

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



**CENTER FOR MEDICARE**

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February 12, 2026

**CORRECTIVE ACTION PLAN (CAP) REQUEST**

Contract ID: S1030

Parent Organization Name: BlueCross BlueShield of Alabama

Legal Entity Name: BCBS OF ALABAMA & UTIC INSURANCE COMPANY

Roger Gregg  
Medicare Compliance Officer  
450 Riverchase Parkway East  
Birmingham, AL 35244

VIA EMAIL: RGREGG@bcbsal.org

**RE: Failure to Meet Administrative and Management Requirements**

Dear Roger Gregg:

The Centers for Medicare & Medicaid Services (CMS) is issuing this compliance notice to BCBS OF ALABAMA & UTIC INSURANCE COMPANY, which operates contract S1030, concerning its failure, as indicated by its most recent low Star Rating, to meet the administrative and management requirements that apply to Medicare Advantage organizations (MAOs) and stand-alone Medicare Prescription Drug Plan (PDP) sponsors. Your organization's score established it as a poor performer, and CMS is requesting that your organization develop and implement a corrective action plan designed to ensure that it will achieve at least an "average" Star Rating.

Medicare regulations at 42 C.F.R. §§ 422.503(b)(4)(ii) and 423.504(b)(4)(ii) require MAOs and PDP sponsors, respectively, to have administrative and management arrangements satisfactory to CMS, including personnel and systems sufficient for the organization to market and administer benefit plans and conduct utilization management and quality assurance activities consistent with Medicare requirements. The performance measures used to calculate an organization's Part C or D summary Star Rating reflect a sponsor's contract performance across multiple Medicare program requirements. A contracting organization's administrative and management arrangements necessarily have a direct impact on its performance of a similarly broad range of program requirements. Therefore, CMS considers a low Part C or D summary Star Rating to be evidence that the sponsor has in place insufficient administrative and management arrangements to meet its obligations as a Medicare plan sponsor. Based on that determination, CMS has established for MAOs and PDP sponsors the contract requirement that these organizations maintain Part C or Part D summary plan rating scores of at least three stars. 42 C.F.R. §§ 422.504(a)(17) and 423.505(b)(26).

In October 2025, CMS released the CY 2026 Part C and D Star Ratings on the Medicare Plan Finder tool on [www.medicare.gov](http://www.medicare.gov). CMS assigned sponsors separate summary Star Ratings for their Part C and Part D operations. Most MAOs were assigned both C and D summary Star Ratings. PDP sponsors received only a Part D summary Star Rating as did a number of MAOs for which CMS could not calculate a Part C rating. Your organization received the following summary Star Rating:

**Part D – 2.5**

Be advised that CMS treats summary Star Ratings of below three stars for Part C operations and for Part D operations as two separate compliance issues even though they may be discussed in a single letter. For sponsors with low Star Ratings for both Part C and D operations, CMS will document the issues in our records as two separate CAP requests.

CMS advises your organization to take steps to improve its operations in the areas identified above and bring its summary Star Rating(s) to a level that indicates at least average contract performance, compliant with Medicare requirements. **CMS is not requiring a CAP submission from your organization.** CMS will simply look at your organization's Star Rating performance in the coming year to determine whether you took the necessary corrective action to achieve at least a three-star summary Star Rating.

This is your first year below three stars. Please be advised that pursuant to 42 C.F.R. § 423.509(a)(4)(x), your organization will be eligible for termination if it achieves a Part D summary Star Rating of below three stars for three (3) consecutive contract years.

This serves as your first notice of your deficiencies and reasonable opportunity to develop and implement a corrective action plan to correct the deficiencies in accordance with the requirements at § 423.509(c).

If you have any questions about this notice, please contact Linda Anders at [linda.anders@cms.hhs.gov](mailto:linda.anders@cms.hhs.gov).

Sincerely,



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

CC via email:  
Joaquin Clinton-Clemens, CMS  
Linda Anders, CMS