

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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MEDICARE PART C & D OVERSIGHT AND ENFORCEMENT GROUP

Date: December 19, 2013

To: All Medicare Advantage Organizations and Prescription Drug Plans

From: Gerard Mulcahy, Director
Medicare Parts C and D Oversight and Enforcement Group

Subject: 2012 Program Audit Results Posted to the CMS Website

In the May 17, 2013, Health Plan Management System (HPMS) Memo titled, “Final Program Audit Scoring Methodology”, CMS committed to publishing plan sponsors’ final program audit results on the CMS website, starting with the 2012 Program Audit Scores. In that Memo, we stated the website format would reflect attachments B, C, D, E, and G of the March 13, 2013, HPMS memo titled “Draft Program Audit Scoring Methodology for Public Comment.”

While we continue to believe in the importance of posting these audit results, upon further review we determined that a more streamlined version of the above referenced attachments was the most effective way to share the 2012 Program Audit results on our website.

Publication of plan sponsor audit results aligns with CMS’ goal of driving the industry towards improvement, as well as providing enhanced transparency of CMS’ oversight activities. The scoring methodology applied to these audits is a consistent way to reflect the results of the program audits and demonstrates how one plan sponsor compares to another. For more information on the audit scoring methodology, please see the May 17th Memo referenced above at: <http://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/Downloads/HPMS-Memo-Final-Program-Audit-Scoring-Methodology.pdf>

The information that is displayed on the new Program Audit Results Webpage includes a brief overview of the information contained on the webpage; a table of those sponsors that received a program audit in 2012, including their overall audit score, the number of Immediate Corrective Actions Required (ICARs), the number of Corrective Actions Required (CARs), the total number of audits elements tested, information regarding the status of the audit and whether an enforcement action was taken as a result of the audit. Finally, the website includes a document comparing the overall audit scores of all plan sponsors audited in 2012, as well as comparing each of their program area scores (i.e., formulary administration (FA), coverage determinations, appeals and grievances (CDAG), organization determinations, appeals and grievances (ODAG), agent/broker oversight, enrollment and disenrollment, late enrollment penalty (LEP) and compliance program effectiveness).

CMS will publish audit results annually, at the conclusion of all audits during the given year (i.e., 2013 and beyond). The CMS Program Audit Results Webpage, can be viewed here:

<http://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/Program-Audit-Results.html>

Please note that only audited sponsors' scores are listed. Omission of a sponsor from the website list merely indicates that CMS has not yet audited this sponsor. Over time, all plan sponsors will have audit scores displayed on our website for comparison purposes. All scores will remain on the website indefinitely. However, the table displaying a sponsor's audit status will be updated regularly to accurately indicate if an audit has been closed, and the issues identified have been corrected.

As a reminder, plan sponsors are cautioned against using audit results in their marketing materials. Since only a limited number of sponsors are audited each year, drawing conclusions regarding plan performance across the Medicare Advantage or Prescription Drug Programs in marketing materials could be misleading to enrollees. As per the CMS' Medicare Marketing Guidelines, CMS prohibits the distribution of marketing materials that are materially inaccurate, misleading, or otherwise make material misrepresentations. Plan sponsors may not:

- Claim that they are recommended or endorsed by CMS, Medicare, or the Department of Health & Human Services (DHHS).
- Use absolute superlatives, (e.g., "the best," "highest ranked," "rated number 1"), unless they are substantiated with supporting data provided to CMS as a part of the marketing review process. If the material is submitted via the file & use program, the supporting data must be included, along with the materials that use an absolute superlative.
- Compare their organization/plan(s) to another organization/plan(s) by name unless they have written concurrence from all plan sponsors being compared, (e.g., studies or statistical data as described in §40.3). This documentation must be included when the material is submitted in HPMS.

For more information please refer to CMS' Medicare Marketing Guidelines, *available at*:

<http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/FinalPartCMarketingGuidelines.html>.

If you have any questions regarding the audit results or scoring methodology, please submit your inquiry to part_c_part_d_audit@cms.hhs.gov.