

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



CENTER FOR MEDICARE

January 17, 2025

Corrective Action Plan

Contract ID: H8552

Parent Organization Name: Elevance Health, Inc.

Legal Entity Name: ANTHEM BLUE CROSS LIFE AND HEALTH INS COMPANY

Michelle Turano
Medicare Compliance Officer
5411 SkyCenter Drive
Suite 700
Tampa, FL 33607

VIA EMAIL: MedicareCO@anthem.com

RE: Failure to Comply with CMS CY 2025 Bid Instructions

Dear Michelle Turano:

The Centers for Medicare & Medicaid Services (CMS) is issuing a request for ANTHEM BLUE CROSS LIFE AND HEALTH INS COMPANY, which operates Medicare Part D Contract ID H8552, to develop and implement a corrective action plan (CAP) to address the organization's failure to comply with contract year (CY) 2025 Part D bid submission requirements.

Part D program regulations at 42 C.F.R. § 423.265(c) state that each potential Part D sponsor must submit bids (and supplemental information specified by CMS) that reflect the features (e.g., premium amount, cost sharing) and projected cost estimates of each benefit package it expects to offer. For CY 2025, sponsors provided their bid information through three different submissions: a proposed formulary, a Bid Pricing Tool (BPT), and a Plan Benefit Package (PBP) submitted together by the statutory June 3, 2024 deadline. In general, the PBP describes the structure of a proposed benefit package (e.g., co-pay amounts, deductibles) while the BPT describes the underlying basis used to calculate the price of the benefit package. The information in all three of these submissions must combine to reflect a consistent benefit package. Additionally, pursuant to 42 C.F.R. § 423.505(k)(4), the sponsor's CEO or CFO must submit a certification (referred to as the "benefit certification") that the information provided in each bid is accurate, complete, and truthful.

Federal regulations at 42 C.F.R. § 423.104(f)(3) state that an MA organization offering coordinated care plans must offer required prescription drug coverage throughout its service area. The regulations at 42 C.F.R. § 423.100 define "required prescription drug coverage" as the coverage of Part D drugs under either a basic prescription drug plan or an enhanced alternative plan provided there is no MA monthly

supplemental beneficiary premium applied under the plan.

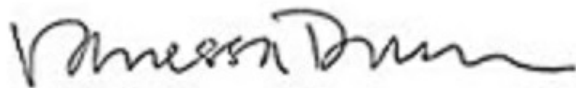
Organizations are responsible for ensuring that complete and accurate CY 2025 bids were submitted by the June 3, 2024 deadline. Yet, the Part D portion of H8552's initial MA-PD bid failed to constitute required prescription drug coverage in all of its service areas, resulting in your contract being deemed an outlier. The need for CMS to work with your organization to correct its CY 2025 bid to ensure that it would offer required drug coverage as outlined in 42 C.F.R. § 423.104(f)(3) indicates that it failed to comply with Part D regulatory requirements and follow CMS bid instructions.

Consistent with CMS's authority under 42 C.F.R. § 423.505(n)(3)(iii), we request that your organization take corrective action to come into compliance. CMS will rely on H8552's CY 2026 bid submission to determine whether the corrective action plan has been successfully implemented. CMS will consider the CAP closed once the Division of Formulary and Benefit Operations has determined that H8552's CY 2026 bid submission demonstrates that it has effectively resolved the issues described above.

Please be aware that this letter will be included in the record of your organization's past Medicare contract performance, which CMS will consider as part of our review of any application for new or expanded Medicare contracts your organization may submit. CMS deems this instance of non-compliance a Part D issue. CMS notes that we are issuing this compliance notice based on information that we obtained from sources other than the sponsor's own self-disclosure.

For questions regarding your bid submission, please contact the Part D Benefits mailbox at PartDBenefits@cms.hhs.gov. If you have any questions about the compliance implications of this notice, please contact Christine Hill at Christine.Hill@cms.hhs.gov and copy your account manager.

Sincerely,



Vanessa Duran, Director
Medicare Drug Benefit and C & D Data Group
Center for Medicare

CC via email:

Nicholas Rodriguez, Kenvin Ivory-Kennedy, CMS

Linda Anders, CMS
Arianne Spaccarelli, CMS
Christine Hill, CMS

