

# CMS Contract Year 2010 Marketing Surveillance

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# Contract Year 2010 Surveillance Activities

## CY 2010 Surveillance Activities

- Secret Shopping of Marketing Events
- Secret Shopping of Individual Appointments
- Clipping Service
- Marketing Material and Website Review for Accuracy and Completeness
- Non Renewal/Service Area Reduction Oversight

# Contract Year 2010 Surveillance Activities

- New for 2010: Release of CMS Surveillance Console
- Centralized database for all surveillance activities
  - Will house all findings and results
  - Organizations will access the console to respond to deficiencies
  - Compliance notices issued directly from console

# Secret Shopping of Marketing Events

- All Parent Organizations assigned a risk status (low, medium, high) based on:
  - Performance during the CY 2009 Surveillance
  - Marketing Misrepresentation complaint performance
  - Organization Size
  - Previous Marketing Related Compliance Issues

# Secret Shopping of Marketing Events

- ◆ All shoppers will coordinate on shopping events of organizations
  - “Cluster approach”
- ◆ Compliance action to follow progressive compliance model

# Secret Shopping Results in October

	High-Risk Organizations	Moderate- Risk Organizations	Low-Risk Organizations	TOTAL (All risk categories)
Report Item	Count			
# of organizations shopped	25	24	25	74
# of shopping events conducted	107	40	33	180
# of organizations with no deficiencies	0	9	15	24
# of organizations with one or more deficiencies	25	15	10	50
% of organizations with one or more deficiencies	100%	63%	40%	68%
Total # of deficiencies	76	24	13	113

# Secret Shopping Results in October

Of 118 deficiencies discovered in October:

- 41 “no show” events
- 24 instances of inaccurate/incomplete information on drug coverage
- 12 agents *requiring* beneficiaries to provide contact information
- 8 instances of products not clearly described at start of presentation

# Secret Shopping of Individual Appointments

- CMS to conduct secret shops of personal / individual marketing appointments
  - Pilot began in mid-November.
  - Comprehensive program begins on December 1, 2009.

# Clipping Service

CMS contractor reviewing print ads for:

- “Scare tactics” related to non-renewal of contracts; and
- Unreported marketing events

# Marketing Material and Website Review for Accuracy and Completeness

New activities for 2010!

- Do marketing materials at events have CMS approval ID
- All MA/PDP Websites will be shopped to ensure:
  - CMS approval ID is provided;
  - Links are not broken;, and
  - Benefit information is described for the correct contract year

# Regional Office Initiatives

## Regional Office Led Initiatives

- Designed to create a 'buzz' in the marketplace

Include the following activities:

- Calls to local agent / broker trade associations
- Calls to shopping event coordinators for MAO and PDPs

# Non Renewal/Service Area Reduction Oversight

Affects over 650,000 currently enrolled Medicare Beneficiaries

CMS has two goals:

- Ensure continuity of services and operations for existing plans
- Ensure appropriate marketing practices for plans in position to gain members

# Non Renewal/Service Area Reduction Oversight

Continued

Will use the following to monitor activities:

- Secret Shopping Group Sales Events
- Media Clipping
- Non-renewal readiness assessment
- Complaint Reporting
- Secret Shopping Call Centers

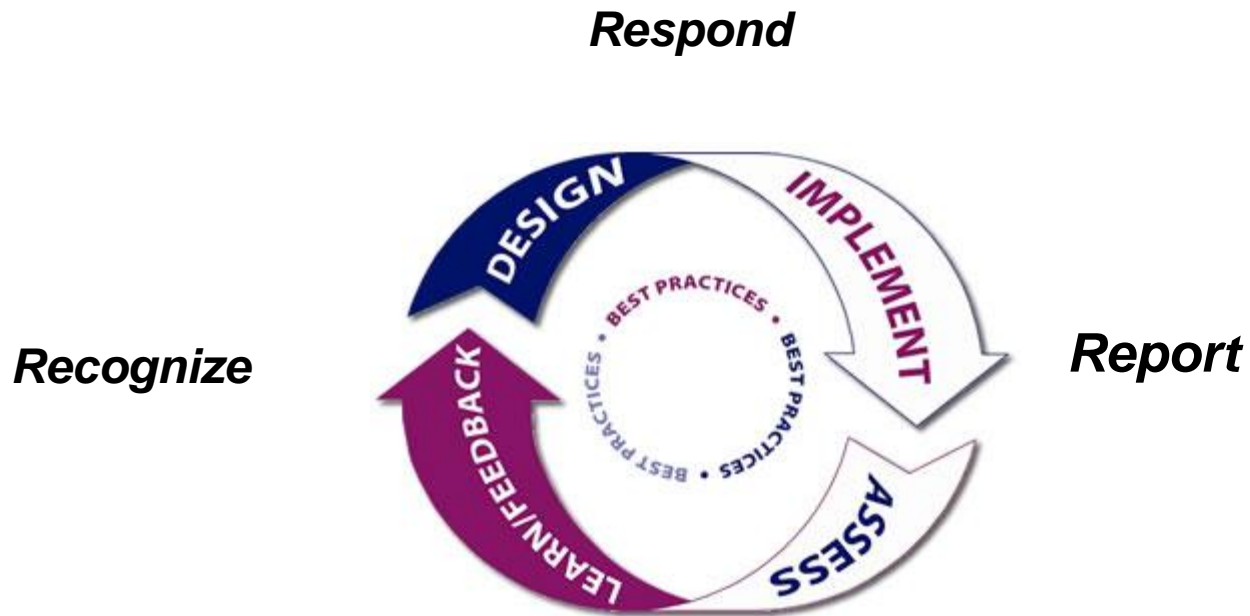
# CMS & Department of Insurance (DOI) Partnership

- Memorandum of Understanding (MOU)
- Regular Communications
  - Quarterly NAIC Conferences
  - Quarterly CMS-hosted DOI Calls
- DOI Access to CMS' HPMS for complaints, audit, and compliance activities

# Emerging Initiatives with DOIs

- Joint-Collaboration to Protect Vulnerable Beneficiaries
- Agent/broker Case Referral
- CMS access to NAIC-affiliated National Insurance Producer Registry

# Surveillance Best Practices



# Surveillance Best Practices

## Recognize

- Implement your own surveillance program
- Training is Key for ALL staff
- Dedicating adequate and appropriate staff is crucial
- Failure may lead to:
  - ▶ Civil monetary penalties
  - ▶ Marketing and / or enrollment sanctions
  - ▶ Contract termination

# Surveillance Best Practices

**Respond** to inquiries in a timely, efficient and effective manner

- Investigate
- Determine root causes and respond appropriately
- Explain how incident will not recur

# Surveillance Best Practices

## Report self identified issues to CMS

- Self disclose in a timely manner
- Share findings with the appropriate regulatory entities
  - ▶ DOI
  - ▶ Congressional Offices
  - ▶ Others

# Summary

- New marketing rules strengthen beneficiary protections
- Progress made in curbing egregious marketing abuses
- Problem areas still exist
- Vigorous marketing surveillance program will continue

# Questions?

