



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP

Date: June 21, 2019

To: All Medicare Advantage Plans, Prescription Drug Plans, Section 1876 Cost Plans, Medicare-Medicaid Plans, and PACE Organizations

From: John A. Scott, Acting Director
Medicare Parts C and D Oversight and Enforcement Group

Subject: Release of the Final Revised Civil Money Penalty Calculation Methodology

The Centers for Medicare & Medicaid Services (CMS) is releasing the final version of its revised Civil Money Penalty (CMP) methodology that will be used when the Medicare Parts C and D Oversight and Enforcement Group determines that a CMP is the appropriate enforcement action to take against a sponsor to address identified deficiencies.

CMS released the proposed CMP methodology on March 15, 2019 which revised the original methodology made final on December 15, 2016. CMS received 48 comments from 9 submitters in response. The commenters supported CMS' proposed changes, suggested revisions to a few sections of the methodology, and asked CMS to provide additional details where information was not clear. CMS carefully considered all of the comments and made changes to the methodology to address commenters' concerns and questions.

CMS will begin applying the revised methodology to address deficiencies that relate to a sponsor's administration of the Medicare Part C and Part D benefits for referrals received in Contract Year (CY) 2019. CMS will also apply this methodology in future CYs as long as it is not subsequently modified by CMS. If the methodology is revised, CMS will publish the proposed changes in advance of implementation and provide an opportunity for comment. Finally, CMS will annually announce the applicable penalty amounts for each upcoming contract year in the Call Letters.

Both the CMP methodology and summary of comments and responses are attached to this memorandum. The documents are also accessible in the "Downloads" section of the following CMS webpage: <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDEnforcementActions-.html>

If you have any questions, please submit them to: part_c_part_d_audit@cms.hhs.gov.