

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, S.W., Suite 4T20  
Atlanta, Georgia 30303-8909



## CONSORTIUM FOR MEDICARE HEALTH PLANS OPERATION

April 25, 2013

Mr. Blair Todt  
Chief Compliance Officer  
WellCare Health Plans, Inc.  
8735 Henderson Road  
Tampa, FL 33634

*Delivered via email to Blair Todt at blair.todt@wellcare.com*

***RE: Request for corrective action plan to address non-compliance with Part D call center and pharmacy access requirements. (Contracts H0017, H0712, H0913, H1112, H1216, H1264, H1416, H1903, H2491, H3361, H0320, and S5967)***

Dear Mr. Todt:

The Centers for Medicare & Medicaid Services (CMS) is issuing this notice to WellCare Health Plans, Inc. requesting that it develop and implement a corrective action plan (CAP) to address non-compliance related to its call center and mail order operations under the Medicare Part D program. The non-compliance at issue in this letter occurred in the operation of the contracts listed above, which WellCare administers through several of its subsidiary organizations.

Part D sponsors may offer their plan members the opportunity to have their prescriptions filled by mail order pharmacies; 42 C.F.R. § 423.120(a)(3). Sponsors offering the mail order pharmacy option must provide such service consistent with the performance standards stated in their beneficiary information materials. Also, the call center that supports mail order operations is part of the plan sponsor's overall customer service operations under Part D and therefore must meet the performance standards stated in the Medicare Marketing Guidelines. Specifically, Part D plan sponsors must operate a toll-free call center for current enrollees to speak with a live customer service representative during usual business hours; 42 C.F.R. § 423.128(d)(1). The Medicare Marketing Guidelines (Medicare Prescription Drug Benefit Manual, Chapter 3) at Section 80.1 specify that sponsors must operate their customer service call centers in such a manner as to ensure that average hold times are limited to no more than two minutes.

As noted in our January 24, 2013, notice of non-compliance, CMS first became aware of WellCare's mail order pharmacy problems at the start of the new plan benefit year in January 2013, when we noticed an increase in complaints from WellCare plan members registered in our complaints tracking module (CTM). CMS brought this issue to WellCare's attention through conference calls and e-mails. Specifically, CMS identified an increase in complaints related to the operations of WellCare's contracted mail order pharmacy, Exactus, beginning on January 8, 2013, with enrollees indicating they were not receiving mail-order prescriptions within ten business days. During discussions with CMS, senior managers from WellCare noted that they had identified a 500% increase in its mail-order vendor call volume of prescription requests since January 1, 2013. WellCare acknowledged that its mail-order pharmacy vendor was not adequately staffed to handle the increased call volumes or mail-order prescription requests that resulted from the implementation of WellCare's new benefit plan structure, which featured \$0 copays for certain prescriptions when filled through mail order.

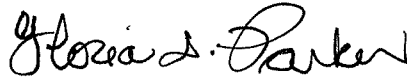
CMS learned through our CTM records that the difficulties WellCare members were facing in obtaining prescriptions through mail order continued to worsen during February 2013. On February 8, 2013, CMS Baltimore and Atlanta staff held a conference call with WellCare to discuss the status of its mail order operations. WellCare had reported that same day that it had approximately 2,500 mail order prescriptions pending for more than ten days, with approximately 1,000 of that number pending for over 14 days. This meant that WellCare enrollees were waiting longer than the 7-10 business days represented to beneficiaries on WellCare's Medicare plan website. Also, CMS noted that we were still receiving complaints from beneficiaries and pharmacists experiencing excessive hold times when trying to reach WellCare's mail order pharmacy.

WellCare's failure to plan effectively for the increase in demand for its mail order services in 2013 and its delay in taking steps to improve prescription delivery times and reduce call center hold times caused significant disruptions in service to Medicare beneficiaries. Therefore, CMS is requesting that WellCare develop and implement a CAP to bring its mail order pharmacy service, including its call center operations, into compliance with Part D program requirements. CMS notes that WellCare provided us with a report on February 11, 2013, outlining the steps it was taking then (including adding call center staff, retaining additional contractor support, and making the \$0 copay available to WellCare members at retail pharmacies) to resolve its mail order issues. We expect that WellCare has continued to make improvements to its mail order service. CMS will continue to evaluate WellCare's performance through June 2013, and if the CTM records then indicate that beneficiaries are not experiencing problems accessing prescription drugs through WellCare's mail order pharmacy, we will consider WellCare to have come into compliance and will close the CAP.

Please be aware that this letter will be included in the record of WellCare's past Medicare contract performance, which CMS will consider as part of our review of any application for new or expanded Medicare contracts your organization may submit. This letter is considered a Part D issue with beneficiary impact for past performance purposes.

CMS notes that we are issuing this compliance notice based exclusively on information that we obtained from sources other than the sponsor's own self-disclosure.

Sincerely,



Gloria D. Parker  
Associate Regional Administrator  
Division of Medicare Health Plan Operations

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