

CENTER FOR DRUG AND HEALTH PLAN CHOICE

DATE: December 15, 2008

TO: Medicare Advantage Organizations
Prescription Drug Sponsors
PACE organizations
1876 Cost Plans
1833 HCPP Plans

FROM: Brenda Tranchida, Director
Program Compliance and Oversight Group

SUBJECT: Use of the MEDICs for Program Compliance and Enforcement Activities

The purpose of this memorandum is to announce that the Centers for Medicare & Medicaid Services (CMS) recently expanded the existing Medicare Part D fraud, waste and abuse contracts with the Medicare Drug Integrity Contractors (MEDICs), SafeGuard Services, LLC (SGS) and Health Integrity, LLC (HI), to assist CMS with compliance and/or enforcement activities. Under this expansion, the MEDICs will also perform work to support our ongoing oversight of plan sponsors. This work will include, but not be limited to, investigating allegations of non-compliance, assisting us with focused program compliance audits and supporting other compliance and enforcement activities. Thus, these are activities that are separate and distinct from their typical program integrity activities (i.e., fraud, waste and abuse activities). However, if any fraud, waste and abuse issues are uncovered by the MEDICs during their work on compliance activities, such issues will be referred to CMS' Program Integrity unit for processing in accordance with their procedures.

Please be reminded that plan sponsors are required to comply with all CMS requirements related to our compliance activities, including fully cooperating with any of our designated contractors, such as the above-mentioned MEDICs. Failure to do so could result in a compliance and/or enforcement action, as appropriate.

If you have questions regarding this memorandum or need further clarification, please contact Vernisha Robinson at (410) 786-6674 or vernisha.robinson@cms.hhs.gov.