

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



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**MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP**

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**DATE:** December 15, 2016

**TO:** All Medicare Advantage Organizations and Prescription Drug Plan Sponsors

**FROM:** Vikki Ahern  
Director

**SUBJECT:** Release of the Final Civil Money Penalty Methodology

The Centers for Medicare & Medicaid Services (CMS) is releasing the final 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 that should be taken against a sponsor to address identified deficiencies.

CMS released the proposed CMP methodology on September 13, 2016 and received 94 comments from 19 submitters in response. The commenters supported CMS' transparency, 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 a number of changes to the methodology to address commenters' concerns and questions. Comments that were outside the scope of the CMP methodology were referred to the appropriate CMS components for consideration.

CMS will begin applying this methodology to address deficiencies that relate to a sponsor's administration of the Medicare Part C and Part D benefits for the 2017 Contract Year (CY). 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.

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](mailto:part_c_part_d_audit@cms.hhs.gov).