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DATE: October 24, 2023

TO: All Medicare Advantage Organizations

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SUBJECT: 2024 Oversight Activities

Background

On April 12, 2023, CMS issued a final rule ([CMS-4201-F](#)) that included new requirements about coverage criteria and the use of utilization management (UM) requirements in the Medicare Advantage (MA) program. CMS clarified coverage criteria for basic benefits and the use of prior authorization, added continuity of care requirements, and required an annual review of UM tools. The regulations are applicable to coverage beginning January 1, 2024. This memorandum provides important information to Medicare Advantage Organizations (MAOs) regarding CMS's oversight of these provisions.

2024 Oversight Activities

Strategic Conversations

CMS Account Managers will be conducting strategic conversations with MAOs to ensure your understanding and implementation of these coverage criteria and UM requirements. The strategic conversations will begin in November 2023. We strongly encourage each organization to take advantage of this opportunity so you can confirm your compliance before CMS begins auditing the requirements in 2024.

Program Audits

Starting in January 2024, the Medicare Parts C and D Oversight and Enforcement Group will begin conducting both routine and focused audits of organizations to assess compliance with the UM requirements finalized in CMS-4201-F. Routine program audits will be conducted as we have conducted them in the past.¹ Focused audits will be limited in scope² and duration. CMS

¹ See <https://www.cms.gov/medicare/audits-compliance/part-c-d/program-audits>

² CMS will only test the Compliance Program Effectiveness (CPE) and Organization Determinations, Appeals, and Grievances (ODAG) program areas during focused audits.

will provide organizations that are selected for a focused audit with additional instruction and guidance after CMS initiates the focused audit.

Please note, organizations offering MA and Medicare Advantage-Prescription Drug Plans (MAPD) may be subject to a focused audit even if the organization completed a 2021 or 2022 routine program audit. Further, organizations that were audited in 2023 and will undergo a CMS-led audit validation³ may be subject to a review of the new UM requirements during your validation audit.

Questions about the upcoming strategic conversations should be directed to your assigned CMS account manager.

Questions about the 2024 focused audits should be submitted to:
part_c_part_d_audit@cms.hhs.gov.

³ Final audit reports specify when an organization will undergo a CMS-led audit validation.