

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



**MEDICARE DRUG BENEFIT AND C & D DATA GROUP**

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**REQUEST FOR CORRECTIVE ACTION PLAN**

July 11, 2016

Contract ID: H5007

Ms. Susan Hayashida  
Director PACE Support Services  
Providence Health System  
4515 Martin Luther King Jr. Way S., Ste. 100  
Seattle, WA 98108

VIA EMAIL: [susan.hayashida@providence.org](mailto:susan.hayashida@providence.org)

**RE: Failure to Submit 2014 Prescription Drug Event (PDE) Data Timely**

Dear Ms. Warren,

The Centers for Medicare & Medicaid Services (CMS) is issuing this request for a corrective action plan (CAP) to Providence Health System ("Providence"), which operates as a Medicare Prescription Drug Plan sponsor under a Part D addendum to its Program for All Inclusive Care for the Elderly (PACE) organization contract (H5007). CMS is issuing this notice based on Providence's failure to comply with Part D program requirements regarding the timely submission of Prescription Drug Event (PDE) data to CMS. CMS has also issued to Providence under this contract ID a Notice of Non-compliance (NoNC) on September 3, 2014, and a Warning Letter (WL) on December 4, 2014, for similar instances of non-compliance.

Pursuant to 42 C.F.R. § 423.322(a), CMS's payments to Part D sponsors are conditioned upon CMS receiving the necessary data from sponsors in a form and manner specified by CMS. Part D sponsors must submit PDE data on a monthly basis, as stated in the *Prescription Drug Event Participant Guide*, sections 3.1.4 and 3.1.5.<sup>1</sup> For 2014, contracts were required to submit at least one accepted PDE file per calendar month beginning in January 2014.

CMS has found that Providence has failed to meet these standards by not submitting PDE data timely for three consecutive quarters. Specifically, for the second, third, and fourth quarters of 2014 Providence has failed to submit a PDE data file once for each calendar month (See Table 1).

**Table 1. H5007 Monthly PDE Data Submissions**

Quarter	Month	Submission Date
Q1	January	01/31/2014
	February	02/28/2014
	March	03/13/2014
Q2	April	04/25/2014
	May	05/31/2014
	June	none
Q3	July	07/11/2014
	August	none
	September	09/29/2014
Q4	October	10/21/2014
	November	none
	December	12/31/2014

CMS will continue to monitor your organization's performance quarterly. CMS is aware that, since the performance period described in this letter, Providence has improved its compliance with the PDE data submission requirements and has submitted the appropriate information for the past six quarters, dating back to January 1, 2015.

CMS expects that your organization will continue its current pattern of submitting PDE data in a timely manner. However, should your organization fail to remain in compliance with the PDE submission requirements, CMS may consider taking enforcement actions in the form of the imposition of intermediate sanctions (e.g., the suspension of marketing and enrollment activities) or civil money penalties or the issuance of a contract termination notice.

Please be aware that this letter will be included in the record of your organization's past Medicare contract performance. CMS notes that we are issuing this compliance notice based exclusively on information that we obtained from sources other than the sponsor's own self-disclosure.

If you have any questions about this notice, please contact LCDR Paul E. Lees at (410) 786-1984 or [paul.lees@cms.hhs.gov](mailto:paul.lees@cms.hhs.gov) and copy your account manager.

Sincerely,



Amy Larrick Chavez-Valdez  
Director  
Medicare Drug Benefit and C & D Data Group

cc via email:  
Scott Nelson, CMS  
Ivan Iveljic, CMS  
LCDR Paul E. Lees, CMS

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<sup>1</sup>*Prescription Drug Event Participant Guide: 2011 Regional Technical IT Assistance* available at:  
[http://www.csscooperations.com/internet/Cssc.nsf/files/PDEParticipantGuide%20cameraready%20081811.pdf/\\$File/PDEParticipantGuide%20cameraready%20081811.pdf](http://www.csscooperations.com/internet/Cssc.nsf/files/PDEParticipantGuide%20cameraready%20081811.pdf/$File/PDEParticipantGuide%20cameraready%20081811.pdf)