

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



CENTER FOR MEDICARE

June 24, 2025

WARNING LETTER

Contract ID: H0169, H0251, H0271, H0294, H0321, H0432, H0543, H0609, H0624, H0710, H0755, H0764, H1045, H1111, H1278, H1360, H1375, H1537, H1659, H1821, H1889, H1944, H2001, H2196, H2226, H2228, H2247, H2292, H2406, H2531, H2577, H2582, H2802, H3113, H3256, H3307, H3379, H3387, H3418, H3442, H3464, H3749, H3794, H3805, H4094, H4514, H4527, H4590, H4604, H4829, H5008, H5253, H5322, H5420, H5652, H6526, H6528, H6595, H7404, H7445, H7464, H7778, H7833, H8125, H8211, H8748, H8768, H9239, R0759, R1548, R2604, R3175, R3444, R5329, R5342, R6801, R7444

Parent Organization Name: UnitedHealth Group, Inc.

Legal Entity: ARIZONA PHYSICIANS IPA, INC., Care Improvement Plus South Central Insurance Co., OXFORD HEALTH PLANS (NJ), INC., OXFORD HEALTH PLANS (NY), INC., PHYSICIANS HEALTH CHOICE OF TEXAS, LLC, Preferred Care Network, Inc., PREFERRED CARE PARTNERS, INC., Rocky Mountain Health Maintenance Organization, Inc., SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC., UHC OF CALIFORNIA, UNITEDHEALTHCARE BENEFITS OF TEXAS, INC., UNITEDHEALTHCARE COMMUNITY PLAN OF CALIFORNIA, INC., UNITEDHEALTHCARE COMMUNITY PLAN OF OHIO, INC., UNITEDHEALTHCARE COMMUNITY PLAN OF TEXAS, L.L.C., UNITEDHEALTHCARE COMMUNITY PLAN, INC., UNITEDHEALTHCARE INSURANCE CO. OF THE RIVER VALLEY, UNITEDHEALTHCARE INSURANCE COMPANY, UNITEDHEALTHCARE OF ILLINOIS, INC., UNITEDHEALTHCARE OF NEW ENGLAND, INC., UNITEDHEALTHCARE OF NEW MEXICO, INC., UNITEDHEALTHCARE OF NEW YORK, INC., UNITEDHEALTHCARE OF THE MID-ATLANTIC, INC., UNITEDHEALTHCARE OF THE MIDLANDS, INC., UnitedHealthcare of the Rockies, Inc., UNITEDHEALTHCARE OF WISCONSIN, INC., UNITEDHEALTHCARE PLAN OF THE RIVER VALLEY, INC.

Erin Furlong
Medicare Compliance Officer
9800 Health Care Lane
Minnetonka, MN 55343

VIA EMAIL: compliance_officer@uhc.com

Subject: Failure to Comply with Non-Contracted Provider Payment Rules and Enrollee Financial Protection Rules

Dear Erin Furlong:

The Centers for Medicare & Medicaid Services (CMS) is issuing this warning letter to the legal entities

listed above, which operate the Medicare Advantage Prescription Drug Plan (MA-PD) Contract IDs listed above, regarding your organization's failure to pay non-contracted providers in accordance with CMS rules as well as the failure to protect enrollees from financial liability.

Your organization is non-compliant with the following:

- 42 C.F.R. § 422.214(a)(1), which states that any non-contracted provider (other than those defined in section 1861(u) of the Act) must accept, as payment in full, the amounts that the provider could collect if the beneficiary were enrolled in original Medicare.
- 42 C.F.R. § 422.132, which provides that MA enrollees are entitled to the protections specified in § 422.504(g).
- 42 C.F.R. § 422.504(g), which requires MA organizations to adopt and maintain arrangements satisfactory to CMS to protect enrollees from incurring liability for payment of any fees that are the legal obligation of the MA organization, and to indemnify the enrollee for payment of such fees for services furnished by non-contracted providers.
- 42 C.F.R. § 422.504(a)(16), which requires MA organizations to maintain administrative and management capabilities sufficient for the organization to organize, implement, and control the financial activities related to the delivery of Part C services.

Your organization is out of compliance with Part C requirements because your organization did not: (1) pay certain non-contracted providers the correct original Medicare amounts, (2) protect enrollees who received services from these non-contracted providers from incurring liability for incorrect cost sharing amounts, (3) indemnify impacted enrollees, and (4) maintain sufficient administrative and management capabilities to implement compliant financial activities. These issues of non-compliance spanned a period of over two years.

On January 31, 2024, CMS identified provider complaints involving potentially inappropriate recoupment of licensed clinical social worker (LCSW) claims and asked your organization to investigate. On March 15, 2024, your organization reported that a subset of out-of-network claims for non-contracted LCSWs, nurse practitioners, and physician assistants were reimbursed at 100 percent of the Medicare Physician Fee Schedule (PFS) rate, rather than at 75 percent of the PFS rate for LCSWs, 85 percent of the PFS rate for nurse practitioners, and 85 percent of the PFS rate for physician assistants (which are the amounts that these non-physician providers would otherwise be entitled to receive under Original Medicare), due to a claims system configuration error in your organization's system that occurred in January 2022. This resulted in overpayments to 8,151 non-contracted providers and incorrect cost sharing amounts for 30,545 enrollees; 4,893 of the impacted enrollees overpaid \$35 on average.

To correct this issue, your organization reported to CMS that you mailed recoupment letters to impacted providers in December 2023 and completed system enhancements on January 5 and February 15, 2024. In addition, your organization informed CMS that you issued refund checks to impacted enrollees on March 21 and April 17, 2024.

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 issue. CMS notes that we are issuing this compliance notice based exclusively on information that we obtained from sources other than your organization's self-disclosure.

CMS may consider taking additional compliance actions, including a formal request for a corrective action

plan (CAP), or taking enforcement actions in the form of the imposition of intermediate sanctions (e.g., the suspension of marketing and enrollment activities) or civil money penalties if these problems continue without full remediation.

If you have any questions about this notice, please contact your CMS Account Manager Edgardo Reyes at: (212) 616-2315, or Edgardo.Reyes@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Willard', with a stylized flourish at the end.

Jeremy C. Willard, Director
Division of Surveillance, Compliance & Marketing
Medicare Drug & Health Plan Contract Administration Group
Centers for Medicare and Medicaid Services

CC via email:

Bria Dobbs, Eric Hansen, Edgardo Reyes, Emily Chapple, Nijah Wilson, CMS
Christine Reinhard, CMS Baltimore