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February 25, 2022

## **CORRECTIVE ACTION PLAN (CAP) REQUEST**

Contract ID: S8182

Parent Organization Name: Anthem Inc.

Legal Entity Name: AMERIGROUP INSURANCE COMPANY

Michelle Turano  
Medicare Compliance Officer  
4200 W. Cypress Street  
Tampa, FL 33607

VIA EMAIL: MedicareCO@anthem.com

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

Dear Michelle Turano:

The Centers for Medicare & Medicaid Services (CMS) is issuing this compliance notice to AMERIGROUP INSURANCE COMPANY, which operates contract S8182, concerning its failure, as indicated by its contract year (CY) 2022 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. In particular, your organization's score(s) 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)(18) and 423.505(b)(26).

In October 2021, CMS released the CY 2022 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(s):

Part D –2

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.

Section 17001(b) of the 21st Century Cures Act, enacted in December 2016, prohibited CMS from terminating MA organization contracts based on low Star Ratings through December 31, 2018. With the expiration of this prohibition, CMS announced in a February 6, 2019, Health Plan Management System (HPMS) memorandum that the next contracts eligible for termination would be those with low CY 2020, 2021, and 2022 Star Ratings.

If you have any questions about this notice, please contact Michael Neuman at [Michael.Neuman@cms.hhs.gov](mailto:Michael.Neuman@cms.hhs.gov).

Sincerely,



Amy Larrick Chavez-Valdez, Director

Medicare Drug Benefit and C&D Data Group

CC via email:

ALBERT LICUP, CMS  
Linda Anders, CMS  
Michael Neuman, CMS