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



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MEMORANDUM

Date: May 29, 2008

To: All Part D Plan Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Anthony Culotta, Director, Medicare Enrollment and Appeals Group

Subject: Part D Appeals Requirements

The Medicare Modernization Act (MMA) established maximum timeframes for Part D Sponsors to make decisions on coverage determinations and redeterminations. If a Part D Sponsor fails to meet these timeframes, the Part D regulations require that the Sponsor automatically forward the request to the independent review entity (IRE) within 24 hours of the expiration of the decision timeframe.

All Part D Sponsors are reminded of their regulatory obligation to provide their enrollees with prompt reviews of their drug coverage requests. Findings from recent CMS audits indicate that some Sponsors have not complied with the coverage determination and redetermination timeframes. Sponsors identified as out of compliance with these requirements may receive letters from CMS containing warnings about their performance or requests for corrective action plans, depending on the significance of the non-compliance. If sponsors receiving these CMS notices do not improve their appeals processing performance, CMS may consider taking enforcement actions, including the imposition of intermediate sanctions (e.g., suspension of marketing and enrollment activities), civil monetary penalties, or contract termination.

We appreciate your continued work in providing quality prescription drug access for Medicare beneficiaries. Questions regarding this information should be directed via email to PartDMetrics@cms.hhs.gov.