

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



**OFFICE OF FINANCIAL MANAGEMENT**

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Date: December 8, 2020

To: All Medicare Advantage Organizations, Prescription Drug Plans, and PACE Organizations

From: Olivia Williams, Acting Director  
Financial Services Group

Subject: One-Third Financial Audits – Corrective Action Plan (CAP)  
Submission Instructions and Best Practices

The Office of Financial Management (OFM) within the Centers for Medicare & Medicaid Services (CMS) has the overall responsibility for the fiscal integrity of all Agency programs, which includes the statutorily mandated One-Third Financial Audits (OFAs) requirement for Medicare Advantage Organizations, Prescription Drug Plans and PACE organizations. The Division of Financial Audit and Resolution (DFAR), within the Financial Services Group (FSG), engages audit contractors to conduct the OFAs. DFAR also has the responsibility of evaluating the corrective actions and the overall close-out process for the OFAs. After an audit is completed, the audited organization receives a notification email from the Health Plan Management System (HPMS) with instructions on retrieving the final audit report and responding to corrective actions. Enclosed are instructions and best practices to aid organizations in completing successful Corrective Action Plans (CAPs) as a result of the OFAs.

Please submit any audit questions relating to the corrective action process to [OFACAP@cms.hhs.gov](mailto:OFACAP@cms.hhs.gov).