



**Drug & Health Plan Operations**

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January 17, 2025

**WARNING LETTER**

Contract ID: H2225

Parent Organization Name: Commonwealth Care Alliance, Inc.

Legal Entity: COMMONWEALTH CARE ALLIANCE, INC.

Katherine Charron  
Medicare Compliance Officer  
30 Winter Street  
Boston, MA 02108

VIA EMAIL: [KCharron@commonwealthcare.org](mailto:KCharron@commonwealthcare.org)

Subject: Failure to Timely Process Disenrollments and Provide Timely Notice of Disenrollment to Enrollees

Dear Katherine Charron:

The Centers for Medicare & Medicaid Services (CMS) is issuing this warning letter to Commonwealth Care Alliance, Inc., which operates the Medicare Advantage Prescription Drug Plan (MA-PD) Contract ID H2225, regarding your organization's failure to timely process voluntary and involuntary disenrollments and provide timely notice of disenrollment to enrollees. We are issuing this warning letter because of your multiple failures to fulfill contract provisions related to the coordination and processing of disenrollments.

Your organization did not comply with the following disenrollment processes:

- 42 C.F.R. § 422.74(b)(2)(iv), which states that an MA organization must disenroll an enrollee from a special needs plan (SNP) if the enrollee no longer meets the special needs status of that plan (or deemed continued eligibility, if applicable). [1]
- 42 C.F.R. §§ 422.504(a)(1) and 423.505(b)(2), which state that the MA organization or Part D sponsor agrees to process voluntary disenrollments.

Your organization also did not comply with the following disenrollment notice requirements:

- 42 C.F.R. § 422.66(b)(3)(ii), which clarifies that it is the responsibility of the MA organization to provide the enrollee with a notice of disenrollment in a format specified by CMS; and 42 C.F.R. § 423.36(b)(2), which clarifies that it is the responsibility of the Part D sponsor to provide the enrollee with a notice of disenrollment as CMS determines and approves.

- o CMS has specified in Chapter 2, Section 50.1.4 of the Medicare Managed Care Manual (MMCM) (as revised August 12, 2020[2]) and Chapter 3, Section 50.1.5 of the Medicare Prescription Drug Benefit Manual (MPDBM) (as revised August 12, 2020[3]), the following information for voluntary disenrollment notices:
  - MA organizations and Part D sponsors must provide a written notice of the disenrollment within 10 calendar days of the availability of the CMS daily transaction reply report (DTRR).
- o CMS has specified in Chapter 2, Section 50.2.5 of the MMCM (as revised August 12, 2020[4]), the following information for SNP disenrollment notices:
  - Regardless of the date on which the enrollee loses special needs status, the organization must provide the enrollee with at least 30 days advance notice of disenrollment.
  - SNPs must provide each enrollee a written notice regarding the loss of special needs status within 10 calendar days of learning of the loss of special needs status. If the enrollee fails to regain special needs status during the period of deemed continued eligibility, the SNP must provide the enrollee a written notice regarding involuntary disenrollment and must submit a disenrollment transaction to CMS.
  - The disenrollment notice to the enrollee and the transaction to CMS should be sent within 3 business days following the last day of the period of deemed continued eligibility; however, in no case should the disenrollment notice to the enrollee be sent after the transaction is submitted to CMS.

Your organization is out of compliance with these Part C and D requirements because your organization did not follow CMS requirements for disenrolling enrollees from your plan.

On August 22, 2023, your organization reported to CMS that between January 1, 2022, and August 10, 2023, you failed to timely process 321 voluntary disenrollment transactions that your organization received from CMS's DTRR. This report notified your organization that the impacted enrollees had successfully enrolled into an alternative Medicare plan. Due to this failure to update your enrollment systems with the voluntary disenrollment information, your organization also failed to mail enrollees the written confirmation of disenrollment within 10 calendar days of the availability of the DTRR. Your organization received four complaints through 1-800-MEDICARE from enrollees who tried to resolve their disenrollment issues directly with your organization, but were unable to do so. These enrollees encountered issues attempting to book appointments with providers, and their prescription drugs continued to be erroneously paid by your organization. Your organization reported that 1,248 pharmacy claims and 1,120 medical claims were erroneously paid for these enrollees after they disenrolled from your plan. Your organization also reported receiving five enrollee grievances related to this issue in your impact analysis report.

On February 15, 2024, your organization also disclosed to CMS that, on January 22, 2024, you discovered that, since May 2023, your organization failed to identify and process disenrollments for 163 dual eligible special needs plan (D-SNP) enrollees who were no longer eligible. Your organization reported that instead of utilizing the state-provided 834 report, you ran a separate eligibility report with erroneous filtering. As a result of this error, you determined that your organization did not provide these enrollees with advance notice of their involuntary disenrollment, nor provide them with the one-month deeming period as outlined in your Evidence of Coverage. You also noted that your organization submitted involuntary disenrollment transactions to CMS before mailing the disenrollment notices to these enrollees. Upon reviewing a related complaint from February 6, 2024, CMS identified that your organization incorrectly mailed *voluntary* disenrollment notices instead of *involuntary* disenrollment notices. You later confirmed that all 163 of these D-SNP enrollees were erroneously sent these voluntary disenrollment notices, and, as a result, did not receive an explanation of their enrollee right to file a grievance with your plan, or language describing that these enrollee lost Medicaid eligibility, both of which are required for involuntary disenrollments.

Your organization confirmed you mailed corrected involuntary disenrollment notices to the 163 impacted D-SNP enrollees on February 22, 2024. You also confirmed that you processed and mailed voluntary disenrollment notices to the remaining 321 impacted enrollees by August 2, 2024. You reported to CMS that you hired a new vice president of enrollment and implemented enhanced DTRR monitoring to ensure all CMS transactions are processed timely and accompanied by the correct enrollee notifications. You reportedly updated standard operating procedures to clarify policies surrounding the processing of disenrollment transactions and the timely mailing of enrollee notifications. You also confirmed that your enrollment specialists have been retrained to effectively complete these transactions.

Please be aware that this letter will be included in the record of your organization's past Medicare contract performance, which CMS will consider as part of our review of any application for new or expanded Medicare contracts your organization may submit. CMS determines this instance of non-compliance a Part C and D issue. CMS considers your organization's efforts in self-reporting information concerning the non-compliant activity as a mitigating factor in determining the severity of this notice.

CMS may consider taking additional compliance actions, including a formal request for a corrective action plan (CAP) if these problems continue without full remediation. Your organization has been referred for enforcement action. CMS has the authority to impose sanctions, penalties, and other enforcement actions as described in federal regulations at 42 C.F.R. Part 422 Subpart O and 42 C.F.R. Part 423 Subpart O.

If you have any questions about this notice, please contact your CMS Account Manager Emily Chapple at [Emily.Chapple@cms.hhs.gov](mailto:Emily.Chapple@cms.hhs.gov).

Sincerely,



Verna Hicks, Director  
Division of Medicare Plan Management  
Medicare Plan Management Group

CC via email:

Emily Chapple, Deborah O'Leary, Edgardo Reyes, CMS  
Theresa Wachter, CMS Baltimore  
Arianne Spaccarelli, CMS Baltimore

[1] Pursuant to [42 C.F.R. § 422.52\(d\)](#), if a SNP determines that the enrollee no longer meets the eligibility criteria, but can reasonably be expected to again meet that criteria within a 6-month period, the enrollee is deemed to continue to be eligible for the MA plan for a period of not less than 30 days but not to exceed 6 months.

[2] [Medicare Managed Care Manual \(MMCM\), Chapter 2, rev. August 12, 2020](#). We note that this specification exists under the same section in the latest published MMCM ([as revised August 15, 2023](#)).

[3] [Medicare Prescription Drug Benefit Manual \(MPDBM\), Chapter 3, rev. August 12, 2020](#). We note that this specification exists under the same section in the latest published MPDBM ([as revised August 15, 2023](#)).

[4] [Medicare Managed Care Manual \(MMCM\), Chapter 2, rev. August 12, 2020](#). We note that these

specifications exist under the same section in the latest published MMCM ([as revised August 15, 2023](#)).