Medicare Compliance FDR newsletter

Quarter 3, 2025

CMS 2024 program audit and enforcement report

The **Centers for Medicare & Medicaid Services (CMS)** has published its **2024 Audit and Enforcement Report** for Medicare Advantage (Part C) and Prescription Drug Plans (Part D). Areas of noncompliance highlighted in the report included those that could potentially impact enrollees' access to necessary health care services and medications.

2024 Program audits failures included in the report are trends that could have a substantial impact on beneficiaries.

- Compliance programs failed to track, address, or correct issues and monitoring processes did not detect problems.
- Formulary administration limited access to covered Part D drugs and did not provide necessary transition supplies.
- Coverage requests were misclassified, dismissed or delayed in processing.
- Decision notifications were often incorrect or incomplete.

Enforcement actions were imposed when sponsors were found to be substantially noncompliant with program requirements during program audits and other oversight activities.

- Program Audit civil money penalty (CMP) actions totaled ~$430,000 related to inappropriate denials/delays of Part D medications and misclassification of Part D coverage requests.
- One-third financial audits CMPs totaled over $2.4 million for inappropriate cost sharing for Part C services and Part D medications.

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Looking for resources?

Quick links

- Medicare Managed Care Manual
- Medicare Prescription Drug Benefit Manual
- CVS Health Code of Conduct (updated March 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.

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- CMS imposed 8 intermediate sanctions, two (2) enrollment suspensions for Medical Loss Ratio failures and 6 enrollment suspensions for D-SNP Integration failures.

What we are doing:
- Sharing findings from the CMS report internally and with our FDRs
- Conducting ongoing risk assessments to design oversight activities that mitigate risks of non-compliance

Here's what we need from you:
- Ensure you conduct auditing and monitoring for services performed and have it documented oversight policy.
- Report potential and confirmed issues of non-compliance and fraud, waste and abuse (FWA) to us.
- Train and educate as issues are identified
- Maintain documentation on oversight activities and issue management practices.

2025 Compliance program attestation

The 2025 Compliance Program attestations have been issued to the applicable FDRs. The attestation covers six essential areas of compliance that every FDR is expected to meet:
- **Standards of Conduct & Compliance Policies:** In place, reviewed annually and shared with all employees within 90 days of hire, upon update and annually thereafter.
- **Exclusion screenings:** Conduct prior to hire or contracting and continue monthly thereafter using both the OIG and SAM.gov lists.
- **Reporting mechanisms:** Clearly communicate and protect confidentiality and ensure non-retaliation. Your organization, also must have a process to communicate potential and confirmed FWA and non-compliance to us.
- **Offshore operations:** Reach out to your business contact to request permission in advance of using.
- **Downstream oversight:** Conduct oversight for any work performed in support of contractual relationship with our organization.
- **Operational oversight:** Ensure compliance is maintained with applicable laws, rules and regulations including CMS regulatory/sub-regulatory guidance.

Your organization must maintain documentation for a minimum of ten (10) years, and make available, upon request.

What's next?
If your organization has received a request to submit an attestation, and has not yet done so, please ensure the form is completed and returned by the deadline. Late submissions may place your organization out of compliance.

FDR guidebooks updated

We want you to understand what we expect from you and help you understand how to comply with our policies, your contractual obligations and CMS regulations. Our guidebooks provide our FDRs with a summary of the FDR compliance program requirements applicable to your organization.

The **Aetna® FDR Guidebook** and CVS Health® FDR Guidebooks were both recently updated to include a new **Medicare Part C & D Training resource.** This educational resource can be leveraged for general compliance training.

Our guidebooks are shared through initial and annual training communications. The **Aetna® FDR Guidebook** is always available online. The CVS Health® FDR Guidebook is available upon request. We encourage you to review.

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

2026 Medicare final rule

On April 4, 2025, CMS released the Contract Year (CY) 2026 Medicare Advantage (MA) and Part D final rule. Key areas of focus include policies for reviewing inpatient hospital determinations and preventing plans from reopening and denying previously approved inpatient admissions. Part D formalized existing policies on payments and cost-sharing. Dual Special Needs Plans will improve member ID card integration and codifies timelines for health assessments and care plans beginning in 2027.

Expanded and clarified organization determinations rules. All coverage/payment decisions (before, during, or after services) are organization determinations and appeal rights apply. Beneficiaries are not liable until a formal plan decision is made. In addition, once an inpatient admission is approved, it must be honored and cannot be reopened unless there is fraud or clear error.

Special Supplemental Benefits for Chronically Ill (SSBCI). CMS provided a non-exhaustive list of items that do not meet the SSBCI definition, including general membership programs (e.g., warehouse club memberships) and “non-healthy food” (CMS is not providing a list of specific foods considered “non-healthy”).

Part D Payments and Cost Sharing codified.

- Adult vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) covered under Part D will not have cost sharing, and the deductible will not apply.
- Covered insulin products, will not have the deductible apply and the Part D cost-sharing amount for a one-month supply of each covered insulin product will not exceed the statutorily defined “applicable copayment amount” for all enrollees.

Medicare Prescription Payment Plan. Changes to the timing and content of renewal notices, telephonic election approval notifications, and voluntary termination effective dates were finalized. Long-term care pharmacies will now be required to provide the "Medicare Prescription Payment Plan Likely to Benefit Notice" during the typical billing process. Dual eligible special needs plans (D-SNPs) will be exempt from certain outreach and education requirements. Part D sponsors will no longer be obligated to ensure pharmacies provide OOP cost information at the point of sale has been removed.

Medicare Transaction Facilitator Requirements for Network Pharmacy Agreements. Part D Pharmacy contracts will require pharmacies to be enrolled in the Medicare negotiation program and the Medicare Transaction Facilitator Data Module (MTF DM).

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 **Aetna.com**.

Need to report noncompliance 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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