



GENERAL SESSION

CMS Audit and Enforcement Update



John Scott, Acting Director

Medicare Parts C and D Oversight and Enforcement Group (MOEG)

Center for Medicare (CM)

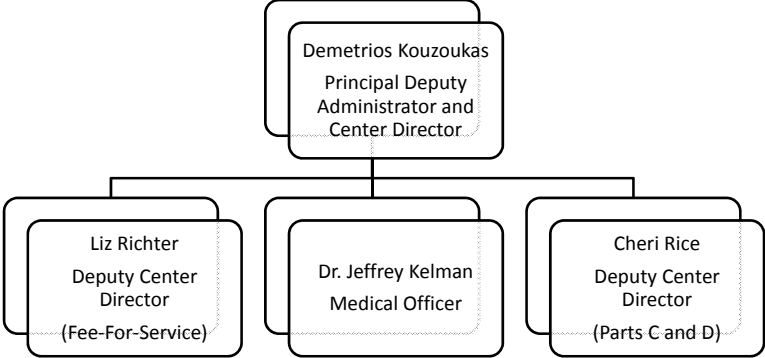
January 29, 2019

Topics

- **CM/MOEG Overview**
- **Program Audits**
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 - Audit Performance
 - Changes for 2019
- **Programs of All-Inclusive Care for the Elderly (PACE) Audits**
 - Overview
 - Audit Performance
 - Changes for 2019
- **Other Reminders**
- **Resources**

CM/MOEG Overview

Center for Medicare



Center for Medicare: Parts C and D

Cheri Rice
Deputy Center Director

Medicare Drug Benefit and C and D Data Group (MDBG)
Amy Larrick, Dir.
Ryan Howe, Acting Dep. Dir.

Medicare Drug and Health Plan Contract Administration Group (MCAG)
Kathryn Coleman, Dir.
Scott Sturiale, Dep. Dir.

Medicare Enrollment and Appeals Group (MEAG)
Jerry Mulcahy, Dir.
Jennifer Smith, Dep. Dir.

Medicare Plan Payment Group (MPPG)
Jennifer Shapiro, Acting Dir.
Rebecca Paul, Acting Dep. Dir.

Medicare Parts C and D Oversight and Enforcement Group (MOEG)
John Scott, Acting Dir.
Judith Geisler, Dep. Dir.

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MOEG

MOEG
John Scott, Acting Dir.
Judith Geisler, Dep. Dir.

Division of Analysis, Policy, and Strategy (DAPS)
Kady Flannery, Dir.
Caroline Zeman, Acting Dep. Dir.

Division of Audit Operations (DAO)
Jessica Robinson, Dir.
Karen Roe, Acting Dep. Dir.

Division of Compliance Enforcement (DCE)
Kevin Stansbury, Dir.

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**MOEG:
DAPS**

- Develops the audit strategy and policies for Medicare Advantage (MA), Prescription Drug Plan (PDP), Medicare-Medicaid Plan (MMP), and Special Needs Plans (SNP) programs
- Develops and implements the PACE audit strategy, policies, and protocols
- Develops and publishes both the PACE and Program Audit and Enforcement Reports

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**MOEG:
DAO**

- Implements the audit strategy
- Develops and implements the audit process
- Conducts audit training for CMS staff and audit support contractors

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**MOEG:
DCE**

- Develops the enforcement strategy and policies
- Evaluates potential enforcement actions
- Issues and oversees enforcement actions (civil money penalties, sanctions, and CMS-initiated terminations)

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Program Audits

Overview

- Over 200 program audits conducted in 2010-2018
- We currently audit seven program areas:
 - Compliance Program Effectiveness (CPE)
 - Part D Formulary and Benefit Administration (FA)
 - Part D Coverage Determinations, Appeals and Grievances (CDAG)
 - Part C Organization Determinations, Appeals and Grievances (ODAG)
 - SNP Model of Care (SNP-MOC)
 - MMP Service Authorization Requests, Appeals and Grievances (MMP-SARAG)
 - MMP Care Coordination Quality Improvement Program Effectiveness (MMP-CCQIPE)

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Overview (cont.)

Audit Cycles

- First cycle: 2010-2014
 - Audited approximately 50% of sponsors
 - Approximately 96% of all Parts C and D enrollees
- Second cycle: 2015-2018
 - Audited approximately 60% of sponsors
 - Approximately 96% of all Parts C and D enrollees
- Third cycle begins in 2019
 - Engagement letters will be sent beginning March 2019

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Overview (cont.)

Improvements to date:

- Greater transparency and education
- Shift to outcomes-based auditing
- Improved technology
- Responsiveness to stakeholder feedback
- Enforcement actions

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Audit Performance

- Although CMS has increased the number of condition types over time, the average number of conditions cited per audit has decreased
 - 38 per audit (2012)
 - 18 per audit (2016)
 - 12 per audit (2017)
 - About 12 per audit (2018)*

*Based on audits that had final reports issued as of 12/19/2018

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Audit Performance (cont.)

Improvement in CDAG and ODAG performance from 2016 to 2017*

- Average number of CDAG timeliness conditions per audit decreased from 1.11 to .64 (42% decrease)
- Average number of ODAG timeliness conditions per audit decreased from 3.43 to 2.39 (30% decrease)
- Total number of timeliness Immediate Corrective Actions Required (ICARs) decreased from 10 to 5 in CDAG and from 25 to 15 in ODAG

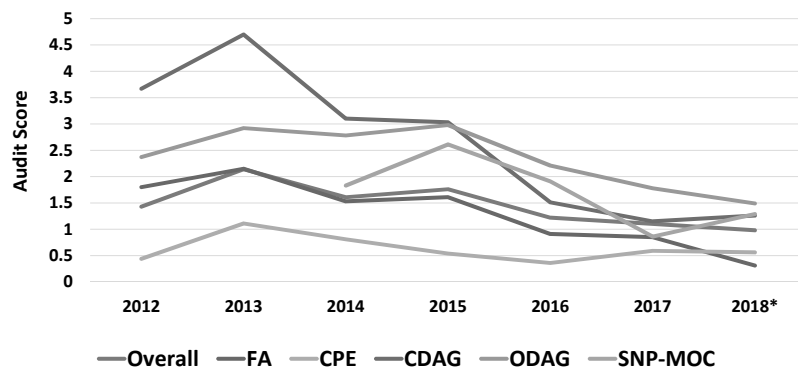
*We conducted two more CDAG audits in 2017 than in 2016 and 2 fewer ODAG audits in 2017 than in 2016

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Audit Performance (cont.)

Audit scores have improved

Audit Scores 2012-2018



*2018 scores include audits that had a final report issued as of 12/19/2018

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Audit Performance (cont.)

- The 2017 Program Audit and Enforcement Report was released May 8, 2018 and covers a variety of audit-related information:
 - The most common conditions seen during 2017 audits
 - Audit scores by various organizational characteristics, including enrollment size and program experience
 - <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/ProgramAudits.html>
- The 2018 Program Audit and Enforcement Report is expected to be released in May 2019

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Audit Performance: Enforcement Actions

- 2013: 23 enforcement actions (21 CMPs, 2 sanctions)
- 2014: 19 enforcement actions (16 CMPs, 3 sanctions)
- 2015: 15 enforcement actions (12 CMPs, 3 sanctions)
- 2016: 17 enforcement actions (17 CMPs)
- 2017: 18 enforcement actions (18 CMPs)
- 2018: 1 enforcement action (sanction) as of 1/1/19
- CMPs for 2018 program audits are expected to be posted by the end of February
<https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDEnforcementActions-.html>

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Audit Performance: Enforcement Actions (cont.)

The total CMP amounts for audit-related violations have fluctuated:

- 2013: \$3.9 million
- 2014: \$3.7 million
- 2015: \$8.5 million
- 2016: \$7.3 million
- 2017: \$2.6 million

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Changes for 2019

- 2019 Program Audits Memorandum
- 2019 Call Letter

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Changes for 2019: 2019 Program Audits Memorandum

Health Plan Management System (HPMS) memo released on December 4, 2018 announced the following changes to the audit process:

- **Suspended the collection of:**
 - CDAG, ODAG, and SARAG Supplemental Questions at the time of the engagement letter
 - Call Logs
 - CMS will review a sponsor's oversight of its call routing process during its review of CPE
 - Self-assessment questionnaire under CPE
 - Duration (contract effective date) of a First-Tier Entity at the time of audit
 - Some of the details regarding the roles of employee and committee members under CPE

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Changes for 2019: 2019 Program Audits Memorandum (cont.)

- **Comprehensive Addiction and Recovery Act of 2016**
 - Beneficiary at-risk determinations
 - Not defined as coverage determinations
 - Will not be collected via program audit universe record layouts in 2019
 - Will be reported as a part of the total redetermination count in universe submissions for Table 6 (Standard Redeterminations) and Table 8 (Expedited Redeterminations)
- **Parts C & D Enrollee Grievances, Organization/Coverage Determinations, and Appeals Guidance**
 - CMS will ensure sponsors have an opportunity to implement the updates before auditing them
 - CMS will provide detail on how and when any audit compliance standards will be affected once the guidance is finalized and published

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Changes for 2019: 2019 Call Letter

- Medicare Advantage organizations (MAOs)/sponsors must hire an independent auditor when more than five conditions (that are not related to CPE) must be tested during the validation audit
- An MAO/sponsor must copy the independent auditor when submitting the independent validation audit report to CMS

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PACE Audits

Overview

- CMS conducted 74 PACE audits in 2017 and 65 PACE audits in 2018
- Protocols focus on clinical care and participant outcomes/experience
- Execution and scoring similar to C and D program audits
- We currently audit five program areas:
 - Service Delivery Requests, Appeals and Grievances (SDAG)
 - Clinical Appropriateness and Care Planning (CACP)
 - Onsite Review
 - Personnel Records
 - Quality Assessment

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Audit Performance

- The 2017 audit scores ranged from 0.6 to 9 (lower is better)
 - 2.4 average
- The average number of conditions per audit was 8.5
 - On average, 4.9 corrective actions required (CARs) and 3.6 ICARs per audit
- The SDAG element had the greatest number of conditions cited (422 overall)
 - On average, 3.4 CARs and 2.3 ICARs per audit for SDAG

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Audit Performance (cont.)

- The 2017 PACE Audit and Enforcement Report was released July 17, 2018 and covers a variety of audit-related information:
 - The most common conditions seen during 2017 audits
 - Audit scores by various organizational characteristics, including enrollment size, program experience, and tax status
 - https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PACE_Audits.html
- The 2018 PACE Audit and Enforcement Report is expected to be released by July 2019

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Audit Performance: Enforcement Actions

- 2015: 1 enforcement action (sanction)
- 2016: None
- 2017: 3 enforcement actions (1 CMP, 2 sanctions)
- 2018: 1 enforcement action as of 1/11/19 (CMP)

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Changes for 2019

- CMS-4168-P was published in the Federal Register on August 16, 2016
- Comment period closed October 17, 2016

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Other Reminders

2017 Part C National Improper Payment Rate Work

- Notice sent to selected organizations on December 28, 2018
- Required to submit medical records
- Important data source that helps CMS understand the national improper payment rate for Part C payments
- National improper payment rate is made public in annual HHS Agency Financial Report
- Lack of response may be a factor in selecting contracts for the contract-level Risk Adjustment Data Validation (RADV) audits
- Organizations must become credentialed by February 27th
 - Identify points of contact (POCs) for each contract that must submit records
 - POCs gain access to the HPMS national RADV module
- The submission window will open after February 27th
- Direct questions to: nationalradv@cms.hhs.gov
 - Include “NAT17 RADV” in the subject line

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Resources

Audit Protocol

- Review protocol
 - Program Audits:
<https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/ProgramAudits.html>
 - PACE Audits:
https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PACE_Audits.html
- Conduct mock audits using the protocol

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Contact Us

- **Audit mailboxes:**
 - Program audits: part_c_part_d_audit@cms.hhs.gov
 - PACE audits: PACEauditQs@cms.hhs.gov
- **Compliance mailbox:**
Parts_C_and_D_CP_Guidelines@cms.hhs.gov
- **Part C and Part D Compliance and Audits website:** <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/index.html>

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