

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



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCMENT GROUP

January 19, 2022

Ms. Courtney Sullivan Murphy
President and Chief Executive Officer
Vitality Health Plan of California, Inc.
30 Winter Street
Boston, MA 02108

Re: Notice of Release of Intermediate Sanction (Suspension of Enrollment) for Medicare Advantage-Prescription Drug Plan Contract Number: H1426

Dear Ms. Murphy,

On July 2, 2020, the Centers for Medicare & Medicaid Services (CMS) imposed an intermediate sanction on Vitality Health Plan of California, Inc. (“Vitality”) contract H1426, thereby suspending enrollment for its Medicare Advantage-Prescription Drug Plan (MA-PD) contract. The sanction was imposed because the Department of Managed Health Care of the State of California (DMHC) filed an “Order to Cease and Desist Accepting New Enrollees”, which stated that Vitality had failed to comply with certain financial requirements of the state of California pursuant to the Knox-Keene Act. As a result, DMHC stated that “effective July 2, 2020, [Vitality] shall immediately cease and desist from offering contracts or accepting new applications from any new enrollees or subscribers who are not currently in contract with Vitality.”

Because Vitality was not permitted to accept new enrollments under its license with the State of California, Vitality was in violation of 42 C.F.R. §§ 422.504(a)(1) and 423.505(b)(2), which requires MA-PD organizations that contract with CMS to accept new enrollments as provided in 42 C.F.R. Parts 422 and 423, Subpart B.

On January 18, 2022, the DMHC lifted the Cease and Desist Order retroactively effective January 4, 2022. As a result, Vitality is no longer in violation of CMS regulations and CMS is releasing the intermediate sanction from contract H1426 retroactively effective January 4, 2022.

CMS expects Vitality to remain in good standing with the State of California. Any future failures to comply with CMS requirements may subject Vitality to other applicable remedies available under law, including the imposition of intermediate sanctions, civil money penalties, or contract termination 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/

John A. Scott

Director

Medicare Parts C and D Oversight and Enforcement Group

cc: Kevin Stansbury, CMS/CM/MOEG/DCE
Brenda Suiter, CMS/OPOLE
Deanna Gee, CMS/OPOLE
Celia Xu, CMS/OPOLE