

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



CENTER FOR MEDICARE

January 18, 2024

Corrective Action Plan

Contract ID: H1426

Parent Organization Name: Commonwealth Care Alliance, Inc.

Legal Entity Name: CCA HEALTH PLANS OF CALIFORNIA, INC.

Katherine Charron
Medicare Compliance Officer
30 Winter Street
Boston, MA 02108

VIA EMAIL: KCharron@commonwealthcare.org

RE: Failure to Comply with CMS CY 2024 Bid Instructions

Dear Katherine Charron:

The Centers for Medicare & Medicaid Services (CMS) is issuing a request for CCA HEALTH PLANS OF CALIFORNIA, INC., which operates Medicare Part D Contract ID H1426, to develop and implement a corrective action plan (CAP) to address the organization's failure to comply with contract year (CY) 2024 Part D bid submission requirements. We are issuing this request based on the fact that your organization had multiple compliance failures for CY 2024, as outlined below.

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 2024, 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 5, 2023 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.

Organizations are responsible for ensuring that complete and accurate CY 2024 bids were submitted by the June 5, 2023 deadline, and for following CMS bidding procedures. Yet, the Part D portion of H1426's initial bid failed to constitute a complete and accurate bid submission. These deficiencies were revealed by the following:

The insulin tiers submitted in the PBP did not match the insulin tiers noted on the formulary.

The sponsor requested a deadline extension of one business day for the excluded drugs supplemental file submission due to changes that were simultaneously being made to the PBP.

The sponsor requested to change the following error in the PBP: Tier 5 Specialty was submitted in the PBP with three-month refill versus just the one-month refill, as intended.

The sponsor requested to change Tier 2 gap coverage to list Part D and Excluded Drugs for H1426_001. The sponsor also requested to add gap coverage to Tier 2 for H1426_002.

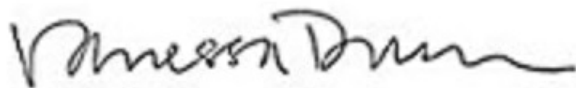
The need for CMS to work with H1426 to correct its CY 2024 bid indicates that it failed to comply with Part D regulatory requirements and follow CMS bid instructions.

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 H1426's CY 2025 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 H1426's CY 2025 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 the sponsor's own self-disclosure and sources other than the sponsor's 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, Acting Director
Medicare Drug Benefit and C & D Data Group
Center for Medicare

CC via email:

Deborah O'Leary, LIZAMARIE CINTRON, Emily Chapple, CMS

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

