

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



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCEMENT GROUP

Date: February 26, 2018

To: All Medicare Advantage Organizations, Medicare Advantage – Prescription Drug Plans and Prescription Drug Plans

From: Vikki Ahern, Director
Medicare Parts C and D Oversight and Enforcement Group

Subject: Civil Money Penalty Enforcement Actions for 2017 Program Audits

The Centers for Medicare & Medicaid Services (CMS) has published the Civil Money Penalties (CMPs) imposed on Part C and Part D Sponsors for violations of Medicare Parts C and D requirements found during the sponsors' 2017 Program Audit. These violations were related to failure to comply with one or more of the following Medicare requirements: Part D formulary benefit administration, or Part C or Part D organization/coverage determinations, appeals, and grievances. The circumstances that led to the failure and the impact (or the substantial likelihood of impact) on a beneficiary's access to medical services and prescription drugs or out-of-pocket expenses were considered when determining if a CMP was warranted. A total of 18 Sponsors (47% of those who were audited) were issued a CMP between September 2017 and February 2018 based on findings from their 2017 Program Audit. These notices are posted on the Part C and Part D Enforcement Actions webpage at: <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDEnforcementActions-.html>.

To provide transparency and a fair comparison of sponsors who receive these actions, we will continue to post program audit related CMPs in the first quarter of each calendar year for performance during the program audit in the previous calendar year. CMPs as a result of marketing violations or other ad hoc enforcement actions, sanctions, or terminations will continue to be posted to the CMS website within the normal timeframe after notification to the sponsor.

CMPs are imposed when the conditions of non-compliance adversely affected enrollees or there was a substantial likelihood that enrollees were adversely affected. When reviewing the published CMP data for actions imposed within the same program audit year, there are two important points to consider. First, a sponsor's audit score does not necessarily correlate with the dollar amount of the CMP or the determination to impose a CMP. A sponsor's audit score is a reflection of the number and classification of conditions of non-compliance identified during the course of an audit (audit scores and a CMP indicator for the 2017 Program Audits are listed in the attached Appendix). Second, the amount of the CMP does not automatically correlate with the overall performance of sponsors. The majority of CMPs are assessed based on the number of enrollees impacted by certain violations. In most instances, the amount of the CMP

will be higher for sponsors with a larger number of enrollees or where a violation impacted a larger number of enrollees.

If you have additional questions, please, feel free to contact part_c_part_d_audit@cms.hhs.gov.

Appendix: 2017 Program Audit Scores by Sponsor and CMP Indicator

	Sponsor	# of Program Areas Audited	Audit Score	CMP Issued (Yes/No)
1	Affinity Health Services Holdings, Inc.	5	1.44	Yes
2	AllCare Health, Inc.	4	1.08	No
3	Anthem Inc.	5	0.81	No
4	Anthem Insurance Co. & BCBSMA & BCBSRI & BCBSVT	3	0.00	No
5	Aware Integrated, Inc.	5	0.75	No
6	Baylor Scott & White Holdings	4	2.08	Yes
7	Blue Cross and Blue Shield of North Carolina	4	0.77	No
8	Blue Cross Blue Shield of Kansas	3	0.89	No
9	Blue Cross of Idaho Health Services, Inc.	5	1.25	No
10	BlueCross BlueShield of Alabama	4	0.69	Yes
11	BlueCross BlueShield of Tennessee	5	0.44	Yes
12	Cambia Health Solutions, Inc.	4	1.15	Yes
13	CareSource Management Group Co.	4	1.38	No
14	Constellation Health, LLC	5	1.63	No
15	Educators Mutual Insurance Association	3	1.33	No
16	Express Scripts Holding Company	3	1.00	Yes
17	Family Care Incorporated	5	1.44	No
18	Guidewell Mutual Holding Corporation (H1026, H2758, H5434, R3332, S5904)	5	0.81	Yes
19	Guidewell Mutual Holding Corporation (H1035)	4	1.62	Yes
20	Guidewell Mutual Holding Corporation (H5938)	4	0.46	No
21	HealthSun Health Plans, Inc.	4	0.85	No
22	Henry Ford Health System	4	1.38	Yes
23	Indiana University Health Plans, Inc.	4	1.69	Yes
24	InnovaCare Inc.	5	0.13	No
25	Kaiser Foundation Health Plan, Inc.	5	0.88	Yes
26	Liberty Health Advantage, Inc.	5	1.63	No
27	Lifetime Healthcare, Inc.	4	0.62	Yes
28	Magellan Health, Inc.	3	2.44	----
29	Magellan Health, Inc.	3	1.00	Yes ¹
30	Martin's Point Health Care, Inc.	5	0.63	No
31	Medical Mutual of Ohio	4	1.00	Yes
32	Piedmont Community Health Plan	4	1.00	No
33	Promedica Health System	4	0.62	No
34	Renown Health	4	1.08	No
35	SSM Healthcare Corporation	4	1.77	Yes
36	The Carle Foundation	4	1.85	No
37	UCare Minnesota	5	1.13	Yes
38	USable Mutual Insurance Company	4	1.08	Yes
39	Vantage Holdings, Inc.	5	1.25	Yes

¹ Magellan Health, Inc. was audited twice during the 2017 program audit cycle and one CMP was issued based on the results from both audits.