# CMS Levies Fines Against Health Plans for Medicare Rx Violations

Last year the Centers for Medicare and Medicaid Services

(CMS) audited 37 health plans that participate in Medicare prescription drug programs. Last week the CMS released the results to the public.

Bottom line? Almost half of the insurers audited were dinged with fines for inappropriately denying enrollees access to services or drugs. A total of 17 health plans racked up more than $7 million in penalties.

The CMS reported that the insurers in question breached Medicare Advantage Part D prescription medication protocol, and this in turn restricted access to health
services and drugs for covered consumers.

## UnitedHealthcare receives heftiest penalty

Based in Minnesota, UnitedHealthcare is the country's largest health plan. It also received the highest fine of the 17 offenders—$2.5 million, a substantial chunk of the overall total.

According to the CMS, some UnitedHealthcare insureds were improperly denied prescription drug coverage, at times for medical conditions that warranted urgent attention. The CMS further noted that some beneficiaries failed to receive access to meds in a timely fashion, were forced to fork out greater out-of-pocket amounts than they should have, or didn't receive their prescriptions altogether.

"We immediately addressed the findings of this planned audit, which occurred last year, and remain committed to helping our members with the care they need, when they need it," a UnitedHealthcare spokesperson said in an email.

## More than a dozen insurers found to be in violation

UnitedHealthcare wasn't alone in the penalty box—among others, New Mexico-based Presbyterian, Oklahoma-based Community Care, and Florida-based WellCare Health Plans earned fines ranging from $750,000 to $1.17 million. On a relatively smaller scale, Missouri-based Centene was penalized by nearly $32,000.

Lest one equate the dollar amount of the penalty with severity of the breach, however, the CMS sent a memo to insurers explaining that the bottom line was driven by number of enrollees impacted by the issue, not a

measurement of big-picture healthcare plan operation.

## CMS finds that some Medicare enrollees were left without all options explained

Still, the penalties themselves carry some weight—albeit perhaps symbolically—and can lead to future CMS entanglements should the issues persist. According to a notice sent to WellCare by the CMS, as a result of the audit's findings, the agency will subtract points from the insurer's Beneficiary Access and Performance Problems measure, and will also add a negative point to WellCare's past performance.

The letter also states that "[f]urther failures by WellCare to provide its enrollees with Medicare benefits in accordance with CMS requirements may result in CMS imposing additional remedies available under law, including contract termination, intermediate sanctions, penalties, or other enforcement actions…"

The CMS said that WellCare breached its agreement with Medicare when it did not collaborate with healthcare providers to assess patient needs prior to denying coverage and when it failed to furnish patients with options for accessing medications that would not be covered by their Medicare policies (for example, through transition prescription policies). This oversight in turn left WellCare consumers open to higher out-of-pocket fees and unnecessary postponements in plugging into their benefits.

A spokesperson for WellCare said that the insurer is in the process of reviewing CMS's findings and that it will turn its attention to preventing future violations and ensuring federal compliance. The appeal period ends on April 25th.