVE TO WORRY THAT THIS  
WILL BE CITED AS A VIOLATION

IN THE FUTURE, AND WE CAN  
ELIMINATE THAT AS A PROBLEM.

FOURTH, OUR FAMOUS--  
OR, I SHOULD SAY, INFAMOUS--

NO-SHOWS, AND THESE ARE THE  
ONES WHERE OUR SHOPPERS GO TO

AN EVENT AND NOBODY'S THERE.

NOW, THIS IS OF CONCERN FOR

A COUPLE OF REASONS.

ONE, OBVIOUSLY--

AND WE DON'T MAKE ANY  
BONES ABOUT THIS--

THE REASON WE ASK YOU TO  
UPLOAD YOUR EVENTS INTO HPMS

IS TO ENSURE THAT WE  
CAN CONDUCT A ROBUST

SURVEILLANCE PROGRAM.

IF WE DON'T KNOW YOUR  
SHOPPING, IF WE DON'T KNOW

WHERE YOU'RE HOLDING MARKETING  
EVENTS, WE CAN CONDUCT OUR

SURVEILLANCE ACTIVITIES,  
SO THAT'S A PROBLEM,

BUT BEYOND SORT OF THE IMPACT  
THAT IT HAS ON US, GETTING AWAY

FROM SORT OF THE EGOCENTRIC  
VIEW OF THIS, THE MORE

IMPORTANT ASPECT FOR US IS,  
WE'VE GONE TO EVENTS WHERE

BENEFICIARIES ARE THERE  
WITH US, WITH THE SHOPPERS,

AND WHAT THAT TELLS US IS THAT  
THE PLAN DIDN'T FOLLOW

THE RULES AS IT RELATED TO,  
ONE, CANCELING THE EVENT

IN HPMS, SO A MORE  
ADMINISTRATIVE DEFICIENCY,

BUT, TWO, THAT YOU MAY NOT  
HAVE FOLLOWED THE RULES AS IT

RELATED TO FOLLOWING OUR  
GUIDELINES FOR PROVIDING

BENEFICIARIES PUBLIC NOTICE

OF A CANCELED EVENT, AND,

YOU KNOW, IF YOU HAVE A  
BENEFICIARY THAT TRAVELED LONG

DISTANCES TO GET TO A  
MARKETING EVENT, THAT'S

A TERRIBLE INCONVENIENCE TO  
THEM, AND WE DON'T WANT TO SEE

THAT HAPPEN.

SO, WHILE PEOPLE MAY,  
YOU KNOW, SORT OF LOOK AT THIS

PARTICULAR DEFICIENCY AS NOT  
PARTICULARLY SERIOUS, WHEN IT

DOES HAVE BENEFICIARY IMPACT,  
WE WANT TO MAKE SURE WE

ELIMINATE THAT.

THE RULES ARE IN  
PLACE FOR THAT REASON.

OK.

WE HAVE SEEN POSITIVE TRENDS.

THERE HAVE BEEN GOOD  
IMPROVEMENTS, AS I MENTIONED

AT THE START, STRIDES IN THE  
MARKETPLACE AS IT RELATES TO

PLAN PERFORMANCE.

WHAT I DIDN'T SHOW AT THE  
BEGINNING WHEN I USE THE

NUMBER TO TALK ABOUT THE 40%  
OF EVENTS WITH VIOLATIONS

IN THE AEP, I DO HAVE SOME  
NUMBERS FROM THE OEP,

AND WE'RE STILL CRUNCHING  
THE NUMBERS TO MAKE SURE WE

FINALIZE IT FOR UPCOMING

OEP/AEP REPORT, BUT THERE

DEFINITELY HAS BEEN A  
DOWNTICK, CONSISTENT DOWNTICK

EACH MONTH, STARTING  
WITH OCTOBER THROUGH OUR

SURVEILLANCE SHOPPING SEASON,  
WHICH ENDED IN MARCH.

OVERALL DURING THE OEP,  
THAT NUMBER THAT WAS AT 40%

DURING THE AEP DROPPED ALL  
THE WAY DOWN TO 25%, AND THAT

NUMBER, IN TERMS OF PERCENTAGE  
OF VIOLATIONS, IS AS LOW AS

WE'VE SEEN THAT LEVEL OF  
PERFORMANCE, AND LOW BEING

A GOOD THING HERE, SINCE WE'VE  
STARTED OUR SURVEILLANCE

ACTIVITIES A FEW YEARS BACK.

SO ARE WE HAPPY WITH 25%?

LET'S SAY WERE GLAD IT'S  
GOING IN THAT DIRECTION.

WE WANT TO SEE THAT  
NUMBER CONTINUE TO GO DOWN.

THE OTHER OBSERVATION  
WE MADE--

AND WE PAID REALLY CLOSE  
ATTENTION TO THIS THIS YEAR--

IS, WE TOOK VERY CLOSE MEASURE  
OF HOW PLANS WERE PERFORMING

AFTER THEY RECEIVED A  
NOTIFICATION FROM CMS, AND I'M

GOING TO CLICK AHEAD HERE TO  
THE NEXT SLIDE, WHICH MAY BE

A LITTLE HARD TO READ,

I THINK, IN YOUR PACKETS.

HOPEFULLY, HERE BLOWN UP,  
IT'S A LITTLE BIT

EASIER TO SEE.

WHAT WE DID IS, WE COMPARED  
ORGANIZATIONS' PERFORMANCE

AFTER RECEIVING A NOTICE  
FROM CMS TO SEE WHETHER YOUR

ACTIONS WOULD HAVE AN IMPACT  
ON AGENT,

BROKER, PLAN REP PERFORMANCE,

AND WHAT WE SAW WAS  
UNEQUIVOCALLY YES, THAT YOUR

ACTIONS HAD A DEMONSTRABLE  
IMPROVEMENT IN TERMS OF HAVING

AN INFLUENCE IN TERMS OF  
AGENT, BROKER BEHAVIOR.

LET ME GO OVER SOME  
OF THE NUMBERS HERE.

WE'RE USING OCTOBER-NOVEMBER  
JUST AS A SAMPLE, BUT WE DID

SEE THE SAME DEMONSTRATION  
MONTH AND MONTH AGAIN.

IN OCTOBER, WE LOOKED AT  
ORGANIZATIONS THAT RECEIVED

A NOTIFICATION FROM CMS.

ORGANIZATIONS THAT HAD ONE OR  
MORE VIOLATIONS, OK, RECEIVE

COMPLIANCE LETTERS FROM CMS,  
AGAIN, AS I MENTIONED,

THE TECHNICAL ASSISTANCE  
LETTER OR HIGHER.

OF ORGANIZATIONS THAT RECEIVED  
A COMPLIANCE LETTER, THOSE



ORGANIZATIONS HAD DEFICIENCIES  
AT 62% OF THE MARKETING EVENTS

WE ATTENDED.

AFTER WE TOOK A LOOK AT THOSE  
ORGANIZATIONS, WE WENT OUT

AND SHOT THEM AGAIN IN  
NOVEMBER, THE ORGANIZATIONS

THAT HAD DEFICIENCIES,  
AND THAT NUMBER DROPPED 25

PERCENTAGE POINTS,  
NEARLY IN HALF, ACTUALLY.

WE WENT FROM 62% TO 37% OF THE  
EVENTS HAD VIOLATIONS AFTER

RECEIPT OF COMPLIANCE LETTERS  
FROM CMS, AND THAT TELLS US

TWO THINGS.

ONE, AS I MENTIONED, IT  
TELLS US THAT YOUR ACTIONS,

YOUR EFFORTS ACTUALLY HAVE AN  
IMPACT IN CREATING A CULTURE

OF COMPLIANCE WITH YOUR  
MARKETING AGENTS AND BROKERS

AND YOUR SALES FORCE.

THEY'RE ACTUALLY ARE STEPS  
THAT YOU'RE TAKING THAT ARE

ACTUALLY HAVING A  
MEASURABLE IMPROVEMENT

IN YOUR PERFORMANCE.

THAT'S A GOOD THING, BUT  
IT TELLS ME SOMETHING ELSE,

AND THIS GOES TO GLORIA'S  
POINT EARLIER--

I DON'T WANT THAT TO GET LOST

HERE IN THE ROOM--THAT THERE

IS NOT A RESET BUTTON, THAT  
WE ARE CONSTANTLY EVALUATING

PERFORMANCE, AND WE WILL  
CONTINUE TO EVALUATE

PERFORMANCE THROUGH THE SUMMER  
AND INTO THE AEP FOR CONTRACT

YEAR 2011.

IT'S REALLY IMPORTANT THAT  
ORGANIZATIONS DON'T SIT IDLY

BACK AND THINK THEY'RE GOING TO  
GET A DO-OVER, THEY'RE GOING TO

GO BACK TO GO, WE'RE GOING  
TO START FROM THE BEGINNING

AGAIN, THAT YOU'VE SEEN  
THIS LEVEL OF IMPROVEMENT,

THAT YOUR ACTIONS ARE  
ACTUALLY HAVING AN IMPACT.

WHAT IT'S TELLING US IS THAT  
DON'T WAIT FOR CMS TO GIVE YOU

A COMPLIANCE LETTER AND BE  
REACTIVE BECAUSE YOU DON'T

WANT TO BE IN THE POSTURE  
WHERE YOUR LAST LETTER HERE

WAS A WARNING LETTER AND NOW  
WE'RE FORCED TO GO INTO A CAP

RIGHT OFF THE BAT DURING  
THE AEP, OK?

SO BE PROACTIVE.

UNDERSTAND THE PERFORMANCE,  
WHAT YOU NEED TO DO TO MAKE

SURE THAT YOUR ORGANIZATION  
AND YOUR PLAN REPS, AGENTS,

AND BROKERS ARE COMPLIANT  
RIGHT OFF THE BAT, THAT

THERE'S A CLEAR UNDERSTANDING  
OF WHAT THE RULES ARE.

GET YOUR STANDARDIZED TRAINING  
PACKAGES IN ORDER RIGHT

AT THE OUTSET, AND LET'S MAKE  
SURE WE HAVE A COMPLIANT

ENVIRONMENT RIGHT AT THE  
BEGINNING.

PARTICULARLY THIS YEAR,

WE'RE GOING TO HAVE  
CHANGES TO OUR ELECTION

PERIODS, AND WE THINK THERE'S  
GOING TO BE MORE AGGRESSIVE

MARKETING GOING ON THIS  
AEP THAN EVER BEFORE.

SO THERE ISN'T GOING  
TO BE TIME TO WAIT.

THERE ISN'T GOING TO BE A  
TIPTOEING, AS I CALL IT,

UP THE COMPLIANCE  
LADDER THIS YEAR.

WE'RE GOING TO BE DOING OUR  
SHOPPING MUCH MORE INTENSIVELY

THAN WE EVER HAVE IN THE PAST,  
ESPECIALLY EARLY ON

IN THE PROCESS, SO WE WANT TO  
MAKE SURE WE'VE PUT EVERYBODY

ON NOTICE THAT THAT IS GOING  
TO BE OUR STRATEGY THIS YEAR,

BUT WE'RE OPTIMISTIC THAT IF  
PEOPLE HEED THESE LESSONS

AND HEAR WHAT WE HAVE TO SAY  
HERE THAT YOU'LL IMPLEMENT THESE

CONTROLS AND HAVE A REAL  
ROBUST OVERSIGHT STRATEGY

AT THE ONSET, AND WE'RE  
CONFIDENT ABOUT THE RESULTS

WE'RE GOING TO SEE.

SO NEXT YEAR WHEN WERE TALKING  
AGAIN, WE DON'T WANT TO SEE

A DOWNWARD TREND.

WE WANT TO SEE A FLAT LINE.

WE WANT TO SEE A STRAIGHT,  
CONSISTENT, GOOD LEVEL

OF PERFORMANCE ALL THE WAY  
THROUGH, BEGINNING TO END.

#### Part 4

>> ONE OF THE QUESTIONS WE GET  
REPEATEDLY IS, WHAT ARE SOME

OF THE BEST PRACTICES?

WHAT ARE OTHER ORGANIZATIONS  
IN THIS INDUSTRY DOING TO

IMPROVE PERFORMANCE?

SO WITHOUT GIVING AWAY ANY  
PROPRIETARY INFORMATION--

WE CERTAINLY AREN'T GOING TO  
NAME ANY NAMES OR GIVE AWAY

ANY DETAILS THAT WILL IDENTIFY  
THE ORGANIZATIONS THAT

IMPLEMENTED THESE PARTICULAR  
PRACTICES--

BUT THERE WERE COMMON THREADS.

AS GLORIA MENTIONED, WE TALKED  
TO MANY INDUSTRY EXECUTIVES,

MANY COMPLIANCE

OFFICERS ONE ON ONE.

WE ALSO REVIEWED ALL OF  
THE BUSINESS PLANS THAT WE

RECEIVED, OK?

WE RECEIVED A NUMBER OF THEM.

WE LOOKED FOR COMMONALITIES,  
COMMON THREADS.

WHAT ARE SOME OF THE COMMON  
STRATEGIES THAT ORGANIZATIONS

THROUGHOUT THE INDUSTRY ARE  
EMPLOYING TO GET BEHAVIOR

UNDER CONTROL, AND A FEW  
COMMON THEMES RECURRED.

I WANT TO TALK ABOUT SOME  
OF THEM HERE TODAY.

ONE IS STANDARDIZING TRAINING  
PACKAGES, AND WHAT IS NOT UP

THERE IS PRESENTATIONS,  
AS WELL, THAT ORGANIZATIONS

INCREASINGLY WENT TO  
STANDARDIZED PACKAGES.

AGENTS AND BROKERS WERE LEFT  
LESS TO SORT OF GO OFF THE

CUFF AND FREELANCE IN TERMS OF  
SOME OF THE FEEDBACK THEY WERE

PROVIDING TO BENEFICIARIES,  
AND THERE WAS A LOT MORE

CONTROL IN TERMS OF WHAT  
THEIR AGENTS AND BROKERS WERE

ALLOWED TO SAY THE MARKETPLACE  
MORE STANDARDIZED TRAINING--

WEBINARS ARE SOMETHING  
WE HEARD A LOT--

MAKING SURE THAT YOU'RE GOING  
ABOVE AND BEYOND JUST THE CMS

REQUIRED TRAINING BUT  
EMPLOYING REALLY STRICT

REQUIREMENTS OF YOUR OWN AS IT  
RELATED TO THE TESTING OF YOUR

AGENTS AND BROKERS BEFORE  
THEY BE ALLOWED TO SELL

YOUR PRODUCTS.

SECOND, IMPLEMENTING MORE  
EFFECTIVE CONTROLS TO ENSURE

THAT YOU'RE KEEPING TRACK  
OF WHICH OF YOUR AGENTS ARE

ACTIVELY LICENSED AND, AGAIN,  
WHAT'S NOT UP HERE, TESTED,

BECAUSE WE HAVE NEW  
REQUIREMENTS THAT RELATE TO

MAKING SURE THAT YOUR  
MARKETING SALES FORCE PASSES

THE REQUIRED CMS MARKETING  
TEST BEFORE THEY CAN

SELL PRODUCTS.

WE KNOW THERE'S ROOM FOR  
IMPROVEMENT IN THIS AREA BECAUSE

OF THE RECENT OIG REPORT  
THAT IS PUBLIC,

WAS PUBLISHED IN MARCH, THAT,

AMONGST MANY THINGS, LOOKED AT  
THIS PARTICULAR AREA TO SEE

HOW PLANS WERE DOING AS IT  
RELATED TO TESTING AND MAKING

SURE THEIR AGENTS AND  
BROKERS WERE LICENSED,

AND THE FINDINGS SHOW THAT  
THERE WERE ORGANIZATIONS THAT

EVERYBODY WHO WAS SAMPLED  
HAD INCIDENTS OF TAKING

APPLICATIONS AND ALLOWING PLAN  
REPS TO BE SELLING FOR THEIR

ORGANIZATION WITHOUT ENSURING  
THAT THEY HAD, IN FACT,

BEEN LICENSED OR TESTED.

SO WE KNOW THAT IT'S AN AREA  
FOR IMPROVEMENT, AND WE WILL

BE DIGGING THAT INTO MUCH  
MORE DEPTH IN THE FUTURE.

ORGANIZATIONS REPORTED TO US  
THAT THEY HAVE EMPLOYED MUCH

MORE ROBUST INTERNAL  
SECRET SHOPPING PROGRAMS

OF THEIR OWN.

WE ARE GLAD TO HEAR THAT,  
SO NOT RELYING ON CMS'S SECRET

SHOPPING PROGRAM TO DO YOUR  
WORK FOR YOU, BUT ACTUALLY

EMPLOYING THIRD-PARTY VENDORS  
AND EMPLOYING YOUR OWN STAFF,

YOUR OWN SALES MANAGERS.

WE HEARD COMPLIANCE TEAMS  
ACTUALLY GOING OUT THERE

AT EVENTS.

SOME SMALLER PLANS REPORTED  
THAT THEY ACTUALLY HAD EVERY

EVENT COVERED BY SOMEBODY IN  
THEIR ORGANIZATION, EITHER

IN THE MARKETING AREA  
OR IN COMPLIANCE.

WHERE CMS WAS, YOU ALSO WERE  
THERE, AS WELL, LOOKING,

AS WELL, AND WE KNOW THAT  
LARGER NATIONAL ORGANIZATIONS,

THAT'S NOT PRACTICAL.

WE GET THAT.

IT'S NOT PRACTICAL THAT YOU  
CAN BE AT EVERY EVENT, BUT WE

HEARD FROM EVERYBODY,  
BIG PLAN TO SMALL PLAN,

THAT YOU'RE HAVING A MUCH  
MORE VISIBLE PRESENCE OUT

IN THE MARKETPLACE,  
THAT YOU'RE SEEING THE SAME

THINGS WE ARE SEEING,  
AND THAT'S GOOD NEWS.

ONE OF THE AREAS THAT WE  
LIKED WAS PLANS THAT TOLD

US THEY INCORPORATED

FINANCIAL PENALTIES INTO  
THEIR CONTRACTS WITH AGENTS

AND BROKERS, THAT IF CMS OR  
ANOTHER GOVERNMENTAL AGENCY OR

EVEN THE PLAN THEMSELVES AND  
THEIR OWN SECRET SHOPPING

PROGRAMS IDENTIFIED VIOLATIONS  
AT AN EVENT WHERE THEY

BASICALLY HAD A  
NONCOMPLIANT EVENT--

THERE WAS SOME VIOLATION  
EITHER WITH THE REGS OR

WITH THE MEDICARE MARKETING  
GUIDELINES--



THAT THAT PLAN REPS DID NOT  
GET THE COMMISSION, EITHER ALL

OR IN PART, FOR THAT  
PARTICULAR SALES EVENT.

WE THINK THAT'S  
A GOOD APPROACH.

IT'S HITTING PEOPLE  
IN THE POCKETBOOK.

IT HITS IS WHERE IT COUNTS,

AND WE THINK THAT  
ACTUALLY WOULD HAVE

A SIGNIFICANT IMPACT IN  
TERMS OF ENSURING

A COMPLIANT MARKETPLACE.

OK.

I WANT TO TAKE A MOMENT TO  
TALK ABOUT OUR STRENGTHENED  
INFORMATION SHARING WITH  
OUR STATE PARTNERS.

ONE OF THE AREAS THAT ALL OF  
YOU ARE FAMILIAR WITH IS THAT  
CMS ONLY HAVE SO MUCH CONTROL  
OVER THE AGENTS AND BROKERS.

WE CAN TAKE COMPLIANCE ACTIONS  
THAT HOLD YOU RESPONSIBLE  
FOR THE PERFORMANCE OF YOUR  
AGENTS AND BROKERS AND PLAN  
REPS, BUT WHEN IT COMES TO  
THESE INDEPENDENT AGENTS,

WE HAVE NO DIRECT OVERSIGHT  
OVER THEM, AND WHAT WE HAVE TO  
DO IS ENSURE THAT OUR STATE  
PARTNERS, PARTICULARLY THE  
DOIs, HAVE THE INFORMATION  
THEY NEED TO TAKE ACTION.  
THESE AGENTS OR BROKERS OFTEN  
SELL NOT JUST FOR ONE PLAN,  
BUT FOR MULTIPLE PLANS,  
SO ACTION AGAINST PLAN  
"A" DOESN'T ENSURE THAT THIS  
AGENT WON'T CONTINUE TO SELL  
INAPPROPRIATELY FOR PLANS  
"B," "C," AND "D,"  
SO WHAT WE DO--  
AND, FORTUNATELY, WE ARE  
STRUCTURED IN A WAY NOW  
FOLLOWING A REORGANIZATION  
TO EFFICIENTLY  
HAND OFF INFORMATION--  
IN OUR DIVISION, THE  
DIVISION OF MEDICARE ADVANTAGE  
OPERATIONS, WE HAVE A DOI  
LIAISON, A NATIONAL LIAISON  
WHO WORKS WITH ALL 10 REGIONAL  
OFFICES, AND WHERE WE HAVE

INCIDENTS OF VIOLATIONS--EITHER  
FOUND THROUGH COMPLAINTS,  
FOUND THROUGH OUR SURVEILLANCE  
INITIATIVES, WHEREEVER IT MAY  
BE FOUND--WE ACTUALLY CAN HAND  
THAT OFF TO OUR DOI LIAISONS  
AND GET THAT INFORMATION TO  
THE APPROPRIATE STATES SO THEY  
ALSO CAN TAKE THE APPROPRIATE  
LEVEL OF ACTION, WHETHER IT'S  
SUSPENDING LICENSE  
DETERMINING THE AGENTS.  
WE ALSO HAVE A RECENT  
PARTNERSHIP WITH OUR  
COMPLIANCE AND ENFORCEMENT  
MEDIC, AND FOR THOSE OF YOU  
THAT DON'T KNOW WHAT THE MEDICS  
ARE, THEY'RE AN INDEPENDENT  
CONTRACTOR THAT CMS EMPLOYEES  
TO CONDUCT INVESTIGATIONS,  
MORE IN-DEPTH INVESTIGATIONS.  
IN THE PAST, WE'VE USED  
THEM FOR FRAUD, WASTE,  
AND ABUSE INVESTIGATIONS.  
WE ARE NOW USING THEM FOR MORE  
ROBUST INVESTIGATIONS INTO ANY

COMPLIANCE AND ENFORCEMENT

AREAS, AND SO WE'RE TRYING TO

UTILIZE THEM MORE IN

THIS PARTICULAR ARENA.

I WANT TO CLOSE WITH A COUPLE

OF MINUTES HERE TALKING  
ABOUT OUR LESSONS LEARNED.

A FEW WEEKS AGO, WE WENT  
OUT TO THE INDUSTRY, AND WE

ACTUALLY OPENED OURSELVES  
UP TO COMMENTS, CRITICISMS,

COMPLAINTS, WHATEVER IT MAY BE,

AND WHAT  
WE HEARD BACK WAS ACTUALLY

VERY GOOD, SUBSTANTIVE  
FEEDBACK ABOUT OUR

SURVEILLANCE PROGRAM.

WE HEARD THERE WERE A LOT OF  
THINGS THAT YOU LIKED.

YOU LIKE THE SURVEILLANCE  
CONSOLE.

YOU LIKED THE  
REAL-TIME NOTIFICATION

OF YOUR DEFICIENCIES.

YOU LIKED THE OPPORTUNITY TO  
BE ABLE TO PROVIDE CMS DIRECT

FEEDBACK AND INVESTIGATE SO THAT  
WE CAN MAKE THE APPROPRIATE

COMPLIANCE DETERMINATIONS.

THOSE ARE ALL GOOD THINGS,  
SO WE HEARD THE GOOD THINGS.

WE APPRECIATE YOU SHARING THAT  
WITH US, BUT WE ALSO HEARD

SOME THINGS THAT WE  
NEEDED TO IMPROVE,

AND WE'RE HERE TO LISTEN.

WE'RE HERE TO ACTUALLY  
REFINE AND MAKE THIS THE MOST

ROBUST AND EFFECTIVE  
SURVEILLANCE STRATEGY THAT

WE CAN HAVE.

THE IDEA FOR US IS NOT TO  
ISSUE COMPLIANCE LETTERS.

THAT ISN'T OUR GOAL.

OUR GOAL IS TO ENSURE  
THAT THERE IS A COMPLIANT

ENVIRONMENT OUT THERE FOR  
MEDICARE BENEFICIARIES TO

RECEIVE CORRECT AND  
INACCURATE INFORMATION SO THEY

CAN MAKE THE BEST  
HEALTH CARE DECISION-MAKING

CHOICE FOR THEM.

THAT'S OUR ULTIMATE GOAL,  
AND I THINK THAT'S EVERYONE'S

GOAL IN THIS ROOM.

WE'RE ALL STRIVING TOWARDS  
THAT SAME MISSION, SO TO GET

THERE, WE HAVE TO BE OPEN  
TO IMPROVEMENTS, AND SO SOME

OF THE COMMON FEEDBACK  
THAT WE HEARD THAT WE'RE

IN THE PROCESS RIGHT NOW OF  
ANALYZING AND CONFIDENT THAT

WE'LL BE ABLE TO IMPLEMENT  
MOVING FORWARD, ONE IS--

WE HEARD THIS ONE  
LOUD AND CLEAR--

CMS, MAKE SURE THAT WHEN  
YOU'RE OUT THERE WITH YOUR

SECRET SHOPPERS THAT YOU'RE  
CONSIDERING THE SPECIAL

PRODUCT TYPES AS IT RELATES  
TO EXAMINING OUR PERFORMANCE,

THAT IF WE ARE A DUAL SNIP,  
THE RULES FOR DUEL SNIPS ARE

DIFFERENT THAN WHAT IT MAY  
BE FOR OTHER MEDICARE

ADVANTAGE ORGANIZATIONS.

WE'VE BEEN ASKED TO DEVELOP  
A WEIGHTED SCORING SYSTEM,

OK, AND GLORIA  
HIGHLIGHTED THIS BEFORE.

WE ACTUALLY DO HAVE--

WHEN WE MET FROM A COMPLIANCE  
PERSPECTIVE, WE DID CONSIDER

THE SEVERITY OF THE VIOLATIONS,  
YOUR FEEDBACK,

THE RECURRENCE OF VIOLATIONS.

SO WE INTERNALLY DID HAVE,  
IN ESSENCE, A WEIGHTED SCALE.

WHAT WASN'T THERE WAS THIS  
TRANSPARENCY THAT YOU ALL

WANTED TO KNOW JUST HOW  
SERIOUS WE CONSIDERED

THE VIOLATIONS

SO WHEN YOU'RE GETTING A WARNING

LETTER, YOU HAVE A SENSE THAT,

YOU KNOW, YOU GOT THE  
WARNING LETTER FOR A REASON.

SO WE'RE LOOKING AT DEVELOPING  
CATEGORIES THAT WE WOULD PLACE  
DEFICIENCIES IN.

WE ACTUALLY HEARD THIS  
BACK FROM ONE ORGANIZATION.

WE REALLY LOVE THIS IDEA.

THE CATEGORIES WOULD  
FALL UNDER THE CATEGORIES

OF ADMINISTRATIVE OR  
MISCELLANEOUS TYPES

OF VIOLATIONS,  
ERRORS OF OMISSION.

FOR EXAMPLE, THE AGENT DOES  
A PRESENTATION BUT FORGETS OR

SKIPS THE COVERAGE  
GAP INFORMATION.

THEY SHOULD HAVE PRESENTED IT,  
BUT THEY LEFT IT OUT, SO NOT

AN ACTIVE ACT OF  
MISREPRESENTATION,

BUT AN ERROR OF OMISSION THAT  
COULD HAVE INFLUENCED

THE BENEFICIARY.

INAPPROPRIATE BENEFICIARY  
INFLUENCE WOULD BE ANOTHER

EXAMPLE, AND THEN THE FINAL  
CATEGORY, WHICH WE WOULD SEE

AS THE MOST SERIOUS,  
IS MARKETING

MISREPRESENTATION, AND THOSE  
ARE THE MOST EGREGIOUS THINGS.

FINALLY, CONSOLE REPORTING  
AND EXTRACT FUNCTIONALITY.

YOU ALL WANT THE ABILITY TO  
BE ABLE TO DOWNLOAD EXCEL OR

IN .PDF THE RESULTS SO THAT  
YOUR COMPLIANCE TEAM CAN HAND

IT OFF TO YOUR MARKETING  
AREA, AND FINALLY--  
AND I'M COMING TO CONCLUSION;  
I SEE THE RED LIGHT HAS

FLASHED HERE, SURPRISINGLY--  
ADDITIONAL DETAILS IN TERMS  
OF OUR OBSERVATIONS FROM  
OUR SHOPPERS.

YOU WANT AS MUCH DETAIL AS YOU  
CAN GET SO THAT YOU CAN MAKE

AN ASSESSMENT AND CONDUCT  
INVESTIGATIONS MOST FULLY.

SO WE WANT THAT.

THIS HAS BEEN AN AREA OF  
FOCUS NOT FOR THIS YEAR.

FROM THE BEGINNING.

DETAILS, DETAILS, DETAILS,  
WE'VE SAID THAT EVERY TIME

SO WE'LL CONTINUE TO  
PLACE FOCUS ON THAT.

UNFORTUNATELY, WE DON'T HAVE  
TIME FOR QUESTIONS, AS WE

THOUGHT WE WOULD, AT THE END  
OF THE SESSION, BUT WE WILL BE  
BACK FOR THE AFTERNOON PANEL.

SO GLORIA AND I BOTH THANK  
YOU FOR YOUR TIME  
AND ATTENTION TODAY.  
[APPLAUSE]

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