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MEDICARE NEWS

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MEDICARE ENDS CONTRACT WITH FOX INSURANCE COMPANY DRUG PLAN Members Will Be Provided Access to Drugs While Transitioning to New Plans

The Centers for Medicare & Medicaid Services (CMS) today terminated its contract with Fox Insurance Company. After an onsite review of the plan and its services, CMS determined that the plan's significant deficiencies – not meeting Medicare's requirements to provide enrollees with prescription drugs according to recognized standards of care – jeopardized the health and safety of Fox enrollees. CMS found that Fox committed a series of violations, including improperly denying its enrollees coverage of critical HIV, cancer, and seizure medications. The termination of the contract is effective immediately.

The immediate termination will not impact or delay access to drugs for the more than 123,000 Medicare beneficiaries currently enrolled in Fox plans. Beginning tomorrow, all enrollees will obtain their drugs through LI-NET, a program run by Medicare and administered by Humana, to ensure that beneficiaries receive their Medicare prescription drugs. Fox enrollees will be able to choose a new Medicare prescription drug plan through May 1, 2010. Current enrollees who do not choose a plan will be enrolled into a new plan by Medicare.

“The immediate termination of Fox as a Medicare prescription drug plan demonstrates our commitment to protecting the health of some of their most vulnerable enrollees from getting necessary drugs, in some cases life-sustaining medicines. CMS's immediate action was essential to protect members' health and safety – an integral part of our contract with all Medicare beneficiaries,” said Jonathan Blum, acting director of CMS' Center for Drug and Health Plan Choices. “Fox enrollees also need to know that they are not losing their drug coverage and will continue to have access to needed medicines. We will be sending letters explaining the steps we are taking to ensure they continue to get their medicines. They can also call 1-800-MEDICARE or their local state health insurance assistance programs if they have questions.”

CMS issued an enrollment and marketing sanction to Fox on Feb. 26, 2010, because the organization was not following Medicare's rules for providing prescription drug coverage to its enrollees. After an onsite audit, which ran between March 2 and March 4, CMS found Fox's problems persisted and it continued to subject its enrollees to obstacles in getting needed and, in many cases, life-sustaining medicines. CMS also found that many of the obstacles were in place

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to limit access to high-cost drugs, which could have led to enrollees' clinical needs not being met. In many cases, Fox enrollees were required to have unnecessary and invasive medical procedures before they were able to obtain drugs. Fox was unable to satisfactorily address these compliance concerns and furnish medicines to its Medicare enrollees.

Among the audit findings CMS found include:

- Failing to provide access to Medicare prescription drugs benefits by imposing unapproved prior authorization and step therapy criteria that made it more difficult for beneficiaries to get drugs that are protected by law.
- Not meeting the plan's appeals deadlines,
- Not complying with Medicare regulations requiring enrollees to be transitioned to new drugs at the beginning of the new plan year.
- Failing to notify enrollees about prior authorization and step therapy determinations as required by Medicare.

According to CMS auditors, Fox was unable to satisfactorily address compliance concerns cited in the enrollment and marketing sanction and meet contractual obligations to provide medicines to Medicare beneficiaries enrolled in their plans.

"We take our oversight role of Medicare prescription drug plans seriously," said Blum. "We review and take action on all complaints received about Medicare health and drug plans and will take appropriate and immediate actions wherever necessary."

CMS encourages Medicare prescription drug plan enrollees having concerns with access to drug coverage to contact 1-800-MEDICARE (1-800-633-4227) or the state health insurance assistance program (SHIP) to help get them resolved. Medicare enrollees, their families and their caregivers can contact a SHIP near them by visiting:

<http://www.medicare.gov/Contacts/staticpages/ships.aspx>

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NOTE: States in which the Fox plan was available were: Arkansas, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Louisiana, Maryland, Missouri, North Carolina, New Jersey, New York, Nevada, Ohio, Pennsylvania, South Carolina, Texas and West Virginia.