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MEMORANDUM

Date: November 16, 2006

To: All Part D Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: Monthly Monitoring of Medicare Beneficiary Complaints

In an effort to improve the timely resolution of beneficiary immediate need complaints, CMS will begin monthly monitoring of Part D sponsors. All Part D sponsors are accountable for the prompt resolution of CMS recorded complaints in the Complaints Tracking Module (CTM) and are required to have at least 95% of cases designated as “immediate action” resolved within two days of receipt.

For a given month, CMS will calculate the proportion of “immediate action” complaints that remain unresolved at the end of each month. The analysis will exclude those complaints that can be identified as not attributable to the plan, such as SSA premium withhold, retroactive disenrollment, enrollment exception, and facilitated enrollment complaints.

Should a Part D sponsor not meet the 95% threshold, CMS will consider those organizations out of compliance with one or more Part D requirements, including but not limited to requirements related to enrollment; coverage determinations, appeals, and formulary exceptions; and claims processing. In that instance, CMS may conduct a targeted audit of your organization’s Part D program operations. Where audit findings indicate that your organization is not meeting Part D requirements, CMS may demand that you develop and complete a formal corrective action plan (CAP) to cure the deficiencies indicated by the audit. If there is significant non-compliance, CMS may impose intermediate sanctions (i.e., suspend marketing and enrollment activities or withhold CMS payments). If the non-compliance presents potential harm to beneficiaries, CMS may also pursue civil monetary penalties against your organization.

Again, CMS recognizes that Part D sponsors are the primary resource Medicare beneficiaries rely upon for the prompt resolution of their inquiries. CMS expects each Part D sponsor to educate their members to ensure that beneficiaries call the plan’s call center directly with any Part D related complaints.

. Part D sponsors that do not have access to the CTM should have their Medicare Compliance Officer immediately request access from ctm@cms.hhs.gov via email and include the information specified in the October 23, 2006 HPMS letter.

Thank you for your continued work and support in complaints resolution. Please direct any inquiries related to this memo to ctm@cms.hhs.gov via email.