



OFFICE OF FINANCIAL MANAGEMENT

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**Date:** 08/12/2020

**To:** All Medicare Advantage Organizations and Part D Sponsor Plans

**From:** Chrissy Fowler, Director, Payment Accuracy Reporting Group

**Subject:** Medicare Part C and Part D Improper Payment Measures (IPMs) - End of COVID-19 Provider Contract Restrictions – Reporting for Part C and Part D Fiscal Years (FYs) 2020 and 2021 IPMs

This memo updates CMS's guidance on its previous directives to Medicare Parts C and D contracts to cease requests for documentation from providers, related to Parts C and D annual IPMs activities. As of August 3, 2020, Medicare Advantage (MA) Organizations and Prescription Drug Plans (PDPs) may contact providers to request documentation for IPMs, thereby resuming activities in order to effectuate CMS's mission to measure and reduce improper payments. As the submission windows for submitting documentation to support FY 2020 reporting have closed<sup>1</sup>, CMS is not directing MA Organizations or Part D Sponsors to submit additional documentation for this year's measures. This guidance applies to documentation requests to support FY 2021 measures.

As background, on April 2, 2020, CMS directed Medicare Parts C and D contracts to cease requests for documentation from providers regarding Parts C and D. CMS cited the National Emergencies Act, where on March 13, 2020, the President declared the COVID-19 outbreak constituted a national emergency nationwide, retroactive to March 1, 2020. On January 31, 2020, the Secretary of the Department of Health & Human Services (HHS) determined that a nationwide public health emergency (PHE) as a result of confirmed cases of COVID-19 existed since January 27, 2020.

To reduce burden on providers, CMS directed MA Organizations and PDPs to cease making requests for documentation from providers regarding Parts C and D IPMs until CMS issued further guidance. However, for Part C contracts that already had medical record documentation, and Part D contracts that already had prescription drug event (PDE) documentation in their possessions, or received documentation as part of a request made prior to the CMS directive, the Parts C and D IPM Health Plan Management System (HPMS) modules remained open for submissions, until their respective submission deadlines.

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<sup>1</sup> The submission deadlines were June 22, 2020 for Medicare Part C, and May 1, 2020 for Medicare Part D.

Additionally, this memo provides guidance regarding CMS's statutory obligation to report improper payments in Medicare Parts C and D for FYs 2020 and 2021. For FY 2021, the reporting schedule will resume as normal, i.e., MA Organizations and PDPs will be notified if they have been selected for IPM activity in late 2020-early 2021, and those selected can contact providers for documentation with no restrictions, as part of the IPM activity. For Medicare Part C FY 2020 IPM reporting, the declaration of the PHE and CMS' subsequent direction impacted the ability of MA Organizations to obtain documentation. CMS is developing a methodology to produce a statistically valid rate that will meet the Office of Management and Budget's (OMB's) precision requirements that pertain to improper payment reporting given the unique circumstance caused by the PHE. CMS is analyzing how COVID-19 may have impacted the submissions, and use that information to determine an adjustment, if needed, to the rate.

For Medicare Part D FY2020 IPM reporting, the PHE declaration and subsequent direction from CMS did not have a significant impact because most of the documentation had been submitted. While slightly higher than normal, due to COVID-19 impacts, the submission rate is consistent with past years' IPMs. CMS is in the process of determining the best method to adjustment the measure to account for unsubmitted documentation.

We appreciate your cooperation during this time. Please direct any questions or concerns to [NationalRadv@cms.hhs.gov](mailto:NationalRadv@cms.hhs.gov) for the Part C IPM and [MADER@cms.hhs.gov](mailto:MADER@cms.hhs.gov) for the Part D IPM.