



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

Date: November 5, 2010

To: Medicare Advantage Organizations
Medicare Prescription Drug Plan Sponsors
Cost-Based Contractors
Employer/Union Sponsored Group Health Plans

From: Danielle R. Moon, J.D., M.P.A.
Director

Gerard J. Mulcahy
Deputy Director

Re: Changes in the Medicare Drug & Health Plan Contract Administration Group

We are pleased to announce some changes in the structure of the Medicare Drug & Health Plan Contract Administration Group (MCAG) that will consolidate and focus our resources in areas that represent the greatest risk to beneficiaries. As you know, in recent years, there has been increased concern on the part of advocates and Members of Congress about the performance and behavior of Medicare Advantage and other Medicare private health plan types in the marketplace. Since the beginning of the Part D program, enrollment in private health plans has increased steadily to more than 11 million beneficiaries in more than 700 different plans. In response, we have dramatically increased our efforts to detect misleading, confusing, or prohibited marketing activities, and created a new, escalating compliance process to take ever-increasing compliance actions against repeat offenders. When Congress acted to specifically increase the number of marketing requirements and enhance CMS oversight of marketing conduct, we issued regulations and guidance to further define and clarify marketing requirements and marketplace conduct.

We also entered into memoranda of understanding with all 50 states and Puerto Rico to share marketplace surveillance and compliance information with state regulators responsible for the licensing and conduct of sales agents in their respective states.

All of these functions, as noted above, which are now performed in different divisions within MCAG will be consolidated into one division, the new Division of Surveillance, Compliance and Marketing (DSCM), to provide the most efficient and effective structure for coordination, communication, and execution of plan oversight. In addition, operational functions for all plan types (including Special Needs Plans) and the PACE program will be consolidated within the existing Division of Medicare Advantage Operations (DMAO). Our work on quality will be incorporated into the existing Division of Policy, Analysis, and Planning (DPAP), which will now focus solely on policy matters for all Medicare Advantage plan types. As a result, our

existing Division of Special Programs (DSP) will be dissolved. Our Division of Finance and Benefits (DFB) will remain unchanged. These changes will be effective Monday, November 7th.

In addition to better focusing our resources, the new structure will support several basic organizational management principles by establishing clear lines of authority, communication, responsibility, and accountability; improving coordination and functional management; and optimizing use of available staff resources and expertise.

I would like to take this opportunity to introduce the new and existing members of MCAG leadership:

1. Kathryn Coleman will be the Director for the Division of Medicare Advantage Operations (DMAO) effective Monday, December 6th. DMAO is responsible for Medicare Advantage applications, contracting and state relations. Kathryn currently serves as the Associate Regional Administrator (ARA) for the Division of Medicare Health Plans Operations in the Kansas City Regional office. In her current position, she directs and manages the oversight, monitoring, and auditing of Medicare Advantage and Prescription Drug Plan contracts, and oversees the review and approval of new MA and PDP applications and service area expansions, as well as plan marketing materials. Kathryn joined CMS in 1998 has been with the Kansas City Regional Office since 2002 where she has held a variety of leadership positions, including serving as the Part D Education & Outreach Campaign Manager and as the ARA for the Division of Quality Improvement. You can reach Kathryn at Kathryn.Coleman@cms.hhs.gov. CAPT Marsha Davenport, MD will continue in her role as the Acting Director of DMAO in the interim, and while Kathryn transitions to her new role.
2. Scott Sturiale will be the Director for the Division of Finance and Benefits (DFB) effective Monday, November 7th. DFB is responsible for reviewing and analyzing benefit packages, negotiating high-cost sharing, and conducting ongoing financial reviews for the Medicare Advantage organizations and Prescription Drug Plan sponsors. Scott comes to MCAG from the Medicare Contractor Management Group, where he has been responsible for developing and implementing CMS' acquisition strategy for Medicare Administrative Contracts. Scott worked in the private sector prior to joining CMS in 2002. You can reach Scott at Scott.Sturiale@cms.hhs.gov.
3. Helaine Fingold will be the Director of the new Division of Surveillance, Compliance and Marketing effective Monday, November 7th. DSCM is responsible for monitoring the performance of all Medicare Advantage and Cost-Based plan program requirements. Helaine has been in MCAG since 2004, most recently serving as the Team Lead in our Division of Medicare Advantage Operations (DMAO) for applications and contracts. Helaine served in a variety of positions within CMS and the Department of Health and Human Services and also served as General Counsel for the Medicare Payment Advisory Commission and in private legal practice. You can reach Helaine at Helaine.Fingold@cms.hhs.gov.

4. Vanessa Duran is the Director of the Division of Policy, Analysis and Planning and has served in that position since 2009. Vanessa has held a variety of drug and health plan policy positions since joining CMS in 2001, including the development and implementation of the Medicare Prescription Drug Card Program and the Medicare Prescription Drug Benefit. Prior to coming to CMS, Vanessa worked for a Washington-based public policy consulting firm focusing on women's health care issues and on Capitol Hill. You can reach Vanessa at Vanessa.Duran@cms.hhs.gov.

We are excited about these changes, and look forward to continuing to work with you to serve Medicare beneficiaries.