



CENTER FOR MEDICARE

January 28, 2023

Corrective Action Plan

Contract ID: H8070

Parent Organization Name: UCare Minnesota

Legal Entity Name: UCARE MINNESOTA

Jane McMahon
Medicare Compliance Officer
500 Stinson Boulevard NE
Minneapolis, MN 55413

VIA EMAIL: jmcmahon@ucare.org

RE: Failure to Comply with CMS CY 2023 Bid Instructions

Dear Jane McMahon:

The Centers for Medicare & Medicaid Services (CMS) is issuing a request for UCARE MINNESOTA, which operates Medicare Part D Contract ID H8070, to develop and implement a corrective action plan (CAP) to address the organization's failure to comply with contract year (CY) 2023 Part D bid submission requirements.

Part D program regulations at 42 C.F.R. § 423.265(c) state that each potential Part D sponsor must submit bids (and supplemental information specified by CMS) that reflect the features (e.g., premium amount, cost sharing) and projected cost estimates of each benefit package it expects to offer. For CY 2023, sponsors provided their bid information through three different submissions: a proposed formulary, a Bid Pricing Tool (BPT), and a Plan Benefit Package (PBP) submitted together by the statutory June 6, 2022 deadline. In general, the PBP describes the structure of a proposed benefit package (e.g., co-pay amounts, deductibles) while the BPT describes the underlying basis used to calculate the price of the benefit package. The information in all three of these submissions must combine to reflect a consistent benefit package. Additionally, pursuant to 42 C.F.R. § 423.505(k)(4), the sponsor's CEO or CFO must submit a certification (referred to as the "benefit certification") that the information provided in each bid is accurate, complete, and truthful.

Organizations are responsible for ensuring that complete and accurate CY 2023 bids were submitted by the June 6, 2022 deadline. Yet, the Part D portion of H8070's initial MA-PD bid failed to constitute an accurate bid. This deficiency was revealed due to the following scenario, which resulted in a plan correction submitted by H8070:

The plan requested to correct its Tier 2 mail order copayment for standard mail order cost sharing

for a 3 month supply from \$30 to \$20 to align with its BPT.

The need for CMS to work with H8070 to correct its CY 2023 bid to ensure that it reflected a consistent benefit package indicates that it failed to comply with Part D regulatory requirements and follow CMS bid instructions.

Consistent with CMS's authority under 42 C.F.R. § 423.505(n)(3)(iii), we request that your organization take corrective action to come into compliance. CMS will rely on H8070's CY 2024 bid submission to determine whether the corrective action plan has been successfully implemented. CMS will consider the CAP closed once the Division of Formulary and Benefit Operations has determined that H8070's CY 2024 bid submission demonstrates that it has effectively resolved the issues described above.

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 deems this instance of non-compliance a Part D issue. CMS notes that we are issuing this compliance notice based on information that we obtained from the sponsor's own self-disclosure.

For questions regarding your bid submission, please contact the Part D Benefits mailbox at PartDBenefits@cms.hhs.gov. If you have any questions about the compliance implications of this notice, please contact Christine Hill at Christine.Hill@cms.hhs.gov and copy your account manager.

Sincerely,



Amy Larrick Chavez-Valdez, Director

Medicare Drug Benefit and C&D Data Group

CC via email:

NICHOLAS RODRIGUEZ, CMS

Linda Anders, CMS

Arienne Spaccarelli, CMS

Christine Hill, CMS

