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## 42 C.F.R. § 430.49

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### Corrective action plans, suspensions of procedural disenrollments, and civil money penalties.

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- (a) *Statutory basis.* This section interprets and implements section 1902(tt)(2)(B) of the Social Security Act.
- (b) *Corrective action plans — (1) Basis for corrective action.* After consideration of any mitigating circumstances in accordance with paragraph (d) of this section and notwithstanding whether an FMAP reduction has been imposed under § 435.928 of this subchapter, CMS will determine whether to require the State to submit a corrective action plan if CMS finds that the State is not in compliance during the period beginning on April 1, 2023, through June 30, 2024, with either of the following requirements:
- (i) The requirement to submit data required under section 1902(tt)(1) of the Act in accordance with § 435.927 of this subchapter; or
  - (ii) Federal redetermination requirements described at § 430.5.

(2) *Notice of need for corrective action plan.* If, after considering mitigating circumstances as described in paragraph (d) of this section, the Administrator decides to require the State to submit and implement a corrective action plan for noncompliance described in paragraph (b)(1) of this section or to revise or resubmit such a plan, the Administrator will provide the State with a written notice directing the State to submit a corrective action plan to correct the identified areas of noncompliance. Such notice will—

- (i) Explain the violation of Federal redetermination or reporting requirements that CMS has identified and the basis for CMS' finding;
- (ii) Inform the State of the requirement to submit and implement a corrective action plan:
- (iii) Include instructions on the method and deadline by which the State must submit a corrective action plan to CMS; and
- (iv) Explain the enforcement actions that CMS may pursue if the State fails to submit or implement an approved corrective action plan, including if CMS disapproves the State's submitted CAP or if the State fails to meet the requirements set forth in the approved CAP, in accordance with this section.

(3) *Content of corrective action plan.* A corrective action plan must describe in detail—

- (i) The actions the State will take immediately, if needed to prevent further harm or risk of harm to beneficiaries while it implements the corrective action plan, including to prevent increased burden for beneficiaries in completing the renewal process, loss of coverage at renewal for individuals who continue to meet the substantive eligibility criteria and whose eligibility should otherwise be retained but for failure to meet a procedural requirement, and delays in access to coverage or care;
  - (ii) The steps the State will take to ensure compliance with Federal requirements, including but not limited to
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new policies, procedures, operational processes or systems changes it will implement;

(iii) Key milestones and a detailed timeline for achieving compliance; and

(iv) A plan for communicating the steps the State will take to prevent actual harm or risk of harm to beneficiaries and to ensure compliance with Federal requirements per paragraphs (b)(3)(i) and (ii) of this section to State staff, including staff of non-Medicaid agencies or entities to which the agency has delegated authority to conduct redeterminations of eligibility in accordance with § 431.10(c)(1)(i) of this subchapter; CMS; and beneficiaries, as applicable.

(4) *Timeframes for submission, approval, and implementation of corrective action plan*—(i) *Submission*. A State that receives a notice described in paragraph (b)(2) of this section must submit a corrective action plan, including the elements in paragraph (b)(3) of this section, not later than 14 calendar days from the date of the notice of noncompliance.

(ii) *Approval*. CMS must approve or disapprove a corrective action plan submitted by the State within 21 calendar days of the date it is submitted. If CMS does not approve or disapprove the corrective action plan within 21 calendar days of submission, the corrective action plan will be deemed approved.

(iii) *Implementation*. A State must begin implementation of the corrective action plan not later than 14 calendar days after the date that either the State receives CMS approval, or the corrective action plan is deemed approved.

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