

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicare  
7500 Security Boulevard, Mail Stop C1-22-06  
Baltimore, Maryland 21244-1850



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

December 20, 2013

**VIA:**  
**EMAIL** (todd.meek@caremark.com)

Todd Meek  
President  
SilverScript Insurance Company  
9501 E. Shea Boulevard, MC016  
Scottsdale, AZ 85260  
Phone: 480-614-7202

Re: Notice of Release from Intermediate Sanctions (Suspension of Marketing and Enrollment) for Prescription Drug Plan Contract Number: S5601

Dear Mr. Meek:

On January 15, 2013, the Centers for Medicare & Medicaid Services (CMS) imposed intermediate sanctions on SilverScript Insurance Company (SSIC), thereby suspending SSIC's marketing and enrollment activities for its standalone Prescription Drug Program (PDP) contract, S5601. CMS's decision was based on SSIC's serious deficiencies in the following operational areas: enrollment operations, claims adjudication, and low income subsidy (LIS) administration.

Pursuant to CMS's request, and in accordance with 42 CFR § 423.756(c)(3)(i), SSIC hired an independent auditor to assess SSIC's enrollment operations and provide CMS with information to verify that the deficiencies that were the basis for the sanctions have been corrected and are not likely to recur. On November 25, 2013, CMS received your attestation stating that the deficiencies which were the basis for the sanctions were corrected and not likely to recur. In addition to reviewing the independent assessment, CMS has reviewed various enrollment files and enrollee record submissions, as well as complaints from SSIC members captured in the CMS Complaint Tracking Module (CTM).

In consideration of this extensive review, and additional information and assurances from SSIC, CMS has determined that SSIC's deficiencies have been corrected and are not likely to recur. Therefore, effective January 1, 2014, CMS is releasing the sanctions and SSIC may begin marketing to beneficiaries. Additionally, SSIC may begin enrolling beneficiaries with effective dates beginning February 1, 2014.

Mr. Todd Meek  
December 20, 2013  
Page 2 of 2

CMS still considers SSIC to be a high-risk sponsor, and will continue to closely monitor and oversee SSIC's operational activities. SSIC will be subject to targeted monitoring, including heightened surveillance and oversight.

**Enrollment of Low-Income Subsidy Beneficiaries**

CMS remains concerned about SSIC's capacity to accept the potentially high volume of enrollments associated with CMS auto-enrollment and reassignment processes for low-income subsidy (LIS) enrollees. Notably, in January 2013, SSIC failed to adjudicate the appropriate LIS copayments at point-of-sale. Therefore, SSIC has voluntarily agreed to forgo receipt of LIS auto-enrollees so that CMS can monitor and evaluate SSIC's enrollment performance during that time. CMS's evaluation may include, but is not limited to, SSIC's ability to meet CMS LIS performance indicators, or SSIC's successful performance during a CMS LIS Readiness Audit. If SSIC continues to demonstrate to CMS that its deficiencies have not recurred, CMS will restore SSIC's ability to receive LIS auto-enrollees.

Please note that any future failures by SSIC to comply with CMS requirements may subject SSIC to other applicable remedies available under law, including the imposition of intermediate sanctions, civil money penalties, or contract termination or non-renewal as described in 42 C.F.R. Parts 422 and 423, Subparts K and O. If you have any questions about this notice, please call or email the enforcement contact provided in your email notification.

Sincerely,

/s/

Gerard J. Mulcahy  
Director  
Medicare Parts C & D Oversight and Enforcement Group

cc: James McCaslin, ARA, CMS/CMHPO/Region III  
Tamara McCloy, Branch Manager, CMS/CMHPO/Region III  
Kathleen Dombrowski, CMS/CMHPO/Region III  
John Whalen, CMS/CMHPO/Region III