



CENTER FOR MEDICARE

---

**DATE:** March 1, 2019

**TO:** All Current and Prospective Medicare Advantage (MA), Prescription Drug Plan (PDP), Cost, Programs for the All-Inclusive Care for the Elderly (PACE), and Medicare-Medicaid Plan (MMP) Organizations

**FROM:** Amy Larrick Chavez-Valdez, Director  
Medicare Drug Benefit and C & D Data Group

**SUBJECT:** Annual Verification of Parent Organization and Legal Entity Name

All current and prospective MA, PDP, Cost, PACE and MMP organizations (“contracting organizations”) are requested to review the parent organization and legal entity name as listed in the Health Plan Management System (HPMS), and to report any necessary corrections by March 15, 2019.

It is crucial that all contracting organizations accurately report their parent organization status and legal entity name to the Centers for Medicare and Medicaid Services (CMS). Organizations are required to keep that information up to date by reporting changes as soon as they occur.

- Definition of Parent Organization  
CMS considers a parent organization to be the legal entity that owns a controlling interest in a contracting organization. More specifically, for Part C and D reporting purposes, the parent organization is the “ultimate” parent, or the top entity in a hierarchy (which may include other parent organizations) of subsidiary organizations which is not itself a subsidiary of any corporation. A legal entity may be its own parent organization if it is not a subsidiary of any other organization.

**NOTE FOR NOT-FOR-PROFIT ORGANIZATIONS:** Not-for-profit organizations generally do not have owners in the usual sense. However, the parent of a not-for-profit organization is the entity with a controlling interest in the not-for-profit organization. For example, the parent of a not-for-profit organization could be an organization that is the sole or principal member of a not-for-profit organization’s board, or the organization that controls appointments of board members. If you are uncertain about the identity of your not-for-profit organization’s parent, please contact CMS.

- Definition of Legal Entity  
CMS considers a legal entity name to be the name as it appears on the contracting

organization's Articles of Incorporation, Articles of Organization, or state license. The legal entity name may be different from the marketing or "doing business as" name.

Organizations can view their parent organization assignments and legal entity names within the Basic Contract Management Module in HPMS. Use the following navigation path to access this information: Contract Management > Basic Contract Management > Select Contract Number > Plan Management Data. Parent organization and legal entity name data are also available in the General Information Report under Contract Reports and in the Plan Version of the Contract Information Data Extract. Organizations do not have access rights to change the parent organization designation or legal entity name, but instead must report changes to CMS.

In those instances where the parent organization or legal entity field is blank or incorrect, please notify CMS of the correct information by sending an email to [PartD\\_Monitoring@cms.hhs.gov](mailto:PartD_Monitoring@cms.hhs.gov) by March 15, 2019. If any changes in parent organization identity or legal entity name occur after this date, you must report the change by sending an email to [PartD\\_Monitoring@cms.hhs.gov](mailto:PartD_Monitoring@cms.hhs.gov) as soon as the change occurs, but no later than 30 days from the effective date of such a change.

When reporting a parent organization or legal entity name change or correction, include your contract number(s) and the phrase "parent organization update" or "legal entity update" in the subject line of the email. Please indicate what prompted the change (e.g., merger, sale, or corporate name change) and include contact information for someone at your organization whom we could call to discuss any discrepancies you identify. Be prepared to provide documentation to support the change or correction, such as financial statements, Articles of Incorporation, contracts, or filings with regulatory authorities. Of note, due to character limitations in CMS information systems, CMS may not agree to all minor changes, such as requests to expand abbreviations.

Please contact Arianne Spaccarelli at [arianne.spaccarelli@cms.hhs.gov](mailto:arianne.spaccarelli@cms.hhs.gov) with any questions.