

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



CENTER FOR MEDICARE

February 11, 2026

Corrective Action Plan

Contract ID: H5959

Parent Organization Name: Aware Integrated, Inc.

Legal Entity Name: BCBSM, Inc.

Carrie Hogan
Medicare Compliance Officer
3400 Yankee Drive
Eagan, MN 55121

VIA EMAIL: carrie.hogan@bluecrossmn.com

RE: Failure to Comply with CMS CY 2026 Bid Instructions

Dear Carrie Hogan:

The Centers for Medicare & Medicaid Services (CMS) is issuing a request for BCBSM, Inc., which operates Medicare Part D Contract ID H5959, to develop and implement a corrective action plan (CAP) to address the organization's failure to comply with contract year (CY) 2026 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 2026, 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 2, 2025 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.

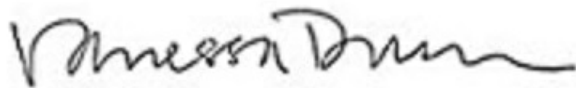
Organizations are responsible for ensuring that complete and accurate CY 2026 bids were submitted by the June 2, 2025 deadline. Yet, the Part D portion of H5959's initial MA-PD bid failed to constitute required prescription drug coverage in all of its service areas, resulting in your contract being deemed an outlier. The need for CMS to work with your organization to correct its CY 2026 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 H5959's CY 2027 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 H5959's CY 2027 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:

Carlest Jenkins, CMS

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

