Monday, December 5, 2016

The Centers for Medicare & Medicaid Services (CMS) recently announced that it will monitor—beginning in January 2017—Part C and D appeals timeliness on an industry-wide basis. Under this initiative, all Medicare Advantage Organizations and Part D Plan Sponsors (collectively, Plan Sponsors) will be subjected to scrutiny immediately and every year going forward. CMS initially announced the expanded monitoring effort in the draft 2017 audit protocols, and confirmed in November 28th and December 2nd transmittals that the monitoring will begin immediately and have multiple important implications for Plan Sponsors.

Most critically, CMS may use the failure to submit data universes and the findings of the timeliness review as the basis for a compliance action and/or downgrade to the Plan Sponsor’s Star Ratings. The agency has a history of imposing civil monetary penalties on Plan Sponsors who are not in compliance with appeals timeliness requirements. Such penalties, especially when combined with a downgrade to the timeliness-related Star Ratings measures, could result in a significant financial loss for Plan Sponsors. Notably, Plan Sponsors will have just five business days to appeal CMS’s findings from the timeliness analysis.

The new monitoring program creates significant administrative challenges, which are exacerbated by CMS’s very tight timeframe. Beginning in January 2017 and annually thereafter, all Plan Sponsors will have to submit seven Part C Organization Determinations, Appeals, and Grievances (ODAG) and 10 Part D Coverage Determinations, Appeals, and Grievances (CDAG) universes for CMS’s review. All universes must be submitted within 15 business days of the request.

CMS cites two main justifications for the expansion. First, CMS seeks to bolster its efforts to monitor Plan Sponsor compliance with appeals processes. Second, the agency is seeking more information to determine whether the timeliness data gathered from Independent Review Entities (IREs) and used in the Star Ratings is reliable and accurate. Recent CMS audits have revealed numerous issues with the timeliness data submitted to the IRE, and CMS has in some cases imposed an automatic one-star rating for the associated measures. This focus on the integrity of the IRE data is part of CMS’s larger initiative to address data integrity issues—something the agency has indicated will be addressed in the Call Letter expected to be released in February 2017.

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