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

September 3, 2026

Mr. Agustin Gonzalez Cuadrado
President
MMM Healthcare, LLC
350 Avenida Chardon
Torre Chardon, Suite 500
San Juan, PR 00918

Ms. Aimee K. Dailey
President Medicare Programs
Elevance Health, Inc.
5800 Northampton Blvd
Maildrop VA28
Norfolk, VA 23502

Re: Notice of Enrollment Suspension for Medicare Advantage-Prescription Drug Contract Number H7522

Dear Mr. Gonzalez Cuadrado and Ms. Dailey:

Pursuant to 42 C.F.R. §§ 422.2410(c) and 423.2410(c),[1] the Centers for Medicare & Medicaid Services (CMS) is providing notice to MMM Healthcare, LLC ("MMM Healthcare") that CMS has made a determination to prohibit the enrollment of new beneficiaries under the Medicare Advantage-Prescription Drug (MA-PD) contract H7522 for contract year (CY) 2027.

Medical Loss Ratio (MLR) Relevant Requirements

Section 1857(e)(4) of the Social Security Act ("the Act") requires Medicare Advantage organizations to maintain a medical loss ratio (MLR) of at least 85%, a requirement made applicable to Medicare Part D contracts through section 1860D-12(b)(3)(D) of the Act. The statute further provides, at section 1857(e)(4)(B) of the Act, that when an organization has an MLR for a contract that is less than 85% for three or more consecutive contract years, CMS must suspend that organization's ability to accept new enrollments in the plans it offers under the non-compliant contract for coverage during the second succeeding contract year following the third consecutive year for which the organization failed to meet the minimum MLR requirement.

[1] All regulatory citations in this notice are to Title 42 of the Code of Federal Regulations.

CMS administers the MLR review process for MA-PD organizations through the application of regulations established in Subpart X of Parts 422 and 423. In particular, MA-PD organizations are required, per §§ 422.2410(a) and 423.2410(a), to report an MLR each year for each of their contracts, and §§ 422.2460 and 423.2460 obligate sponsors to make such reports in a form and manner specified by CMS. The rules for calculating the MLR are codified in §§ 422.2420 and 423.2420. CMS has published MLR instructions and workbooks for submitting MLR data on June 12, 2024 (for CY 2023 data), May 30, 2025 (for CY 2024 data), and May 29, 2026 (for CY 2025 data).

Violation Related to MLR Requirements

MMM Healthcare has reported to CMS the following MLRs for contract H7522: 72.9% for CY 2023, 75.4% for CY 2024, and 74.1% for CY 2025. Based on this plan sponsor-reported information, CMS has determined that MMM Healthcare has failed to meet the 85% MLR threshold for three consecutive contract years.

As a result of this determination, MMM Healthcare will be prohibited from accepting any MA-PD plan enrollments for 2027; this prohibition is effective for any enrollments for coverage that begins between January 1, 2027, through December 31, 2027. This action will include the removal of all MA-PD plans under contract H7522 from the list of plans from which beneficiaries may make an election during the CY 2027 Annual Election Period (AEP), which runs between October 15, 2026, and December 7, 2026. However, MMM Healthcare may continue to accept and process enrollments that become effective on or before December 31, 2026 (i.e., for enrollments beginning in CY 2026).

During CY 2027, all individual market plans offered under H7522 will be precluded from accepting any new enrollees, including beneficiaries already enrolled in a MMM Healthcare MA-PD plan who may want to elect a different plan offered under the same contract. Pursuant to sections 1857(i) and 1860D-22(b) of the Act, if MMM Healthcare has employer group plans, it may apply for an employer group waiver in order to continue to enroll members into their existing employer group plans, although CMS will not permit MMM Healthcare to add new employer group plans to contract H7522 during CY 2027.

MMM Healthcare must ensure that its marketing and communications materials and activities are not misleading to beneficiaries and therefore must accurately reflect the fact that the plans under H7522 are not available for enrollment during 2027. Enforcement actions, as described in Subparts K and O of Parts 422 and 423, may be imposed if CMS finds that MMM Healthcare has engaged in activities that could mislead or confuse Medicare beneficiaries or misrepresent the plan(s). See §§ 422.2262 and 423.2262.

If MMM Healthcare submits a CY 2026 report in 2027 for H7522 consistent with the reporting requirements at §§ 422.2460 and 423.2460 that demonstrates it has achieved an MLR of at least 85%, CMS will allow the sponsor to resume accepting enrollments in plans under contract H7522 for coverage that becomes effective on or after January 1, 2028. In such an instance, CMS would allow MMM Healthcare to offer plans under H7522 to beneficiaries during the CY 2028 AEP, which will be held between October 15, 2027, and December 7, 2027.

In the event that the CY 2026 MLR report for H7522 again shows an MLR below 85%, enrollment under that contract will remain closed during CY 2028. CMS will provide MMM Healthcare with the timeframe and instructions for submitting its CY 2026 MLR report in a separate communication. Furthermore, CMS reminds MMM Healthcare that if it fails to report an MLR of at least 85% for five consecutive years for H7522, CMS must terminate that contract, pursuant to sections 1857(e)(4)(C) and 1860D-12(b)(3)(D) of the Act. However, pursuant to §§ 422.2440(c) and 423.2440(c), if contract H7522 has non-credible experience during CY 2026 because of insufficient enrollment to account for the minimum number of member months required under MLR rules, contract H7522 will not be subject to sanctions during CY 2028.

Opportunity to Respond to Notice and Right to Request a Hearing

In accordance with our statement in the May 23, 2013, final rule (78 FR 31287-88), through which CMS adopted the MA organization and Part D sponsor MLR regulations, CMS is affording MMM Healthcare the opportunity to contest this determination through the processes that currently apply to suspensions of enrollment imposed as an intermediate sanction. Therefore, MMM Healthcare may provide a response to this notice, pursuant to §§ 422.756(a) and 423.756(a), and/or request a hearing, pursuant to §§ 422.756(b) and 423.756(b).

Pursuant to §§ 422.756(a)(2) and 423.756(a)(2), MMM Healthcare has 10 calendar days after the receipt of this notice to provide a written rebuttal, or by September 14, 2026. Please note that CMS considers the receipt as the day after the notice is sent by fax, email, or overnight mail or in this case, September 4, 2026. If you choose to submit a rebuttal, please send it to the attention of Kevin Stansbury at the email address noted below. Please note that a rebuttal is not an appeal and the suspension of enrollment that begins January 1, 2027 through December 31, 2027 will not be stayed pending a rebuttal submission.

MMM may also request a hearing before a CMS hearing officer in accordance with the procedures outlined in §§ 422.641-696 and 423.650-668. Pursuant to §§ 422.756(b) and 423.756(b), your written request for a hearing must be filed within 15 calendar days of receipt of this notice, or by September 21, 2026.[2] Please note, that the suspension of enrollment that begins January 1, 2027, through December 31, 2027 will not be stayed pending a request for a hearing.

The request for a hearing must be sent to CMS electronically to the CMS Office of Hearings (OH). OH utilizes an electronic filing and case management system, the Office of Hearings Case and Document Management System ("OH CDMS").

MMM Healthcare should complete the one-time OH CDMS registration process as soon as possible after receiving this Notice, even if MMM Healthcare is unsure whether it will appeal CMS's determination. After the registration process is complete, MMM Healthcare must then file its request for a hearing within the time frame set forth above.

Registration information (including how to add an outside representative/law firm to participate in the appeal), filing instructions, and general information may be found on the OH webpage at

[2] Since the 15th day, September 19, 2026, falls on a weekday or holiday, the date reflected in the notice is the next regular business day for you submit your request.

https://www.cms.gov/medicare/regulations-guidance/cms-hearing-officer/hearing-officer-electronic-filing. Follow the OH CDMS External Registration Manual for step-by-step instructions regarding registration and the OH CDMS Hearing Officer User Manual for appeal filing instructions.[3]

A copy of the hearing request should also be emailed to CMS at the following address:

Kevin Stansbury
Director
Division of Compliance Enforcement
Centers for Medicare & Medicaid Services
Email: kevin.stansbury@cms.hhs.gov

CMS will consider the date the Office of Hearings receives the request via the CDMS as the date of receipt of the request(s). The request for a hearing must include the name, fax number, and email address of the contact within MMM Healthcare (or an attorney who has a letter of authorization to represent the organization) with whom CMS should communicate regarding the hearing request.

If you have any questions about this notice, please call or email the enforcement contact provided in your email notification.

Sincerely,

/s/

John A. Scott
Director
Medicare Parts C and D Oversight and Enforcement Group

cc: Shruti Rajan, CMS/CM/MPPG
Kevin Stansbury, CMS/CM/MOEG/DCE
Ashley Hashem, CMS/OPOLE
Adams Solola, CMS/OPOLE
Kenvin Ivory-Kennedy, CMS/OPOLE
Nicholas Rodriguez, CMS/OPOLE

[3] If technical assistance is required, please contact the OH CDMS Help Desk at 1-833-783-8255 or by email at helpdesk_ohcdms@cms.hhs.gov. The hours of operation are Monday–Friday (excluding federal holidays) from 7:00 a.m. to 8:00 p.m. Eastern Time.