

CMS Oversight Strategy for Part D



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December 8, 2008



CMS & Program Integrity Group Overview and Part D Strategy

- I. CMS Structure and Organization**
- II. CMS Part D Program Integrity Strategy**
 - A. MEDICs
 - B. Compliance Regulation
 - C. Part D Manual – Chapter 9
- IV. Program Integrity Audits**
- V. MEDICs and ZPICs**

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>CMS Structure and Organization</h2>
<p><u>CMS Central Office – Baltimore, MD</u></p> <ul style="list-style-type: none">- Organized by Centers and Offices- 3 Centers<ul style="list-style-type: none">• Center for Beneficiary Choices (Responsible for Implementing the Part D Drug Plan)• Center for Medicare Management• Center for Medicaid and State Operations- 10 Offices at the Central Office (e.g., Office of Financial Management, Office of Information Systems) <p><u>10 CMS Regional Offices - Atlanta, Boston, Chicago, Dallas, Denver, Kansas City, New York Philadelphia, San Francisco, and Seattle</u></p> <p><u>Satellite Offices – Miami and Los Angeles</u></p>	
<p style="text-align: right;">3</p>	

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Program Integrity Part D Oversight Strategy</h2>
<p>Medicare Drug Integrity Contractors (MEDICs)</p> <p><u>CMS-4124-F: "Revisions to the Medicare Advantage and Part D Prescription Drug Contract Determinations, Appeals, and Intermediate Sanctions Processes, FR Doc. 07-5946 (72 FR 68700 through 68741), was published December 5, 2007.</u></p> <p>Chapter 9 of the Part D Manual – Part D Program to Control Fraud, Waste, and Abuse.</p>	
<p style="text-align: right;">4</p>	

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Medicare Drug Integrity Contractors (MEDICs)

Purpose:
To ensure the protection of the Medicare Trust Fund and Medicare beneficiaries.

Goal:
Identify cases of suspected fraud, develop them thoroughly and in a timely manner, and take immediate action to ensure that Medicare Trust Fund monies are not paid inappropriately and that any inappropriate payments are recommended for recoupment.

5

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MEDIC Regional Map


The 2 MEDIC Regions


The map shows the following state assignments for the two regions:


- North: SGS** (States): WA, OR, ID, MT, ND, MN, WI, MI, NY, VT, ME, NH, MA, RI, CT, NJ, PA, DE, MD & D.C., VA, WV, OH, IN, IL, IA, MO, KY, TN, NC, SC, GA, AL, MS, AR, OK, KS, NE, SD, WY, CO, UT, NV, CA, AZ, NM, TX, LA, FL.
- South: Health Integrity** (States): AZ, NM, TX, LA, FL.


Other territories shown include AK, HI, Mariana Islands, Guam, American Samoa, PR, and USVI.


6


	<h2 style="text-align: center;">MEDIC Contact Information</h2>
<p><u>MEDIC North: Electronic Data Systems (EDS) Corporation</u> By phone: 877-7SAFERX (877-772-3379) By fax: 717-975-4442 *In writing: MEDIC North 225 Grandview Avenue, Mail-stop F10 Camp Hill, PA 17011</p> <p><u>MEDIC South: Delmarva/Health Integrity</u> By phone: 877-7SAFERX (877-772-3379) By fax: 410-819-8698 *In writing: Health Integrity Attention: MEDIC 9240 Centreville Road Easton, MD 21601</p> <p style="text-align: right;">*Note: Both Regional MEDICs can be reached by the same number: 1-877-772-3379</p> <p style="text-align: right;">7</p>	

	<h2 style="text-align: center;">Fundamental MEDIC Activities</h2>
<ul style="list-style-type: none">• Conduct complaint investigations• Perform data analysis efficiently and proactively to evaluate inappropriate activity• Develop and refer cases to the appropriate law enforcement (LE) agency or take administrative action as appropriate• Support ongoing LE investigations• Conduct audits• Review PDP and MA-PD fraud and abuse compliance programs based on Chapter 9 of the Part D Manual <p style="text-align: right;">8</p>	

	<h2>Coordination and Education Requirements</h2>
<p>MEDICs must coordinate with other entities to ensure efforts are coordinated to stop fraud.</p> <ul style="list-style-type: none"> • Part D Sponsors • Other Medicare Contractors (FI, Carriers, etc...) • OIG • DOJ • FBI • State Agencies (MFCU, etc...) • Law Enforcement Task Forces • Quality Improvement Organizations • Medicare Managed Care Organizations • Private Health Insurers • Other Specialty Contractors • Other Federal and State Agencies 	

	<h2>Regulatory Changes 42 CFR Parts 422 and 423</h2>
<p><u>CMS-4124-F</u>: "Revisions to the Medicare Advantage and Part D Prescription Drug Contract Determinations, Appeals, and Intermediate Sanctions Processes, FR Doc. 07-5946 (<u>72 FR 68700 through 68741</u>), was published December 5, 2007.</p> <p>This final rule updated the compliance plan requirements for Medicare Advantage (MA) organizations and Part D Sponsors.</p>	

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2 style="text-align: center;">Regulatory Changes 42 CFR Parts 422 and 423</h2>
<p style="text-align: center;">Plans affected by the regulation:</p> <ul style="list-style-type: none">- MA Plans- MA Prescription Drug Plans- Stand-alone Prescription Drug Plans <p style="text-align: right;">11</p>	

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2 style="text-align: center;">42 CFR Parts 422 and 423</h2>
<p style="text-align: center;">Key Regulatory Changes related to:</p> <ul style="list-style-type: none">- Program Operations- Program Accountability and Compliance- Program Integrity - Fraud, Waste and Abuse <p style="text-align: right;">12</p>	

Program Integrity - Regulatory Changes

Program Integrity - Fraud, Waste and Abuse

- **Training and Education** - requirement for annual FWA training for Part D sponsors and their first tier downstream and related entities.
- **Definitions** - clarification of key terms.
- **Access to books and records** – clarification of CMS' authority to inspect and audit any books, contracts, and records of a Part D sponsor or MA organization relating to the Part D program.


13


Program Integrity - Training and Education


Quick facts about the requirement:


- **It is the Part D Sponsor's responsibility to provide their first tier, downstream, and related entities with the appropriate training.**
- **This training requirement becomes effective January 1, 2009. Each Sponsor has from January 1, 2009 to December 31, 2009 to meet this requirement.**
- **Training does not need to be completed by January 1, 2009.**


14


 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Program Integrity - Training and Education</h2>
<p><u>Quick facts about the requirement:</u></p> <ul style="list-style-type: none">- CMS recognizes that this requirement could be cumbersome for first tier, downstream, and related entities because these entities often contract with multiple Part D Sponsors.- We are exploring options to mitigate the potential burden on downstream entities. <p>15</p>	


 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Program Integrity – Training and Education</h2>
<p><u>TRAINING and EDUCATION</u></p> <p><u>Issue:</u> Are Part D sponsors required to provide training and education directly to all contracted entities?</p> <p><u>Response:</u> Part D sponsors are required to either <u>directly</u> provide training and education to its first tier, downstream and related entities or provide the appropriate training materials to its first tier, downstream, and related entities and ensure that the training has been taken.</p> <p>First tier, downstream, and related entities, including pharmacies, should not develop their own training. They can administer the training if the materials are provided by the Sponsor.</p> <p>16</p>	


	<h2>Program Integrity – Training and Education</h2>
<p style="text-align: center;"><u>TRAINING and EDUCATION</u></p> <p><u>Issue:</u> How might a Part D sponsor fulfill the training and education requirement?</p> <p><u>Response:</u> Currently, Chapter 9 of the Prescription Drug Benefit Manual provides the framework for how Part D sponsors should craft their training program. We are in the process of updating Chapter 9 in accordance with regulatory changes, and we plan to issue the chapter for comment in late Spring, 2009.</p> <ul style="list-style-type: none"> - §50.2.3.1 (General Compliance Training): Inform staff of the Compliance officer, compliance committee, work plan of the organization, etc. - §50.2.3.2 (Specialized Compliance Training): Training in the particular aspects of Part D and their responsibilities in limiting compliance risks. - §50.2.3.3 (Methods of Training): Various onsite and offsite methods discussed. 	
<p>17</p>	

	<h2>Program Integrity – Training and Education</h2>
<p style="text-align: center;"><u>TRAINING and EDUCATION</u></p> <p><u>Issue:</u> If a first tier, downstream or related entity took FWA training in 2008 will that count toward 2009?</p> <p><u>Response:</u></p> <p>No. The first tier, downstream, and related entities must take additional training to meet the 2009 requirement, and annually thereafter. Annual training to combat FWA has always been a requirement in Chapter 9.</p> <p>CMS believes that the more training the first tier, downstream, and related entities have the better their ability to identify and prevent FWA.</p>	
<p>18</p>	

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Program Integrity – Training and Education</h2>
<h3><u>TRAINING and EDUCATION</u></h3> <p><u>Issue:</u> There is Fraud, Waste and Abuse training on MEDLEARN. Does this training meet the requirements for Part D?</p> <p><u>Response:</u> No, not at this time. The training on the site is only for Medicare fee-for-service providers. CMS is considering updating the training on the learning network so that it could fulfill the Part D requirements.</p> <p data-bbox="1218 945 1250 966">19</p>	

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Program Integrity – Definitions</h2>
<h3><u>DEFINITIONS</u></h3> <p><u>Issue:</u> Clarify who is considered a subcontractor?</p> <p><u>Response:</u> The term “subcontractor” has been replaced by “First Tier, Downstream, and Related Entity” to provide further clarity. These terms indicate entities such as Pharmacy Benefit Managers or Pharmacies.</p> <p data-bbox="1218 1816 1250 1837">20</p>	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>Program Integrity - Definitions</h2>
<p><u>DEFINITIONS</u> (Sections 422.2 and 423.4)</p> <p><i>"First Tier Entity</i> means any party that enters into a written arrangement acceptable to CMS, with a Part D sponsor or an MA organization or applicant to provide administrative or health care services for a Medicare eligible individual under the Part D or MA program."</p> <p data-bbox="1230 947 1252 961">21</p>	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>Program Integrity - Definitions</h2>
<p><u>DEFINITIONS</u> (Sections 422.2 and 423.4)</p> <p><i>"Downstream Entity</i> means any party that enters into a written arrangement acceptable to CMS, with persons or entities involved with the Part D benefit, below the level of the arrangement between a Part D sponsor or an MA organization (or applicant) and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services."</p> <p data-bbox="1230 1816 1252 1831">22</p>	

Program Integrity – Definitions


DEFINITIONS (Sections 422.2 and 423.4)


"*Related Entity* means any entity that is related to the Part D sponsor or MA organization by common ownership or control and (1) Performs some of the Part D sponsor or MA organization's management functions under contract or delegation; (2) Furnishes services to Medicare Enrollees under an oral or written agreement; or (3) Leases real property or sells materials to the Part D sponsor or MA organization at a cost of more than \$2,500 during a contract period."


Program Integrity - Access to Books and Records


ACCESS TO BOOKS AND RECORDS


CMS has existing legal authority to access books and records of first tier, downstream and related entities under section 1860D-12 (b)(3)(c) of the Medicare Modernization Act and §422.504(e)(2) and §423.505 (e) (2) of the regulation.


 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>Program Integrity - Access to Books and Records</h2>
<p><u>ACCESS TO BOOKS AND RECORDS</u></p> <p><u>Issue:</u> How should information requested from first tier, downstream and related entities be submitted to CMS?</p> <p><u>Response:</u> First tier, downstream and related entities are given the option of either submitting the requested information directly to the Part D sponsor or to CMS or its designee. This decision should be made through the contractual negotiation process.</p> <p data-bbox="1230 947 1252 961">25</p>	


 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>Program Integrity - Access to Books and Records</h2>
<p><u>ACCESS TO BOOKS AND RECORDS</u></p> <p><u>Issue:</u> What is the standardized format to submit information?</p> <p><u>Response:</u> The information requested may vary depending on the circumstances and as a result it may not be possible to develop a single standardized format. The format will be determined based upon the specific request.</p> <p data-bbox="1230 1818 1252 1833">26</p>	


 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>Chapter 9 - Part D Program to Control Fraud, Waste and Abuse</h2>
<p><u>Purpose:</u> To provide Sponsors guidance on how to implement a comprehensive program to prevent and detect fraud, waste and abuse in Part D based on the statutory and regulatory requirements.</p> <p><u>Social Security Act §1860D-4(c)(1)(D)</u> “The PDP sponsor <u>shall</u> have in place, directly or through appropriate arrangements, with respect to covered Part D drugs... a program to control fraud, abuse and waste.”</p> <p><u>Part D Regulation §423.504(b)(4)(vi)(H)</u> A compliance plan <u>must</u> have “a comprehensive fraud and abuse plan to detect, correct, and prevent fraud, waste and abuse. This fraud and abuse plan should include procedures to voluntarily self-report potential fraud or misconduct related to the Part D program to the appropriate government authority.”</p>	
<p style="text-align: right;">27</p>	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>Chapter 9 - Part D Program to Control Fraud, Waste and Abuse</h2>
<p style="text-align: center;">CMS is in the process of revising Chapter 9 of the Prescription Drug Benefit Manual to comply with the final regulation published December 5, 2007.</p>	
<p style="text-align: right;">28</p>	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">PART C OVERSIGHT</h2>
	<ul style="list-style-type: none">• Currently, the MEDICs are only responsible for Part D. • Preparations are underway for the MEDICs to oversee Part C plans to identify and prevent cases of suspected fraud. • Activities for Part C oversight will be similar to the MEDIC activities for the Part D program. <p style="text-align: right;">29</p>

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">CMS PART D OVERSIGHT</h2>
	<p>The cornerstone of CMS' contractor management activity is analysis of and reaction to Part D program data from contractors, beneficiaries, and the marketplace.</p> <ul style="list-style-type: none">– Many types of self-reported, un-audited data will be submitted by Part D Sponsors. Much of these data will be verified and validated to identify outliers for possible compliance interventions. <p style="text-align: right;">30</p>

 <p><small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small></p>	<h2>CMS Compliance and Enforcement</h2>
<ul style="list-style-type: none">• Part D contractor compliance issues that Medicare Drug Benefit Group (MDBG) and Regional Offices are not able to satisfactorily resolve are routed to the Plan Accountability and Oversight Group (POAG).• POAG will evaluate compliance cases to assess compliance implications; and will work with MDBG and Regional Offices to determine an appropriate level of compliance intervention. Possible actions:<ul style="list-style-type: none">Medicare Drug Benefit Group<ul style="list-style-type: none">– Education– Corrective Action PlanPlan Accountability and Oversight Group<ul style="list-style-type: none">– Intermediate Sanctions (e.g., marketing and enrollment suspension)– Civil Money Penalty and/or Contract Termination• Refer suspected fraud, abuse and waste cases to OFM/PI and/or the appropriate MEDIC.	

 <p><small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small></p>	<h2>CMS Part D Audits</h2>
<ul style="list-style-type: none">• There are a variety of audits that Program Integrity can and does perform on Part D Sponsors:<ul style="list-style-type: none">– Compliance Plan Audits– Benefit Integrity Audits– Compliance Audits	

Compliance Plan Audits


- **The HHS Office of the Inspector General (OIG) and the Government Accountability Office (GAO) have studied PDP compliance plans over the last 2 years.**
 - Prescription Drug Plan Sponsors' Compliance Plans (OEI-03-06-00100) OIG, December, 2006;
 - MEDICARE PART D: Some Plan Sponsors Have Not Completely Implemented Fraud and Abuse Programs, and CMS Oversight Has Been Limited (GAO-08-760) July, 2008; and
 - Oversight of Prescription Drug Plan Sponsors' Compliance Plans (OEI-03-08-00230) OIG, November, 2008.


33


Compliance Plan Audits


- **The MEDICs began the Compliance Plan Audits in September, 2008.**
 - They are desk audits.
 - The Part D sponsor is given 30 calendar days to provide the materials to the MEDIC.
 - The MEDIC will provide CMS with the results of the audit.
 - Findings from this type of audit could lead to corrective actions and other types of audits.


34


 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">Compliance Plan Audits</h2>
	<ul style="list-style-type: none">• Part D Sponsors are required to have and implement an effective compliance plan as a condition of participation in the Medicare program. • During an audit, Part D sponsors will be expected to demonstrate how they implemented their compliance plan to not only meet the statutory and regulatory requirements but also to identify, prevent and correct fraud, waste and abuse in their operations and the operations of their first tier, downstream, and related entities. <p style="text-align: right;">35</p>

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">Compliance Plan Audits</h2>
	<ul style="list-style-type: none">• The seven elements of an effective compliance plan are:<ul style="list-style-type: none">– Written Policies and Procedures– Compliance Officer and Committee– Training and Education– Effective Lines of Communication– Well Publicized Disciplinary Guidelines– Internal Monitoring and Auditing– Prompt Response to Detected Offenses and Development of Corrective Actions • These can be found at 42 CFR section 423.504. <p style="text-align: right;">36</p>

 <p>CMS CENTER FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Written Policies and Procedures</h2>
<p>Written polices and procedures should include, but not be limited to:</p> <ul style="list-style-type: none">➤ Code of Conduct/ Ethics that clearly articulates the Sponsor’s commitment to comply with all applicable statutory, regulatory and program requirements and delineates the sponsor’s expectations of employees and contractors to conform to this commitment;➤ Policies and procedures to respond to potential violations of Federal and State laws and regulations;	

 <p>CMS CENTER FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Written Policies and Procedures</h2>
<ul style="list-style-type: none">➤ Processes for identifying overpayments at any level within its network and the repayment to CMS;➤ Policies and procedures for coordinating and cooperating with MEDICs, CMS, and law enforcement; and➤ Processes to review the DHHS OIG and GSA exclusion lists for the sponsor’s employees and contractors.	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">Compliance Officer</h2>
<p>The designation of a <u>compliance officer and compliance committee</u> accountable to senior management.</p> <ul style="list-style-type: none">➤ Responsible for developing, operating, and monitoring the Fraud and Abuse program.➤ Has authority to report directly to the board of directors, the president, and/or the CEO.➤ Part D Sponsors must have a compliance officer and compliance committee in place--- this function <u>MAY NOT</u> be subcontracted. <p style="text-align: right;">39</p>	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">Effective Lines of Communication</h2>
<p>Effective <u>lines of communication</u> between the compliance officer and the:</p> <ul style="list-style-type: none">➤ Organization's employees➤ Contractors➤ Agents➤ Directors➤ Members of the compliance committee <p style="text-align: right;">40</p>	

Effective Lines of Communication

- **Procedures should be in place to protect the anonymity of complainants and protect whistleblowers from retaliation.**
- **Concerns and risks should be reported via independent mechanisms, which may include hotlines, suggestion boxes, employee exit interviews, e-mails or any other forum that promotes information exchange.**
- **Effective communication can be enhanced by putting in place a complaint tracking system, which includes a call center with an explicit process for handling customer complaints for beneficiaries.**


41


Well-Publicized Disciplinary Guidelines

Sponsors should consider any of the following methods to publicize disciplinary guidelines:

- ✓ **Newsletters that explain compliance issues and methods;**
- ✓ **Including compliance guidelines as a regular topic at department staff meetings;**
- ✓ **Using the organization's Intranet site to post information regarding compliance issues; and**
- ✓ **Prominently display posters, cafeteria table tents, or other such vehicles that emphasize compliance.**

42

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Internal Monitoring and Auditing</h2>
<p>Procedures for effective <u>internal monitoring and auditing</u>.</p> <ul style="list-style-type: none">➤ Protects the Medicare Trust Fund from Part D fraud, waste and abuse.➤ Ensures that necessary steps are taken to comply with all Federal and State regulations related to fraud, waste and abuse.➤ Ensures that the compliance program is being followed in order to mitigate the potential for fraud, waste and abuse within a Part D organization.	
<p style="text-align: right;">43</p>	

 <p>CMS CENTERS FOR MEDICARE & MEDICAID SERVICES</p>	<h2>Internal Monitoring and Auditing</h2>
<ul style="list-style-type: none">➤ Monitoring activities refer to reviews that are repeated regularly during the normal course of operations.➤ An audit refers to a more formal review of compliance with a particular set of internal or external standards.➤ Sponsors should develop a monitoring and auditing work plan that addresses risks associated with the Part D benefit.	
<p style="text-align: right;">44</p>	

Internal Monitoring and Auditing

Sponsors should consider methods such as:

- Review of high risk areas at the plan level (e.g., enrollment);
- Unannounced internal audits or “spot checks;”
- Review of areas previously found non-compliant to determine if the corrective actions taken have fully addressed the underlying problem; and
- Use of objective, independent auditors that are knowledgeable of the Medicare program requirements and have access to existing audit resources, relevant personnel, and relevant areas of operation.

45

Prompt Responses & Corrective Action

Procedures to promptly respond to potential offenses should include:

- ✓ Referral of any abusive or potentially fraudulent conduct or inappropriate utilization activities for further investigation to the Medicare Drug Integrity Contractor (MEDIC);
- ✓ Coordination and cooperation with law enforcement;
- ✓ Reporting of potential violations of Federal law to the HHS OIG, or other appropriate law enforcement authorities;
- ✓ The role and responsibilities of Special Investigations Units (SIU’s) if applicable; and
- ✓ The development of appropriate corrective actions, including the repayment of any overpayments.

46

Compliance Plan Audits


- **Deletion of eighth element for a separate fraud, waste, and abuse plan:**
 - An effective compliance plan will already include procedures and policies for detecting, correcting, and preventing fraud, waste, and abuse in the program.
 - An effective compliance plan that incorporates the recommendations in Chapter 9 would also satisfy the statutory requirement to have a fraud, waste, and abuse plan.
 - Therefore, it is not necessary for Part D sponsors and MA-PDs to have a separate fraud, waste, and abuse plan in addition to a compliance plan.


47


Compliance Plan Audits


- **Though Program Integrity does not have a statutory requirement for how often the compliance plan audits should be conducted, CMS recommends that plan sponsors stay on alert and be prepared.**
- **The findings of the audits may be used to assist CMS in developing additional guidance for sponsors in Chapter 9.**

48

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">Program Audits</h2>
<p>Conducted by CMS Regional Offices</p> <p>Helps CMS ascertain if Part D Sponsors are in compliance with all guidance and regulations associated with providing the Part D benefit. Areas that can be included in a program audit are:</p> <ul style="list-style-type: none">- Enrollment and Disenrollment- Marketing- Grievances- Licensure & Solvency- Access <ul style="list-style-type: none">• These audits are a combination of desk and on-site activities.• Plan Sponsors have currently been undergoing Program Audits.	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2 style="text-align: center;">Benefit Integrity Audits</h2>
<ul style="list-style-type: none">• Benefit Integrity Audits are conducted by the MEDICs and are conducted on <i>ad hoc</i> basis.• A benefit integrity audit, also called a targeted audit, is performed if there is a concern that the repeated or related activities of a sponsor surrounding a particular issue could put the agency and/or a beneficiary at risk.• With a benefit integrity audit, the MEDICs will audit a Part D Sponsor based on data that suggests aberrant behavior on the part of a Part D Sponsor providing the benefit, as well as a beneficiary utilizing the benefit.	

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>MEDICS AND ZPICS</h2>
	<ul style="list-style-type: none">• CMS has begun implementing its strategy to align the existing Program Safeguard Contracts geographically with the Medicare Administrative Contracts (MAC).• Under this new strategy CMS will divide the nation into seven zones, each of which contains one or more entire MAC jurisdictions. Each zone will have a Zone Program Integrity Contractor (ZPIC) that performs benefit integrity functions. <p>51</p>

 <small>CENTERS FOR MEDICARE & MEDICAID SERVICES</small>	<h2>MEDICS AND ZPICS</h2>
	<p>Part D sponsors should be aware that the MEDICs continue to function as the Program Safeguard Contractor for Part D.</p> <p>Sponsors will be notified of any transition to new contractors.</p> <p>52</p>

Questions

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