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**DATE:** October 29, 2020

**TO:** All Current and Prospective Medicare Advantage, Prescription Drug Plan, Section 1876 Cost, and Medicare-Medicaid Plan Organizations

**FROM:** John A. Scott  
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**SUBJECT:** 2021 Program Audit Updates

The Centers for Medicare & Medicaid Services (CMS) has several announcements in this memorandum related to its 2021 program audits.

### **Continued use of 2020 protocols for 2021 program audits**

CMS will use the audit protocols used for the 2020 program audits (Medicare Parts C and D Program Audit and Timeliness Monitoring Data Requests (CMS-10191; OMB control number: 0938-1000)) to conduct the 2021 program audits. Although CMS intended to use the updated protocols proposed under CMS-10717 for its 2021 program audits, the updated protocols are still awaiting OMB approval. Delaying implementation of the updated protocols proposed under CMS-10717 will give stakeholders sufficient lead-time to apply and test the updated protocols prior to CMS using them to conduct audits.

### **Audit Process Updates**

CMS annually releases the Program Audit Process Overview document to provide stakeholders with information about what to expect during a program audit. CMS recommends that sponsoring organizations read the document to understand how CMS conducts each phase of a program audit. CMS updated the document for the 2021 audits and posted it on the program audit website: [CMS Program Audit Website](#). In the 2021 version of the document, CMS:

- Announced it will send scheduled program audit engagement letters to sponsoring organizations in March through July 2021;
- Removed language that described CMS' process for quantifying drug and/or enrollee impact because it was not comprehensive and did not apply equally to all audited program areas; and
- Clarified that auditors may continue using webinar technology to conduct the compliance program effectiveness portion of audits in 2021.

Questions related to the program audit process can be sent to the program audit mailbox at [part\\_c\\_part\\_d\\_audit@cms.hhs.gov](mailto:part_c_part_d_audit@cms.hhs.gov).