

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 10, 2023

To: All Medicare Advantage Organizations, Medicare Advantage – Prescription Drug Plans, Prescription Drug Plans, Section 1876 Cost Plans, Medicare-Medicaid Plans, and PACE Organizations

From: John A. Scott, Director
Medicare Parts C and D Oversight and Enforcement Group

Subject: Standard Civil Money Penalty Accrual Amount Update

On June 21, 2019, the Centers for Medicare & Medicaid Services (CMS) released the final version of its revised Civil Money Penalty (CMP) calculation methodology that is used when the Medicare Parts C and D Oversight and Enforcement Group determines a CMP is the appropriate enforcement action to take against an organization to address identified deficiencies¹. The methodology outlined the approach for increasing minimum penalty amounts, which was memorialized in regulation under 42 C.F.R. §§ 422.760(b)(3) and 423.760(b)(3)². CMS updated and announced the minimum penalty and aggravating factor amounts in 2022 and further stated the calculation and accrual of the standard minimum penalty and aggravating factor amounts would be tracked and announced on an annual basis. Therefore, CMS is announcing the updated 2023 accrued CMP amounts via this HPMS Memo. Although the accrued CMP amounts have increased, the applied penalty amounts will remain the same in 2023.³

The following tables show the current and accrued CMP amounts.

Table 1: Per Enrollee CMP Standard Penalty Accrual Amount for 2023

Adjustment Year	OMB Multiplier	Starting Standard Penalty (Accrual)	Standard Penalty After Adjustment (Accrual)	Applied Standard Penalty Each Year
2022	1.06222	\$218	\$232	\$232
2023	1.07745	\$232	\$250	\$232

¹ This document is accessible in the “Downloads” section of the following CMS webpage:
<https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDENforcementActions-.html>

² 86 FR 29528, June 2, 2021.

³ Pursuant to 42 C.F.R. §§ 422.760(b)(3)(ii)(B) and 423.760(b)(3)(ii)(B), CMP amounts is updated no more often than every three years.

Table 2: Per Determination CMP Standard Penalty Accrual Amount for 2023

Adjustment Year	OMB Multiplier	Starting Standard Penalty (Accrual)	Standard Penalty After Adjustment (Accrual)	Applied Standard Penalty Each Year
2022	1.06222	\$21,896	\$23,258	\$23,258
2023	1.07745	\$23,258	\$25,059	\$23,258

Table 3: Per Enrollee Untimely or Inaccurate Material Standard Penalty Accrual Amount for 2023

Adjustment Year	OMB Multiplier	Starting Standard Penalty (Accrual)	Standard Penalty After Adjustment (Accrual)	Applied Standard Penalty Each Year
2022	1.06222	\$28	\$30	\$30
2023	1.07745	\$30	\$32	\$30

Table 4: Per Enrollee Aggravating Factor Accrual Amount for 2023

Adjustment Year	OMB Multiplier	Starting Aggravating Factor Amount (Accrual)	Aggravating Factor Amount After Adjustment (Accrual)	Applied Aggravating Factor Amount Each Year
2022	1.06222	\$109	\$116	\$116
2023	1.07745	\$116	\$125	\$116

Table 5 Per Enrollee CMP Untimely or Inaccurate Material Aggravating Factor Accrual Amount for 2023

Adjustment Year	OMB Multiplier	Starting Aggravating Factor Amount (Accrual)	Aggravating Factor Amount After Adjustment (Accrual)	Applied Aggravating Factor Amount Each Year
2022	1.06222	\$17	\$18	\$18
2023	1.07745	\$18	\$19	\$18

Table 6: Per Determination CMP Aggravating Factor Accrual Amount for 2023

Adjustment Year	OMB Multiplier	Starting Aggravating Factor Amount (Accrual)	Aggravating Factor Amount After Adjustment (Accrual)	Applied Aggravating Factor Amount Each Year
2022	1.06222	\$5,474	\$5,814	\$5,814
2023	1.07745	\$5,814	\$6,264	\$5,814

This document is also accessible in the “Downloads” section of the following CMS webpage:

<https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/PartCandPartDENforcementActions-.html>.

If you have questions, please send them to: part_c_part_d_audit@cms.hhs.gov.