Medicare Compliance FDR newsletter

Quarter 2, 2026

CMS issues 2027 Final Rule changes

In April 2026, the Centers for Medicare & Medicaid Services (CMS) finalized updates to the **Medicare Advantage (Part C) and Prescription Drug (Part D) programs for Contract Year (CY) 2027**. The rule includes changes impacting marketing and communications, Part D Operations, program integrity, quality initiatives, supplemental benefits, enrollment, Special Needs Plans (SNPs). Most provisions apply beginning January 1, 2027, with certain marketing and communications requirements effective October 1, 2026.

While many provisions are directed to Medicare Advantage Organizations and Part D Sponsors, some may affect First Tier, Downstream, and Related Entities (FDRs) performing Medicare-related functions on behalf of CVS Health®.

Key areas for FDR awareness

Marketing and member communications
CMS finalized several policy changes affecting Medicare marketing and communications, including modifications related to Third-Party Marketing Organizations (TPMOs), beneficiary outreach, advertising requirements and retention of marketing call recordings. FDRs involved in member-facing communications, enrollment support, sales or marketing activities should continue to follow CVS Health approved processes, materials and guidance.

Table of contents

Quick links

- **Medicare Managed Care Manual**
- **Medicare Prescription Drug Benefit Manual**
- **CVS Health Code of Conduct (updated December 2025)**

Exclusion list links:

- **OIG list of excluded individuals and entities (LEIE)**
- **GSA System for Award Management (SAM)**

Link not working? Go to **SAM.gov/SAM** to access the site directly.

Part D operations
The rule codified several Medicare Part D provisions that were previously implemented through Inflation Reduction Act (IRA) guidance and program instructions. CMS continues implementation of the redesigned Part D benefit and related Manufacturer Discount Program requirements. FDRs supporting pharmacy benefit management, formulary administration, prescription drug operations, coverage determination activities, or pharmacy services should remain aware of any implementation changes communicated by CVS Health®.

Program integrity remains a priority
Finalized provisions affecting Medicare program administration and Part D program integrity oversight. FDRs supporting Medicare operations should continue to maintain complete, and accurate documentation and ensure that policies, procedures, and operational controls support compliance with applicable Medicare requirements. Strong documentation and responsiveness to oversight activities remain critical components of an effective compliance program.

Changes to supplemental benefits
CMS finalized updates related to supplemental benefits, including clarification regarding allowable and nonallowable Special Supplemental Benefits for the Chronically Ill (SSBCI). FDRs supporting benefit administration, member support programs, care coordination, member support programs, or vendor delivered supplemental benefits should monitor communications from CVS Health regarding any resulting operational, administrative, or documentation changes.

SNP and enrollment updates
The Final Rule also includes updates affecting SNPs, enrollment processes, and other Medicare operational requirements. FDRs supporting care management, member services, enrollment processing, care coordination, or activities involving special needs populations may receive additional guidance regarding operational impacts and implementation requirements.

Focus on quality and clinical outcomes
CMS finalized changes to the Star Ratings program by removing eleven measures focused on administrative processes and increasing focus on clinical care, outcomes, member experience, and access to care. CMS also finalized a new Part C Depression Screening and Follow-Up measure. CVS Health will assess impacts and communicate any resulting operational changes to affected FDRs.

📌 **At-a-Glance: What FDRs should do**

- ✓ Continue following CVS Health Medicare compliance requirements, policies, and procedures.
- ✓ Monitor communications regarding CY2027 implementation activities and operational updates.
- ✓ Participate, as applicable, in training and readiness activities.
- ✓ Maintain accurate and complete documentation supporting Medicare-related activities.
- ✓ Contact your CVS Health business owner or relationship manager with questions regarding services performed on behalf of CVS Health.

Key message: While not all Final Rule provisions apply to every FDR, organizations supporting Medicare-related activities should remain informed and prepared for any operational changes communicated by CVS Health

CVS Health is assessing implementation impacts and will communicate any necessary updates. In the meantime, FDRs should continue following existing requirements and remain attentive to future guidance and operational communications.

Maximizing our FDR guidebooks

As part of Q1 Newsletter, we shared the updated version of our **Aetna® FDR Guidebook** and the **CVS Health FDR Guidebook** which includes our **FDR Toolbox**. These resources provide guidance, tools, and practical examples that our FDRs can use throughout the year to support strengthen compliance program effectiveness.

While these materials are often referenced during audit and monitoring activities, they are also valuable resources for day-to-day operations. Regularly reviewing guidebooks and toolbox can help organizations stay aligned with CVS Health® expectations, CMS requirements, and contractual obligations.

The **FDR Toolbox** includes resources that may help organizations:

- Evaluate Compliance program effectiveness
- Prepare for oversight, audit and monitoring activities
- Complete proactive self-assessments
- Strengthen documentation and record-retention practices
- Support ongoing compliance readiness

Organizations may also benefit from conducting periodic internal compliance reviews before formal oversight activities begin. Taking time to evaluate processes, policies, training records, and supporting documentation can help identify gaps early, improve operational readiness, and reduce the need for follow up requests during reviews.

We encourage FDRs to share these resources with stakeholders involved in Medicare-related activities, including compliance, operations, vendor management, human resources, and information technology teams. Collaboration across functions can help promote consistent compliance practices and strengthen oversight efforts throughout the organization.

If you have any questions or need a copy of the **CVS Health® FDR Guidebook**, please reach out to us at **MedicareFDR@Aetna.com**.

Building a culture of compliance

Strong compliance programs are most effective when compliance is embedded into everyday operations rather than viewed as a separate requirement or process. Building and sustaining a strong culture of compliance requires communication, accountability, and collaboration across all levels of an organization. When compliance becomes part of daily decision-making, organizations are better positioned to identify risks, address concerns promptly, and support regulatory requirements.

For CVS Health FDRs, compliance activities often involve multiple functional areas, including:

- Operations
- Compliance
- Human Resources
- Information Technology
- Vendor Management

A strong culture of compliance supported by cross-functional collaboration. When teams work together and share information effectively, organizations are better equipped to identify risks, respond to issues efficiently, and maintain operational readiness. Early escalation of questions or potential concerns can help prevent delays, support timely resolution, and strengthen overall compliance efforts.

Accountability is another important component of a culture of compliance. While compliance teams may provide guidance and oversight, responsibility for meeting compliance requirements extends across the organization. Each area involved in supporting Medicare-related activities plays a role in understanding applicable requirements, completing assigned compliance activities, and addressing identified concerns in a timely manner.

Clear ownership and follow-through help strengthen internal controls and support ongoing compliance with Medicare requirements.

A strong culture of compliance ultimately supports the members we serve. Effective compliance practices help promote accurate and timely services, protect member information, and support adherence to Medicare requirements. By proactively identifying and addressing issues, organizations can help minimize disruptions, maintain operational integrity, and contribute to a positive member experience.

Collaboration and accountability remain especially important throughout monitoring and remediation activities. Maintaining open communication helps ensure expectations are understood, documentation is aligned, and corrective actions are completed as needed. These efforts reinforce a culture where compliance is viewed as a shared responsibility and an integral part of business operations.

Building and sustaining a culture of compliance is a shared responsibility. Through collaboration, accountability, and a commitment to doing the right thing, FDRs play a vital role in supporting Medicare program requirements and protecting the interests of the members we serve. CVS Health appreciates your continued partnership and dedication to fostering a culture where compliance is embedded in everyday operations and quality outcomes remain at the center of our efforts.

Thank you for your continued partnership throughout the year. If you have questions regarding your compliance responsibilities as an FDR, please contact us at **MedicareFDR@Aetna.com.**

Looking for resources?

Our relationship with you — a First Tier, Downstream or Related Entity (FDR) — is important to us. We need you to help fulfill our contracts with CMS. And you can rely on us for the teamwork and support you need.

Read our **Aetna FDR Guide**; it includes a toolbox of resources. If you need the **CVS Health FDR Guide**, contact us.

Past newsletters are available on the Medicare Compliance Attestation page **(Aetna.com)**

Need to report non-compliance or potential fraud, waste, and abuse (FWA)?
Here are the different ways to report:

- **Call** the CVS Health Ethics Line at **1-877-287-2040 (TTY: 711)**
- **Visit CVSHealth.com/Ethicsline**
- **Write to** Chief Compliance Officer, CVS Health, One CVS Drive, Woonsocket, RI 02895

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