
42 C.F.R. § 423.509

Termination of contract by CMS.

(a) *Termination by CMS.* CMS may at any time terminate a contract if CMS determines that the Part D plan sponsor meets any of the following:

(1) Has failed substantially to carry out the contract.

(2) Is carrying out the contract in a manner that is inconsistent with the efficient and effective administration of this part.

(3) No longer substantially meets the applicable conditions of this part.

(4) CMS may make a determination under paragraph (a)(1), (2) or (3) of this section if the Part D Plan sponsor has had one or more of the following occur:

(i) Based on credible evidence, has committed or participated in false, fraudulent, or abusive activities affecting the Medicare, Medicaid, or other State or Federal health care programs, including submission of false or fraudulent data.

(ii) Substantially failed to comply with the requirements in subpart M of this part relating to grievances and appeals.

(iii) Failed to provide CMS with valid risk adjustment, reinsurance and risk corridor related data as required under §§ 423.322 and 423.329 (or, for fallback entities, failed to provide the information in § 423.871(f)).

(iv) Substantially failed to comply with the service access requirements in § 423.120.

(v) Substantially failed to comply with either of the following:

(A) Requirements in subpart V of this part.

(B) Information dissemination requirements of § 423.128 of this part.

(vi) Substantially failed to comply with the coordination with plans and programs that provide prescription drug coverage as described in subpart J of this part.

(vii) Substantially failed to comply with the cost and utilization management, quality improvement, medication therapy management and fraud, abuse and waste program requirements as specified in subparts D and K of this part.

(viii) Failed to comply with the regulatory requirements contained in this part.

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