

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Drug and Health Plan Choice
7500 Security Boulevard, Mail Stop C4-23-07
Baltimore, Maryland 21244-1850



PROGRAM COMPLIANCE AND OVERSIGHT GROUP

November 20, 2009

VIA FEDERAL EXPRESS DELIVERY
FACSIMILE (813-490-7974) AND
E-MAIL (bcarpenter@citrushc.com)

Mr. Bruce L. Carpenter
Chief Executive Officer
Citrus Health Care, Inc.
5420 Bay Center Drive
Suite 250
Tampa, FL 33609
Phone: (813) 490-8109

Re: Release of Intermediate Sanctions (Suspension of Enrollment and Marketing) for:
Contract Number: H5407

Dear Mr. Carpenter:

On December 16, 2008, the Centers for Medicare & Medicaid Services (CMS) imposed intermediate sanctions on Citrus Health Care, Inc. (Citrus), thereby suspending Citrus' marketing and enrollment activities for all of its Medicare Advantage and Prescription Drug contracts (these sanctions were effective January 1, 2009). CMS' decision was based on serious deficiencies in the following operational areas: enrollment and disenrollment, appeals and grievances, and failures to meet CMS readiness requirements for receipt of Part D low-income subsidy eligible beneficiaries.

At this time, based on consideration of CMS' review of documentation and information provided by Citrus, CMS' validation activities and additional assurances provided by Citrus, CMS has determined that Citrus has satisfactorily addressed the deficiencies that formed the basis for the sanction, and CMS will release Citrus from the marketing and enrollment sanctions for the above-referenced Medicare Advantage contract. Effective immediately, Citrus may begin marketing. Also, Citrus may begin enrolling beneficiaries effective immediately for the **2010 contract year**. However, Citrus is not permitted to accept any enrollments with effective dates prior to January 1, 2010.

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Because Citrus has provided notice to CMS that it is non-renewing its standalone Prescription Drug Plan Contract (S8465) for Contract Year 2010, CMS is hereby providing notice that the marketing and enrollment sanctions for this contract will remain in effect through the end of the contract period (December 31, 2009).

On-Site Validation Audit – Corrective Action Required

During the validation of your request for release from sanction, we conducted an audit of Citrus' enrollment and disenrollment, appeals and grievances credentialing procedures, organization determination, and claims processes. CMS found several deficiencies, none of which are serious enough to prevent CMS from releasing Citrus from sanction. However, we will be separately issuing a request to your organization for corrective action to ensure these deficiencies are corrected. CMS expects Citrus to work directly with its Regional Office Account Manager to provide the information required by the request for correction and to ensure ultimate correction of these identified deficiencies.

CMS Ongoing Monitoring and Oversight

Please note that CMS will subject Citrus to targeted monitoring and heightened surveillance and oversight of all of its operational areas during the upcoming open enrollment periods (i.e., the Annual Open Election Period (AEP) and the Medicare Advantage Open Enrollment Period (OEP)). In addition, CMS will be frequently asking Citrus for specific data to provide CMS with assurance that the deficiencies that were the basis for the sanctions are not likely to recur.

If any of the underlying deficiencies that formed the bases for these sanctions do recur, including if Citrus fails to be responsive to CMS or to comply with CMS timeliness requirements for responding to beneficiary complaints, Citrus will be subject to the remedies available to CMS under law, including the imposition of additional sanctions or penalties, contract nonrenewal or termination, as described in 42 C.F.R. Parts 422 and 423, Subparts K and O.

If you have any questions about this determination, please contact Jennifer Smith at (410) 786-1404 or by email at jennifer.smith2@cms.hhs.gov.

Sincerely,



Brenda J. Tranchida
Director
Program Compliance and Oversight Group

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cc: Mr. Jonathan Blum, CMS/CPC
Mr. Tim Hill, CMS/CPC
Ms. Danielle Moon, CMS/CPC/MCAG
Mr. Jeremy Willard, CMS/CPC/MCAG
Ms. Cynthia Tudor, CMS/CPC/MDBG
Ms. Jennifer Shapiro, CMS/CPC/MDBG
Mr. Thomas Hutchinson, CMS/CPC/MPPG
Mr. Anthony Culotta, CMS/CPC/MEAG
Ms. Teresa DeCaro, CMS/CPC
Ms. Mary A. Laurenno, CMS/OBIS
Mr. Peter Ashkenaz, CMS/OEA
Ms. Laurie McWright, CMS/OL
Mr. Greg Jones, CMS/OL
Ms. Kimberly Brandt, CMS/OFM/PI
Mr. James Kerr, CMS/OA/CMHPO
Ms. Colleen Carpenter, CMS/CMHPO/Region IV
Ms. Gloria Parker, CMS/CMHPO/Region IV
Mr. Mary S. Dickerson, CMS/CMHPO/Region IV
Ms. Carol Bennett, DHHS/OGC
Ms. Jill Abrams, DHHS/OGC
Ms. Nancy Brown, DHHS/OIG/OCIG