

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



MEDICARE PARTS C & D OVERSIGHT AND ENFORCEMENT GROUP

April 23, 2015

Mr. Brit Pim
Chief Executive Officer
Express Scripts, Inc.
One Express Way
St. Louis, MO 63121
Phone: (314) 810-3006

Re: Notice of Release of Intermediate Sanctions (Suspension of Marketing and Enrollment)
for Prescription Drug Plan Contract Number: S0064

Dear Mr. Pim:

On April 23, 2013, the Centers for Medicare & Medicaid Services (CMS) imposed intermediate sanctions on Smart Insurance Company (Smart), thereby suspending marketing and enrollment activities for Prescription Drug Plan (PDP) contract number S0064. The sanctions were imposed based on findings from a program audit conducted in March 2013, which found serious deficiencies in the following operational areas: Part D formulary and benefit administration, Part D coverage determinations, appeals and grievances (CDAG), enrollment, and compliance program. Express Scripts, Inc. (ESI) acquired the Smart PDP contract on September 1, 2013, thus taking ownership of the contract and responsibility for remediating the problems that caused the sanctions.

On January 14, 2015, ESI attested that the deficiencies that were the basis of the sanctions were corrected. As a result, CMS authorized a limited enrollment period beginning on February 1, 2015.

CMS conducted validation audits in 2015 to evaluate whether the deficiencies were corrected and not likely to recur. Based on the results of the validation audits, CMS has determined that ESI's deficiencies have been sufficiently corrected. Therefore, effective April 23, 2015, the intermediate sanctions are released from contract S0064. Additionally, the limited enrollment period has ended and ESI will return to normal marketing and enrollment status.

Please note that any future failures to comply with CMS requirements may subject ESI to other applicable remedies available under law, including the imposition of intermediate sanctions, civil money penalties, or contract termination or non-renewal as described in 42 C.F.R. Parts 423, Subparts K and O. If you have any questions about this notice, please call or email the enforcement contact provided in your email notification.

Sincerely,

/s/

Gerard J. Mulcahy
Director
Medicare Parts C and D Oversight and Enforcement Group

cc:

Mr. Reginald Slaten, CMS/CMHPO/Region II
Mr. Mitchell Croll, CMS/CMHPO/Region II
Mr. Michael Regusters, CMS/CMHPO/Region II