

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

July 2, 2013

Contract Number(s): H9003

Elizabeth Hulbert
Kaiser Foundation Health Plan, Inc.
500 NE Multnomah, Suite 100
Portland, OR 97232

VIA EMAIL: elizabeth.k.hulbert@kp.org

RE: CY 2013 INACCURATE ANNUAL NOTICE OF CHANGE/EVIDENCE OF
COVERAGE (ANOC/EOC) – CORRECTIVE ACTION PLAN (CAP)

Dear Ms. Hulbert:

The Centers for Medicare & Medicaid Services (CMS) is issuing this determination for a Corrective Action Plan (CAP) to your organization based on the issuance of inaccurate Annual Notice of Change/Evidence of Coverage (ANOC/EOC) documents to your Medicare enrollees for the Contract Year 2013.

Federal regulations at 42 C.F.R. §422.111(a) and 42 C.F.R. §423.128(a) require Medicare Advantage Organizations and Prescription Drug Plan Sponsors (organizations) to disclose plan descriptions in a clear, accurate, and standardized form. CMS' review of your errata submission shows inaccurate information in your ANOC/EOC documents. Specifically, your organization failed to accurately describe benefits and/or cost sharing information in your ANOC/EOC documents. Failure to provide correct information prevents beneficiaries from making a fully informed health care choice. Therefore, your organization is out of compliance with CMS requirements.

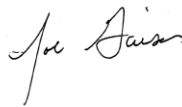
CMS requests that your organization take corrective action to come into compliance. Your organization should ensure the CY 2014 ANOC/EOC documents are accurate, but should also ensure all other documents have accurate benefit and cost sharing information. CMS is requesting that you submit a detailed CAP to ensure all documents, including ANOC/EOC documents, are accurate prior to distribution. Please send the CAP to Jullin Kwok at jullin.kwok@cms.hhs.gov by **July 22, 2013**.

We appreciate your prompt attention to this matter. In the event your organization does not successfully complete its CAP, CMS will consider additional compliance and enforcement actions, including the imposition of intermediate sanctions, (e.g., suspension of marketing and enrollment activities), or civil money penalties.

Please be aware that this letter will be included in the record of your organization's past Medicare contract performance, which CMS will consider as part of our review of any application for new or expanded Medicare contracts your organization may submit. This letter is considered a Part C and D issue with beneficiary impact for past performance purposes.

If you have any questions, please send an email to Marie Gutierrez at marie.gutierrez1@cms.hhs.gov and copy your Regional Office account manager.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Gaiser".

Joe Gaiser, Director
Division of Surveillance, Compliance and Marketing

cc via email: Christine Reinhard, Part C Compliance Lead
Scott Nelson, Part D Compliance Lead
Marie Gutierrez, Part C Compliance
Jullin Kwok, Account Manager