

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTERS FOR MEDICARE & MEDICAID SERVICES

DATE: September 9, 2021

TO: Medicare-Medicaid Plans operating in California

FROM: Lindsay P. Barnette
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Medicare-Medicaid Coordination Office

SUBJECT: California Disenrollment Penalty Implementation for CY 2019

This memorandum provides an update on financial penalties applied to select Medicare-Medicaid Plans (MMPs) participating in the California capitated financial alignment model demonstration.

Effective beginning CY 2019, CMS implemented an annual retrospective Medicare A/B financial penalty for California MMPs with high disenrollment rates.

For CY 2019 performance, the recoupment of the California Disenrollment Penalty occurred in the July 2021 capitation payment cycle for applicable MMPs. These recoupments appear on the Plan Payment Report (PPR) on the “Special Adjustment” page.

Please contact the Medicare-Medicaid Coordination Office at mmcocapsmodel@cms.hhs.gov if you have any questions.