

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop C1-26-16  
Baltimore, Maryland 21244-1850



## **Center for Medicare**

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May 9, 2019

VIA EMAIL: [jcole@esperopharma.com](mailto:jcole@esperopharma.com); [qpham@esperopharma.com](mailto:qpham@esperopharma.com); [rperry@medcommtech.com](mailto:rperry@medcommtech.com)

Espero Pharmaceuticals  
14286-19 Beach Blvd #270  
Jacksonville, FL 32250

### **RE: Notice of Determination to Impose a Civil Money Penalty for Pharmaceutical Manufacturer Contract Number P1480**

Dear Espero Pharmaceuticals:

Pursuant to 42 CFR §423.2340 the Centers for Medicare & Medicaid Services (CMS) is providing notice to Espero Pharmaceuticals of a civil money penalty (CMP) assessment in the amount of \$62,959.85.

#### **Basis for Civil Money Penalty**

CMS is imposing a CMP of \$62,959.85 on Espero Pharmaceuticals, P1480, based on a report provided by the Third Party Administrator (TPA) for the Coverage Gap Discount Program. The information which the TPA provided indicates that your organization failed to pay specified Part D sponsors for applicable discounts within 38 calendar days from receipt of the fourth quarter 2018 invoice. This is a violation of 42 CFR §423.2315(b)(3) and Section II(b) of the Medicare Coverage Gap Discount Program Agreement (Discount Agreement).

Specifically, the following Part D sponsors did not receive payments within the requisite 38-day time period:

- 86 Part D Sponsors: \$50,367.88 (See Attachment 3)

The CMP that your company owes is equal to:

- Any invoiced amounts your company has failed to pay to Part D sponsors; \$50,367.88
- Plus the 25% late payment penalty; \$12,591.97

The determination by CMS to impose a CMP will become final and due no later than July 8, 2019 if you do not request a hearing to appeal in the manner and timeframe described below under Right to Request a Hearing. Please see the required payment method below under Method to Submit CMP Payments.

Please note that any further failures by Espero Pharmaceuticals to comply with these or any other CMS requirements may subject your organization to termination as described in 42 CFR §423.2345 and section VIII of the Discount Agreement.

### **Method to Submit CMP Payments**

All CMP payments must be made using Pay.gov (Instructions on Attachment 1). Pay.gov provides a free service to entities that make online payments to a Federal government agency. The Pay.gov Collection Service collects and processes the Internet-authorized deductions from a checking or savings account via Automated Clearing House (ACH) debit entries processed at the Federal Reserve Bank of Cleveland (FRB-C). Your Pay.gov payment transaction will not require a Username and Password.

Companies sometimes have blocks on their bank accounts that will only allow designating transactions to be processed. It may be necessary to provide your banking institute with the following two pieces of information to unblock the bank account:

- **Originating Depository Financial Institution (ODFI):** FRB-C is the payment processor for ACH payments made through Pay.gov and will appear as the ACH ODFI. FRB-C processes Pay.gov ACH transactions under the American Bankers Association (ABA) routing numbers 041036046 and 042736141.
- **Company ID:** Every ACH batch contains a company ID number in accordance with the National Automated Clearing House Association (NACHA) requirements. CMS' company ID number for Pay.gov payments is 7505008012.

For Pay.gov technical issues contact Pay.gov Customer Service at (800) 624-1373 *or* (216) 579-2112, Monday–Friday from 6:00 A.M. to 7:00 P.M. Eastern Time.

You will find it helpful to have the following information available when you complete your payment:

- P# (P#####)
- CMP payment demand letter from CMS
- Bank account and routing numbers
- Point of contact regarding the payment
- Business mailing address

### **Right to Request a Hearing**

Your organization may request a hearing before an administrative law judge of the Department of Health and Human Services, Departmental Appeals Board (DAB) to appeal CMS' determination to impose a civil money penalty in accordance with Section IV(b) of the Discount Agreement. Procedures governing this process are set out in 42 C.F.R. § 423.2340.

You must:

- file your hearing request electronically by using the Departmental Appeals Board's Electronic Filing System (DAB E-File) at <https://dab.efile.hhs.gov> no later than sixty (60) days after receiving this letter (Instructions on Attachment 2); and
- email a copy of your hearing request to CMS:

Espero Pharmaceuticals

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Centers for Medicare & Medicaid Services, Craig Miner, Deputy Director, Division of Part D Policy at [CGDPandManufacturers@cms.hhs.gov](mailto:CGDPandManufacturers@cms.hhs.gov)

Acknowledgement of this letter is required, please reply to [CGDPandManufacturers@cms.hhs.gov](mailto:CGDPandManufacturers@cms.hhs.gov). If you have any questions about this notice, please contact Sonia Eaddy at [Sonia.eaddy@cms.hhs.gov](mailto:Sonia.eaddy@cms.hhs.gov).

Sincerely,

/s/

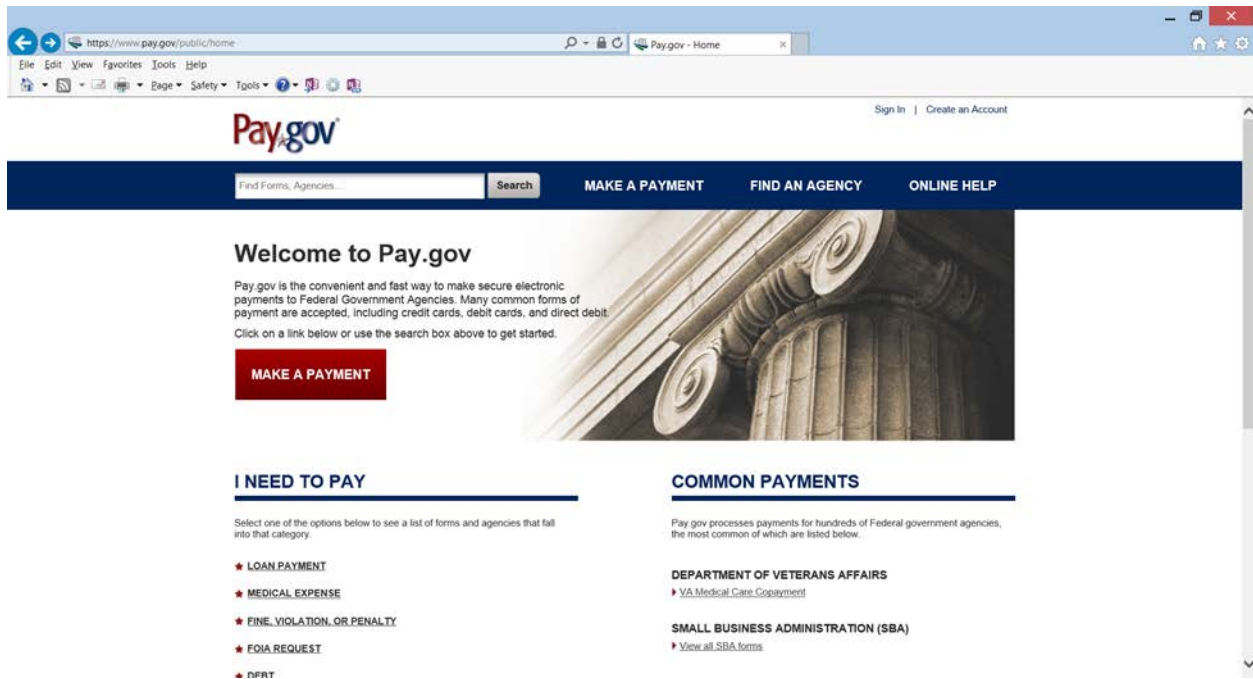
Amy K. Larrick Chavez-Valdez  
Director, Medicare Drug Benefit and C & D Data Group

cc: Mr. Craig Miner, CMS/CM/MDBG  
Ms. Christine Machon, CMS/CM/MPPG  
Mr. Ray Thorn, CMS/OC  
Ms. Jill Abrams, DHHS/OGC  
Ms. Jennifer Garver, DHHS/OGC

## Attachment 1

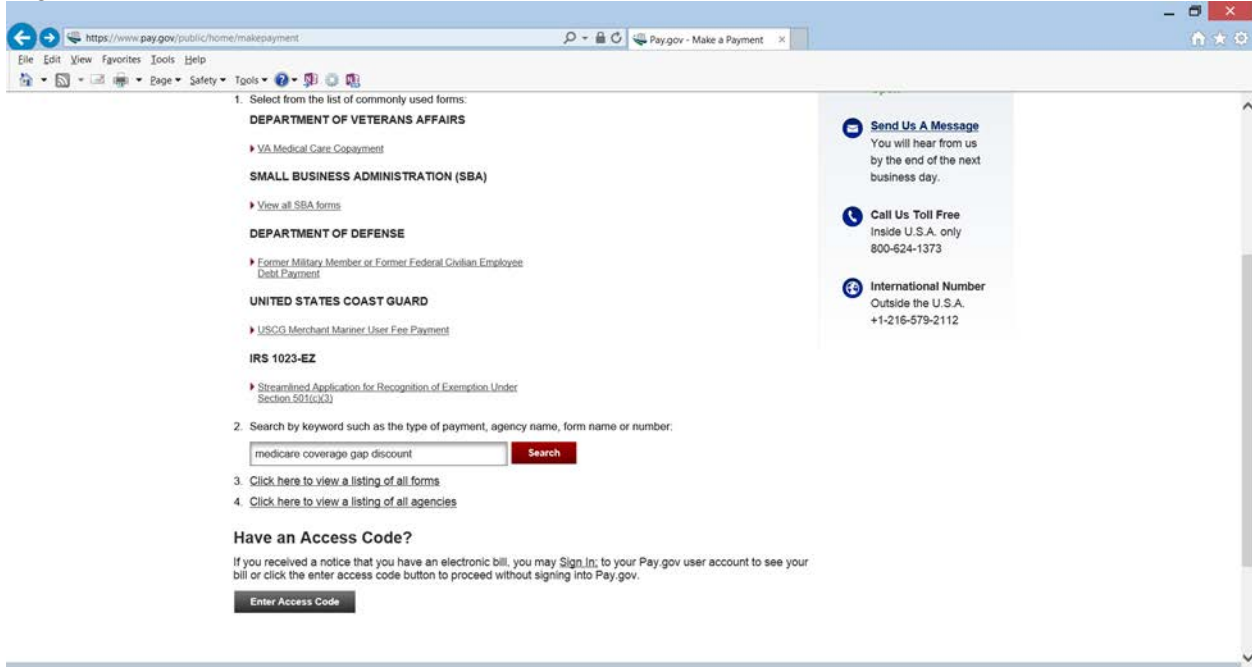
### Step 1

Access Pay.gov at <https://www.pay.gov>



### Step 2

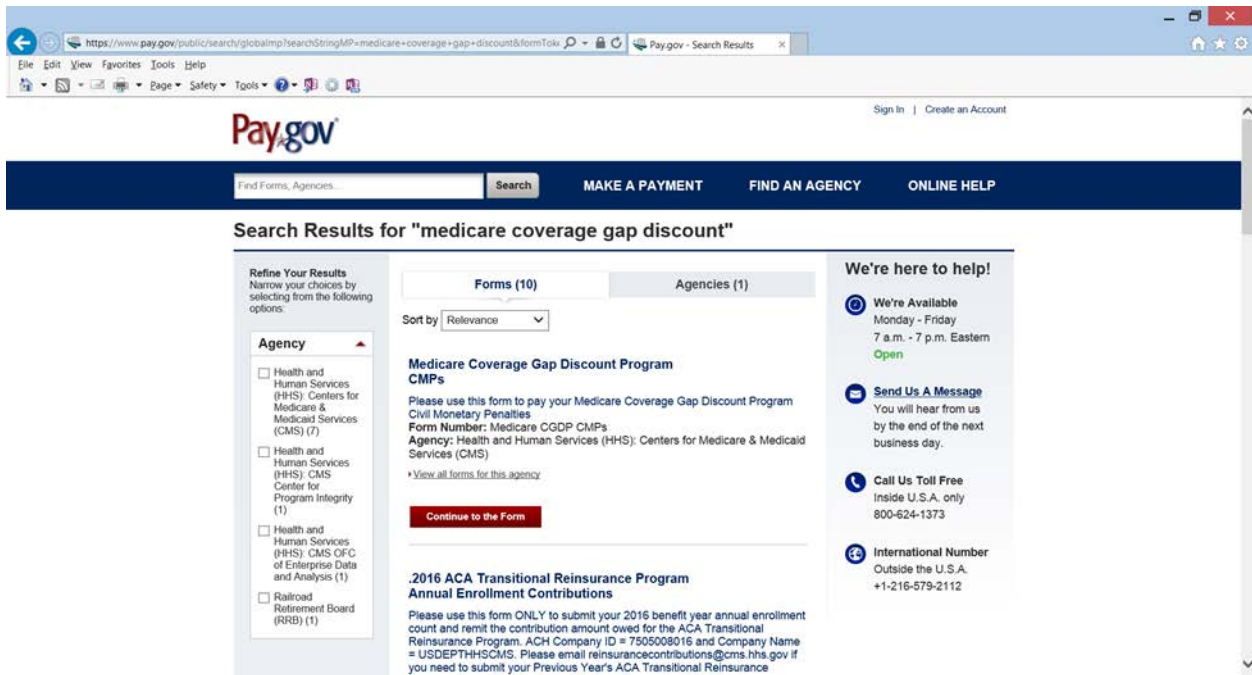
- In the **Search by keyword...** box (under number 2), Type: *Medicare Coverage Gap Discount (not case sensitive)*
- then click on Search



### Step 3

### Medicare Coverage Gap Discount Program CMPs

- Click on **Continue to the Form.**



## Step 4

- You may Preview Form, cancel, or Continue to Form.
- Click on Continue to the Form. Have available your payment demand letter from CMS.

The screenshot shows the Pay.gov website interface for the Medicare Coverage Gap Discount Program (CMPs). The browser address bar displays the URL: https://www.pay.gov/public/Form/start/38616929. The page title is "Pay.gov - Medicare Coverage...". The main navigation bar includes a search box, "MAKE A PAYMENT", "FIND AN AGENCY", and "ONLINE HELP". The current page is titled "Medicare Coverage Gap Discount Program CMPs". A progress bar indicates the user is at step 2, "Enter Payment Info", with previous steps being "Before You Begin", "1 Complete Agency Form", and "3 Review & Submit", and the next step being "4 Confirmation". The page instructs the user to use the form to pay their Medicare Coverage Gap Discount Program Civil Monetary Penalties and notes that paying online with Pay.gov is safe, secure, and the preferred method. It lists "Accepted Payment Methods" as "Bank account (ACH)". There are three buttons: "Preview Form", "Cancel", and "Continue to the Form". A "Need Help?" section provides contact information for Shelly Winston, including an email link and a website link. At the bottom, there is a "WARNING WARNING WARNING" section with a disclaimer about the security of the system and a note about sensitive data.

## Step 5

- Complete the required fields
  - **Manufacturer P Number:** (P#####) must be a P followed by 4-digits
  - **Manufacturer Name:** manufacturer's complete name
  - **Point of Contact:** person authorized to make the payment
  - **Point of Contact Phone:** (\*\*\*\_\*\*\_\*\_\*\*\*) telephone number must include dashes
  - **Point of Contact Email:** email address
  - **Mailing address:** Street, city, state, and zip code
  - **Date of Demand Letter:** (MM/DD/YEAR) typed date on the demand letter received from CMS
  - **Quarter:** (Q1, Q2, Q3, Q4) use the drop arrow to select the calendar year quarter in which the invoice payment was late or unpaid
  - **Year:** use the drop down arrow to select the calendar year in which the invoice payment was late or unpaid
  - **Payment Amount:** the total amount indicated on the demand letter from CMS

The screenshot shows a web browser window with the URL <https://www.pay.gov/public/form/entry/103/>. The page title is "Civil Money Penalty Payment". The form contains the following fields:

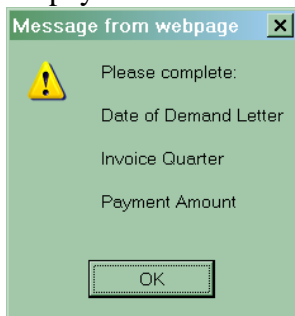
- \*Required Fields
- \*Manufacturer P Number:
- \*Manufacturer Name:
- \*Address:
- \*City:
- \*State:
- \*Zip Code:
- \*Point of Contact Name:
- \*Point of Contact Phone:
- \*Point of Contact Email:
- \*Date of Demand Letter:
- Invoice Quarter for which Penalties are due:
  - \*Quarter:
  - \*Year:
- \*Payment Amount: \$

(Note: This must be the total amount due)

Buttons: PDF Preview, Continue

- Review
- Click on Submit Data

NOTE: You will immediately receive a message if **any** of the required information is missing on the payment form. Click OK, complete the missing information, and click on Submit Data.



### Step 6

Have your banking information available to enter the payment information. Enter bank information, review, and print your payment confirmation to complete your Pay.gov payment.

Medicare Coverage Gap Discount Program CMPs

Before You Begin | 1. Complete Agency Form | Enter Payment Info | 3. Review & Submit | 4. Confirmation

Please provide the payment information below. Required fields are marked with an \*.

\* Payment Amount: \$1,000.00

\* Payment Date (mm/dd/yyyy): 05/09/2019

\* Account Holder Name: \_\_\_\_\_

\* Select Account Type: \_\_\_\_\_

\* Routing Number: \_\_\_\_\_

\* Account Number: \_\_\_\_\_

\* Confirm Account Number: \_\_\_\_\_

Manufacturer P Number: P0001

Buttons: Previous, Return to Form, Cancel, Review and Submit Payment

Need Help?  
Contact: Shelly Winston  
Email: [Click to email](#)  
Website: [Click to visit site](#)

*Notice the payment amount you entered on the previous screen has populated. Click on Return to Form at the bottom of the screen to correct the payment amount.*

Enter,

- **Payment Amount**
- **Payment Date:** automatically populates the next available date in which the financial institutes can initiate the payment transaction
- **Account Holder Name:** name as it appears on the actual banking account
- **Select Account Type:** (Personal Checking, Personal Savings, Business Checking, or Business Savings) use the drop down arrow to select account type
- **Routing Number:** bank routing number
- **Account Number:** bank account number
- **Confirm Account Number:** re-type your bank account number

**Click on Review and Submit Payment when you are ready**

- Review the payment summary,



Pay.gov - Online Payment - Windows Internet Explorer  
https://qa.pay.gov/paygov/payments/enterACHDebitPaymentInformation.html

File Edit View Favorites Tools Help

Pay.gov - Online Payment

### Step 2: Authorize Payment

Payment Summary [Edit this information](#)

Account Holder Name: manufacturer Inc  
Payment Amount: \$1,000.00  
Account Type: Business Checking  
Routing Number: 041000124  
Account Number: \*\*\*\*\*0424  
Check Number: 0002  
Payment Date: 01/27/2012

Email Confirmation Receipt

To have a confirmation sent to you upon completion of this transaction, provide an email address and confirmation below.

Email Address:   
Confirm Email Address:   
CC:   Separate multiple email addresses with a comma

Authorization and Disclosure

Required fields are indicated with a red asterisk \*

I agree to the authorization and disclosure language.  \*

The U.S. Treasury Department's Financial Management Service. As used in this document, "we" or "us" refers to the Financial Management Service and its agents and contractors operating Pay.gov. "You" refers to the end-user reading this document and agreeing to it prior to engaging in a debit transaction.

I. Consumers

A. Authorization

You acknowledge that you have read and understand the consumer disclosure language and authorize the Federal Reserve financial institution of Cleveland to debit the named financial institution account. This authorization is to remain in full force and effect until we have received notification of its termination in such time and in such manner as to afford Pay.gov a reasonable opportunity to act on it, or unless otherwise terminated for any reason by Pay.gov.

B. Disclosure

In case of errors or questions about a transaction, immediately contact the Federal agency using the Pay.gov service or contact Pay.gov directly.

- Enter email address(es) to receive the payment confirmation
- Please add to the CC box: [cgdp\\_manufacturers@cms.hhs.gov](mailto:cgdp_manufacturers@cms.hhs.gov)
- Read and/or print the Authorization and Disclosure. If you agree, Click, *I agree to the authorization and disclosure language*

**Submit Payment-** will submit your payment and move you to the final step of your payment

**Cancel-** will cancel all information entered during this session

**Return To Your Form-** will take you back to the Civil Money Penalty form

- Print the payment confirmation.

Pay.gov - Online Payment - Windows Internet Explorer  
https://qa.pay.gov/paygov/payments/authorizeACHPayment.html

Pay.gov - Online Payment

**Pay.gov**  
Provided by the US Department of the Treasury  
Home > Online Payment

**Login**  
Username:   
Password:   
Login  
[Trouble Logging In?](#)

**Find Public Forms**  
by Form Name  
by Agency Name  
Search Public Forms  Go  
[Background map](#)

**Public Resources**  
Resources  
[Accessibility Statement](#)  
[Notices & Agreements](#)  
[Privacy & Security Policy](#)  
[Sitemap](#)  
Help  
[Contact Us](#)  
[Frequently Asked Questions](#)  
Information  
[Agency Information](#)  
[Overview](#)  
[Implementing](#)  
[Documentation](#)  
[Press / Articles](#)

**Online Payment**  
Step 3: Confirm Payment 1 | 2 | 3

**Thank you.**  
Your transaction has been successfully completed.  
It is recommended you [print a copy](#) for your records.

[Print this window.](#)

**Pay.gov Tracking Information**  
Application Name: Medicare Coverage Gap Discount Program CMPs  
Pay.gov Tracking ID: 3FOHC800  
Agency Tracking ID: 120008876801  
Transaction Date and Time: 01/26/2012 12:36 EST

**Payment Summary**  
Account Holder Name: manufacturer Inc  
Payment Amount: \$1,000.00  
Account Type: Business Checking  
Routing Number: 041000124  
Account Number: \*\*\*\*\*0424  
Check Number: 0002  
Payment Date: 01/27/2012

[Return to your form search results](#)  
[Return to Home](#)

Done Internet 100%

## Attachment 2

Department of Health and Human Services, Departmental Appeals Board (DAB)

### *Registering to Use DAB E-File*

To file a new appeal using DAB E-File, you first need to register a new account by:

- clicking “Register” on the DAB E-File home page;
- entering the information requested on the “Register New Account” form; and
- clicking “Register Account” at the bottom of the form. If you have more than one representative, each representative must register separately to use DAB-File on your behalf.

### *Filing an Appeal through DAB E-File*

The e-mail address and password provided during registration must be entered on the login screen at [http://dab.efile.hhs.gov/user\\_sessions/new](http://dab.efile.hhs.gov/user_sessions/new) to access DAB E-File. A registered user’s access to DAB E-File is restricted to the appeals for which he is a party or authorized representative. Once registered, you may file your appeal by:

- clicking the “File New Appeal” link on the “Manage Existing Appeals” screen, then clicking “Civil Remedies Division” on the “File New Appeal” screen; and
- entering and uploading the requested information and documents on the “File New Appeal – Civil Remedies Division” form.

At a minimum, the Civil Remedies Division (CRD) requires a party to file a signed request for hearing and the underlying notice letter from CMS that sets forth the action taken and the party’s appeal rights. All documents must be submitted in Portable Document Format (“PDF”). Any document, including a request for hearing, will be deemed to have been filed on a given day, if it is uploaded to DAB E-File on or before 11:59 p.m. ET of that day. A party that files a request for hearing via DAB E-File will be deemed to have consented to accept electronic service of appeal-related documents that CMS files, or CRD issues on behalf of the Administrative Law Judge, via DAB E-File. Correspondingly, CMS will also be deemed to have consented to electronic service. More detailed instructions on DAB E-File for CRD cases can be found by clicking the CRD E-File Procedures link on the File New Appeal Screen for CRD appeals.

The DAB no longer accepts requests for a hearing submitted by U.S. mail or commercial carrier, unless you do not have access to a computer or internet services. In those circumstances you may contact the Civil Remedies Division to request a waiver from e-filing and provide an explanation as to why you cannot file electronically or you may mail a written request for a waiver along with your written request for a hearing. A written request for a hearing must be filed no later than sixty (60) days after receiving this letter, by mailing to the following address:

Department of Health and Human Services  
Departmental Appeals Board, MS 6132  
Director, Civil Remedies Division  
330 Independence Avenue, S.W.  
Cohen Building – Room G-644  
Washington, D.C. 20201  
(202) 565-9462

The request for a hearing will contain a statement as to the specific issues or findings of fact and conclusions of law in the notice letter with which the petitioner or respondent disagrees, and the basis for his or her contention that the specific issues or findings and conclusions were incorrect. 42 C.F.R. § 423.1020(b).

## Attachment 3

	<b>Contract Number</b>	<b>Contract Name</b>	<b>Invoiced Amount</b>
1	E3014	PSERS HOP PROGRAM	\$ 213.83
2	H0104	BLUE CROSS AND BLUE SHIELD OF ALABAMA	\$ 179.31
3	H0524	Kaiser Permanente	\$ 126.77
4	H0543	UnitedHealth Group	\$ 250.39
5	H0562	HEALTH NET OF CALIFORNIA, INC.	\$ 151.36
6	H0609	PACIFICARE OF COLORADO, INC	\$ 118.31
7	H0755	OXFORD HEALTH PLANS (CT), INC.	\$ 186.56
8	H1026	HEALTH OPTIONS, INC.	\$ 6.47
9	H1036	HUMANA MEDICAL PLAN, INC.	\$ 486.57
10	H1608	COVENTRY HEALTH AND LIFE INSURANCE COMPANY	\$ 30.96
11	H1951	HUMANA HEALTH BENEFIT PLAN OF LOUISIANA, INC.	\$ 671.87
12	H2001	SIERRA HEALTH AND LIFE INSURANCE COMPANY, INC.	\$ 4,407.31
13	H2228	UNITEDHEALTHCARE INSURANCE COMPANY	\$ 207.75
14	H2354	HEALTH ALLIANCE PLAN OF MICHIGAN	\$ 59.64
15	H2649	HUMANA HEALTH PLAN, INC.	\$ 336.71
16	H2802	UNITEDHEALTHCARE OF THE MIDLANDS, INC.	\$ 138.50
17	H3154	HORIZON INSURANCE COMPANY	\$ 117.31
18	H3330	HEALTH INSURANCE PLAN OF GREATER NEW YORK	\$ 47.65
19	H3362	INDEPENDENT HEALTH ASSOCIATION, INC.	\$ 83.30
20	H3388	CAPITAL DISTRICT PHYSICIANS' HEALTH PLAN, INC.	\$ 234.61
21	H3655	COMMUNITY INSURANCE COMPANY	\$ 44.55
22	H3706	GLOBALHEALTH, INC.	\$ 84.18
23	H3749	UNITEDHEALTHCARE OF OKLAHOMA, INC.	\$ 69.25
24	H3805	UNITEDHEALTHCARE OF OREGON, INC.	\$ 117.31
25	H3815	ALIGNMENT HEALTH PLAN	\$ 1.49
26	H3907	UPMC HEALTH PLAN, INC.	\$ 106.80
27	H3916	HIGHMARK SENIOR HEALTH COMPANY	\$ 184.37
28	H3952	KEYSTONE HEALTH PLAN EAST, INC.	\$ 83.37
29	H3954	GEISINGER HEALTH PLAN	\$ 68.55
30	H3957	HIGHMARK CHOICE COMPANY	\$ 130.93
31	H3959	AETNA HEALTH INC. (PA)	\$ 98.86
32	H3962	KEYSTONE HEALTH PLAN CENTRAL, INC.	\$ 84.18
33	H4007	HUMANA HEALTH PLANS OF PUERTO RICO, INC.	\$ 49.15
34	H4461	Humana Inc.	\$ 503.42
35	H4497	Medical Mutual of Ohio	\$ 13.94
36	H4523	Aetna Health Management	\$ 99.14
37	H4527	UnitedHealth Group	\$ 61.47
38	H4564	SCOTT AND WHITE HEALTH PLAN	\$ 87.08
39	H4590	UNITEDHEALTHCARE BENEFITS OF TEXAS, INC.	\$ 1.49
40	H5216	HUMANA INSURANCE COMPANY	\$ 3,494.94
41	H5425	SCAN HEALTH PLAN	\$ 19.96
42	H5435	UNITEDHEALTHCARE INSURANCE COMPANY	\$ 69.25

## Espero Pharmaceuticals

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43	H5521	AETNA LIFE INSURANCE COMPANY	\$ 512.96
44	H5522	HEALTHASSURANCE PENNSYLVANIA, INC.	\$ 150.00
45	H5525	HUMANA BENEFIT PLAN OF ILLINOIS, INC.	\$ 309.73
46	H5533	UPMC HEALTH NETWORK, INC.	\$ 56.34
47	H5577	MCS ADVANTAGE, INC.	\$ 534.21
48	H5619	ARCADIAN HEALTH PLAN, INC.	\$ 329.65
49	H5938	CAPITAL HEALTH PLAN	\$ 3.47
50	H5970	HUMANA INSURANCE COMPANY OF NEW YORK	\$ 24.80
51	H6453	HMO LOUISIANA, INC.	\$ 17.95
52	H6622	HUMANA WI HEALTH ORGANIZATION INSURANCE CORP	\$ 185.31
53	H8145	HUMANA INSURANCE COMPANY	\$ 112.47
54	H9615	MVP HEALTH PLAN, INC.	\$ 108.93
55	R3332	BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.	\$ 234.62
56	R3444	CARE IMPROVEMENT PLUS SOUTH CENTRAL INSURANCE CO.	\$ 64.89
57	R5826	HUMANA INSURANCE COMPANY	\$ 112.24
58	R6801	CARE IMPROVEMENT PLUS OF TEXAS INSURANCE COMPANY	\$ 123.07
59	R7444	UNITEDHEALTHCARE INSURANCE COMPANY	\$ 65.74
60	S0522	SYMPHONIX HEALTH INSURANCE, INC.	\$ 114.21
61	S0655	TUFTS INSURANCE COMPANY	\$ 56.45
62	S1030	BCBS OF ALABAMA & UTIC INSURANCE COMPANY	\$ 117.31
63	S1140	HEALTHNOW NEW YORK INC.	\$ 41.44
64	S2468	CALIFORNIA PHYSICIANS' SERVICE	\$ 52.71
65	S2668	MEMBERS HEALTH INSURANCE COMPANY	\$ 60.97
66	S2893	ANTHEM INSURANCE CO. & BCBSMA & BCBSRI & BCBSVT	\$ 252.53
67	S5593	HM HEALTH INSURANCE COMPANY	\$ 146.04
68	S5596	ANTHEM INSURANCE COMPANIES, INC.	\$ 4.69
69	S5601	SILVERSCRIPT INSURANCE COMPANY	\$ 10,199.64
70	S5609	ASURIS NORTHWEST HEALTH	\$ 72.25
71	S5617	CIGNA HEALTH AND LIFE INSURANCE COMPANY	\$ 488.97
72	S5660	MEDCO CONTAINMENT LIFE AND MEDCO CONTAINMENT NY	\$ 4,186.61
73	S5715	HCSC INSURANCE SERVICES COMPANY	\$ 241.32
74	S5743	WELLMARK IA & SD, & BCBS MN, MT, NE, ND,& WY	\$ 85.86
75	S5768	FIRST HEALTH LIFE & HEALTH INSURANCE COMPANY	\$ 866.84
76	S5805	UNITEDHEALTHCARE INSURANCE COMPANY OF NEW YORK	\$ 161.64
77	S5810	AETNA LIFE INSURANCE COMPANY	\$ 261.08
78	S5820	UNITEDHEALTHCARE INSURANCE COMPANY	\$ 5,164.13
79	S5884	HUMANA INSURANCE COMPANY	\$ 4,598.02
80	S5904	BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC.	\$ 195.49
81	S5921	UNITEDHEALTHCARE INS. CO. & UHC INS. CO. OF NY	\$ 499.59
82	S5966	GROUP HEALTH INCORPORATED	\$ 87.20
83	S8067	AVALON INSURANCE COMPANY	\$ 335.55
84	S8841	OPTUM INSURANCE OF OHIO, INC.	\$ 4,999.88
85	S9579	TRANSAMERICA LIFE INSURANCE COMPANY	\$ 345.78
86	S9701	DEAN HEALTH INSURANCE, INC.	\$ 256.44
		Total	\$ 50,367.88