

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



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP

Date: February 28, 2019

To: All Medicare Advantage Organizations, Medicare Advantage – Prescription Drug Plans and Prescription Drug Plans

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

Subject: Civil Money Penalty Enforcement Actions for 2018 Program Audits

The Centers for Medicare & Medicaid Services (CMS) has published the Civil Money Penalties (CMPs) imposed on Part C and Part D sponsors for violations of Medicare Parts C and D requirements found during the sponsors' 2018 Program Audit. These violations related to failing to comply with one or more Medicare requirements involving Part C or Part D organization/coverage determinations, appeals, and grievances. CMS considered the circumstances that led to the failure and the impact (or the substantial likelihood of impact) on a beneficiary's access to medical services and prescription drugs or out-of-pocket expenses when determining if a CMP was warranted. The notices are posted on the Part C and Part D Enforcement Actions webpage at: <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDEnforcementActions-.html>.

All program audit related CMP notices will continue to be simultaneously posted to our website to provide a comprehensive view of all CMP audit violations imposed within the same audit year. CMPs resulting from marketing violations or other ad hoc enforcement actions, sanctions, or terminations will be posted after notifying the sponsor.

CMPs are imposed when the conditions of non-compliance adversely affected or had a substantial likelihood of adversely affecting enrollees. There are two important points to consider when reviewing the published CMP data. First, a sponsor's audit score does not necessarily correlate with the dollar amount of the CMP or the determination to impose a CMP. A sponsor's audit score is a reflection of the number and classification of conditions of non-compliance identified during the course of an audit. Second, the amount of a CMP may not correlate with a sponsor's overall performance. The majority of CMPs are assessed based on the number of impacted enrollees. Thus, the CMP amount may be higher for a sponsor with a large number of enrollees or where a violation impacted a large number of enrollees.

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

Appendix: 2018 Program Audit Scores by Sponsor and CMP Indicator

	Sponsor	# of Program Areas Audited	Audit Score	CMP Issued?
1	AIDS Healthcare Foundation	5	1.44	No
2	Alignment Healthcare USA, LLC	5	0.31	No
3	America's 1st Choice Holdings of Florida, LLC	5	0.69	No
4	ATRIO Health Plans	5	0.69	No
5	Baystate Health, Inc.	4	0.62	No
6	Blue Cross and Blue Shield of Kansas City	4	0.85	No
7	BlueCross BlueShield of South Carolina	4	0.69	No
8	CareOregon, Inc.	5	0.63	No
9	Catholic Health Care System	5	1.00	No
10	Christus Health Plan	4	1.25	No
11	Commonwealth Care Alliance, Inc.	7	0.81	Yes
12	Community Health Plan of Washington	5	0.81	No
13	Denver Health and Hospital Authority	5	1.5	No
14	Family Health Network	4	0.46	No
15	Geisinger Health System	5	1.56	No
16	Harvard Pilgrim Health Care, Inc.	4	0.69	No
17	Health Care Service Corporation	7	1.76	No
18	Horizon Healthcare Services, Inc.	5	0.94	No
19	IASIS Healthcare	5	1.63	No
20	Independent Health Association, Inc.	5	0.88	No
21	Johns Hopkins Healthcare LLC	4	0.62	No
22	Local Initiative Health Authority for LA County	5	1.93	Yes
23	Louisiana Health Service & Indemnity Company	4	0.77	No
24	Marshfield Clinic Health System, Inc.	5	1.38	No
25	Memorial Hermann Health System	4	0.54	No
26	Montage Health	4	0.54	No
27	Moses H. Cone Memorial Hospital Corp.	4	0.77	No
28	Neighborhood Health Plan of Rhode Island	5	1.57	Yes
29	QHP Financial Group, Inc.	5	0.94	No ¹
30	Santa Clara County Health Authority	5	2.64	Yes
31	Select Founders, LLC	5	2.31	Yes
32	Sentara Health Care	4	0.62	No
33	South Country Health Alliance	5	0.67	No
34	St Francis Health System & St John Health System	3	0.00	No
35	Stanford Health Care	4	0.83	No
36	Tennessee Rural Health Improvement Association	3	0.33	No
37	Universal Health Services, Inc.	4	1.92	No
38	University Health Care, Inc.	5	1.13	No
39	University of Maryland Medical System Corporation	5	1.44	No

¹ QHP Financial Group, Inc. was placed on an intermediate marketing and enrollment sanction on 11/8/2018.