

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



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**MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP**

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Date: February 28, 2020

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

From: John A. Scott, Acting Director  
Medicare Parts C and D Oversight and Enforcement Group

Subject: Civil Money Penalty Enforcement Actions for 2019 Program Audits

The Centers for Medicare & Medicaid Services (CMS) has published the Civil Money Penalties (CMPs) imposed on Part C and Part D sponsors for violations of Medicare Parts C and D requirements found during the sponsors' 2019 program audits. These violations related to failing to comply with one or more Medicare requirements involving Part D formulary and benefit administration, Part C or Part D organization/coverage determinations, appeals, and grievances. CMS considered the circumstances that led to the failure and the impact (or the substantial likelihood of impact) on a beneficiary's access to medical services and prescription drugs or out-of-pocket expenses when determining if a CMP was warranted. The notices are posted on the Part C and Part D Enforcement Actions webpage at:

<https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDEnforcementActions-.html>.

All CMP notices for the 2019 program audits are simultaneously posted to our website in order to provide a comprehensive view of all CMPs imposed within the audit year. CMPs and other enforcement actions (i.e. sanctions or terminations) resulting from violations discovered outside of program audits will continue to be posted on a rolling basis after notifying the sponsor.

CMPs are imposed when the conditions of non-compliance adversely affected or had a substantial likelihood of adversely affecting enrollees. There are two important points to consider when reviewing the published CMP data. First, a sponsor's audit score does not necessarily correlate with the dollar amount of the CMP or the determination to impose a CMP. A sponsor's audit score is a reflection of the number and classification of conditions of non-compliance identified during the course of an audit. Second, the amount of a CMP may not correlate with a sponsor's overall performance. The majority of CMPs are assessed based on the number of impacted enrollees. Thus, the CMP amount may be higher for a sponsor with a large number of enrollees or where a violation impacted a large number of enrollees.

If you have questions, please send them to: [part\\_c\\_part\\_d\\_audit@cms.hhs.gov](mailto:part_c_part_d_audit@cms.hhs.gov).

**Appendix: 2019 Program Audit Scores by Sponsor and CMP Indicator**

<b>Sponsor</b>	<b># of Program Areas Audited</b>	<b>Audit Score</b>	<b>CMP Issued (Yes/No)</b>
Blue Cross Blue Shield of Michigan Mutual Ins. Co.	4	1.00	No
California Physician's Service	7	1.74	Yes
Community Health Group	5	0.46	No
CVS Health Corporation (Aetna)	7	0.74	No
CVS Health Corporation (SilverScript)	3	0.00	No
Health Care Service Corporation	5	1.00	Yes <sup>1</sup>
Humana Inc.	7	1.11	Yes
Rite Aid Corporation	3	0.13	No
Sharp Healthcare	4	0.17	No
Triple S Management Corporation	5	1.29	Yes
Tufts Health Plan, Inc.	7	1.21	Yes
UnitedHealth Group, Inc.	7	0.32	No
WellCare Health Plans, Inc.	7	1.00	Yes

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<sup>1</sup> Health Care Service Corporation's 2018 and 2019 program audit results were evaluated together; however, CMS only imposed a CMP on their 2018 program audit results.