



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP

Date: March 3, 2016

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

From: Jerry Mulcahy, Director
Medicare Parts C and D Oversight and Enforcement Group

Subject: Civil Money Penalty Enforcement Actions for 2015 Program Audits

The Centers for Medicare & Medicaid Services (CMS) has released the Civil Money Penalties (CMPs) imposed on Part C and Part D Sponsors for violations of Medicare Part C and D requirements found during the plan sponsors' 2015 Program Audit. These violations were related to failure to comply with one or more of the following Medicare requirements: Part D formulary benefit administration, Part C and Part D organization/coverage determinations, appeals, and grievances, and invalid data submissions. CMS believes that the significance of these failures adversely affected, or had the substantial likelihood to adversely affect, enrollees. A total of 12 Sponsors were issued a CMP during November 2015 through February 2016 based on findings from their 2015 program audit. These notices are posted on the Part C and Part D Enforcement Actions webpage and can be found at: <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDEnforcementActions.html>.

The release of these actions furthers CMS' goal of improving industry standards and providing continued transparency in CMS oversight activities. The publication process for CMP enforcement actions that are imposed on plans as a result of a program audit has been revised. All audit related CMP notices will now be posted simultaneously to the CMS website within the first quarter of the following program audit year. For 2016 program audit violations, notices for any CMPs imposed will be posted in the first quarter of 2017. This will allow the public and plan sponsors to more easily compare all of the CMP audit violations imposed within the same program audit year. CMPs as a result of marketing violations or other ad hoc enforcement actions, sanctions, or terminations will continue to be posted to the CMS website within the normal timeframe after notification to the plan sponsor.