

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

CORRECTION ACTION PLAN

February 22, 2024

Contract Number(s): H8492

Ms. Debbie Ward
Medicare Compliance Officer
Dignity Care Corporation
201 Jordan Road, Suite 200
Franklin, TN 37067

VIA EMAIL: dward@amhealthplans.com

RE: Failure to Timely Submit Agent/Broker Compensation Data

Dear Ms. Ward:

The Centers for Medicare & Medicaid Services (CMS) is issuing this determination for a Request for a Correction Action Plan (CAP) to Dignity Care Corporation, which operates Medicare Advantage-Prescription Drug Plan (MA-PD)_contract H8492 for its failure to complete the agent and broker compensation requirements for five consecutive years.

On August 1, 2019, CMS issued a Notice of Non-Compliance (NONC) for failure to timely submit and attest to agent/broker compensation data. For the second consecutive year, Dignity Care Corporation received a Warning Letter (WL) on September 22, 2020, for failure to timely submit and attest to agent broker compensation data. For the third consecutive year, Dignity Care Corporation received a WL on October 4, 2021, for failure to timely submit and attest to agent broker compensation data. For the fourth consecutive year, Dignity Care Corporation received a WL on September 15, 2022. This year, Dignity Care Corporation failed, for the fifth time, to timely submit and attest to agent broker compensation data. Therefore, your organization is out of compliance with CMS requirements. As a result, CMS directs that Dignity Care Corporation take corrective action to address the failure to submit and attest to agent broker compensation data by the yearly deadline.

Pursuant to 42 C.F.R. § 422.2274 (c)(5) and 423.2274 (c)(5) MA and PD organizations must submit annually by the last Friday in July if they will use employed, captive, or independent agents and brokers and specify the rate or range that they will pay independent agent and brokers for the upcoming plan year. Additionally, this submission cannot be changed after the deadline. Further, per the June 21, 2023, Health Plan Management System (HPMS) memorandum, "Contract Year 2024 Agent and Broker Compensation Rate Adjustments, Submissions, and Agent and Broker Training and Testing Requirements," CMS indicated that consistent with §§

422.2274(c)(5) and 423.2274(c)(5), organizations were required to submit and attest to compensation data within the HPMS Marketing Module by July 28, 2023. Your organization did not complete the agent/broker compensation requirements until July 31, 2023. Therefore, your organization is out of compliance with CMS requirements because you completed the process after the deadline, for the fifth year in a row.

CMS requests that Dignity Care Corporation implement a detailed Corrective Action Plan (CAP). As part of this CAP, Dignity Care Corporation should address the actions listed below, plus any other additional items that Dignity Care Corporation identifies as necessary to correct this problem and prevent it from reoccurring. Our engagement throughout this process will provide CMS with the information we need to eventually close the CAP.

- Provide to CMS a root cause analysis as to how for the past five years Dignity Care Corporation has submitted by the deadline, but not attested until after receiving the auto generated HPMS notice advising they have missed completing the process by the deadline. This should include why this has occurred five consecutive years.
- How Dignity Care Corporation will submit and attest to the agent broker compensation data before the deadline in future years.

By March 29, 2024 please send a timeline for implementing each element of Dignity Care Corporation's CAP to Jeffery Mouakket, Account Manager, at Jeffery.Mouakket@cms.hhs.gov. CMS is issuing this compliance notice pursuant to 42 C.F.R. § 423.509(c), which requires CMS to afford a sponsor at least 30 days to develop and implement a corrective action plan to correct deficiencies before taking steps to terminate a sponsor's Medicare contract. While CMS is obligated to grant a greater than 30-day cure period, we acknowledge that an extended period may be appropriate, depending on the nature of the correction required. CMS advises that, for any part of its timeline scheduled to be completed in more than 30 days, Dignity Care Corporation provide a justification of the need for that additional time. CMS expects that the correction timeline will be no longer than necessary and will reflect an appropriate level of urgency in resolving this matter.

Please be aware that this letter will be included in the record of your organizations' 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. This letter is considered a Part C and D issue without beneficiary impact for past performance purposes. CMS notes that we are issuing this compliance notice based exclusively on information that we obtained from sources other than the plan's own self-disclosure.

CMS has the authority to impose sanctions, penalties and other enforcement actions as described in Federal regulations at 42 CFR 423 Subpart O. Should Dignity Care Origination fail to develop, implement, or complete its CAP, CMS may consider the imposition of intermediate sanctions (e.g., suspension of marketing and enrollment activities) or civil money penalties.

If you have any questions about this letter, please contact Stacey Simmons (Stacey.Simmons@cms.hhs.gov) and copy your account manager.

Sincerely,

HEATHER RUDO

Heather Rudo
Acting Director,
Division of Surveillance, Compliance, and Marketing

cc:
Theresa.Wachter@cms.hhs.gov, CMS Compliance Lead
Stacey.simmons@cms.hhs.gov++, CMS SME
Jeffery.Mouakket@cms.hhs.gov, Account Manager