

and specify the findings or issues with which the MA organization disagrees.

(2) The MA organization must include with its request all supporting documentary evidence it wishes the independent reviewer to consider.

(i) This material must be submitted in the format requested by CMS.

(ii) Documentation, evidence, or substantiation submitted after the filing of the reconsideration request will not be considered.

(c) *CMS rebuttal*. CMS may file a rebuttal to the MA organization's reconsideration request.

(1) The rebuttal must be submitted within 30 calendar days of the review entity's notification to CMS that it has received the MA organization's reconsideration request.

(2) CMS sends its rebuttal to the MA organization at the same time it is submitted to the independent reviewer.

(d) *Review entity*. An independent reviewer conducts the reconsideration. The independent reviewer reviews the demand for repayment, the evidence and findings upon which it was based and any supporting documentation that the MA organization or CMS submitted in accordance with this section.

(e) *Notification of decision*. The independent reviewer informs the CMS and the MA organization of its decision in writing.

(f) *Effect of decision*. A reconsideration decision is final and binding unless the MA organization requests a hearing official review in accordance with § 422.2610.

(g) *Right to hearing official review*. An MA organization that is dissatisfied with the independent reviewer's reconsideration decision is entitled to a hearing official review as provided in § 422.2610.

#### § 422.2610 Hearing official review.

(a) *Time for filing a request*. A MA organization must file with CMS a request for a hearing official review within 30 calendar days from the date of the independent reviewer's issuance of a reconsideration determination.

(b) *Content of the request*. (1) The request must be in writing and must specify the findings or issues in the reconsideration decision with which the

MA organization disagrees and the reasons for the disagreements.

(2) The MA organization must submit with its request all supporting documentation, evidence, and substantiation that it wants to be considered.

(3) No new evidence may be submitted.

(4) Documentation, evidence, or substantiation submitted after the filing of the request will not be considered.

(c) *CMS rebuttal*. CMS may file a rebuttal to the MA organization's hearing official review request.

(1) The rebuttal must be submitted within 30 calendar days of the MA organization's submission of its hearing official review request.

(2) CMS sends its rebuttal to the MA organization at the same time it is submitted to the hearing official.

(d) *Conducting a review*. A CMS-designated hearing official conducts the hearing on the record.

(1) The hearing is not to be conducted live or via telephone unless the hearing official, in his or her sole discretion, requests a live or telephonic hearing.

(2) In all cases, the hearing official's review is limited to information that meets one or more of the following:

(i) The Part C RAC used in making its determinations.

(ii) The independent reviewer used in making its determinations.

(iii) The MA organization submits with its hearing request.

(iv) CMS submits in accordance with paragraph (c) of this section.

(3) Neither the MA organization nor CMS may submit new evidence.

(e) *Hearing official decision*. The CMS hearing official decides the case within 60 days and sends a written decision to the MA organization and CMS, explaining the basis for the decision.

(f) *Effect of hearing official decision*. The hearing official's decision is final and binding, unless the decision is reversed or modified by the CMS Administrator in accordance with § 422.2615.

#### § 422.2615 Review by the Administrator.

(a) *Request for review by Administrator*. If an MA organization is dissatisfied with the hearing official's decision, it may request that the CMS Administrator review the decision.

(1) The request must be filed with the CMS Administrator within 30 calendar days of the date of the hearing official's decision.

(2) The request must provide evidence or reasons to substantiate the request.

(b) *Content of request.* The MA organization must submit with its request all supporting documentation, evidence, and substantiation that it wants to be considered.

(1) Documentation, evidence, or substantiation submitted after the filing of the request will not be considered.

(2) Neither the MA organization, nor CMS may submit new evidence.

(c) *Discretionary review.* After receiving a request for review, the CMS Administrator has the discretion to review the hearing official's decision in accordance with paragraph (e) of this section or to decline to review said decision.

(d) *Notification of decision whether to review.* The Administrator notifies the MA organization within 45 days of receiving the MA organization's hearing request of whether he or she intends to review the hearing official's decision.

(1) If the Administrator agrees to review the hearing official's decision, CMS may file a rebuttal statement within 30 days of the Administrator's notice to the plan that the request for review has been accepted. CMS sends its rebuttal statement to the plan at the same time it is submitted to the Administrator.

(2) If the CMS Administrator declines to review the hearing official's decision, the hearing official's decision is final and binding.

(e) *CMS Administrator's review.* If the CMS Administrator agrees to review the hearing official's decision, he or she determines, based upon this decision, the hearing record, and any arguments submitted by the MA organization or CMS in accordance with this section, whether the determination should be upheld, reversed, or modified. The Administrator furnishes a written decision, which is final and binding, to the MA organization and to CMS.

## PART 423—VOLUNTARY MEDICARE PRESCRIPTION DRUG BENEFIT

### Subpart A—General Provisions

Sec.

423.1 Basis and scope.

423.4 Definitions.

423.6 Cost-Sharing in beneficiary education and enrollment-related costs.

### Subpart B—Eligibility and Enrollment

423.30 Eligibility and enrollment.

423.32 Enrollment process.

423.34 Enrollment of low-income subsidy eligible individuals.

423.36 Disenrollment process

423.38 Enrollment periods.

423.40 Effective dates.

423.44 Involuntary disenrollment from Part D coverage.

423.46 Late enrollment penalty.

423.48 Information about Part D.

423.56 Procedures to determine and document creditable status of prescription drug coverage.

### Subpart C—Benefits and Beneficiary Protections

423.100 Definitions.

423.104 Requirements related to qualified prescription drug coverage.

423.112 Establishment of prescription drug plan service areas.

423.120 Access to covered Part D drugs.

423.124 Special rules for out-of-network access to covered Part D drugs at out-of-network pharmacies.

423.128 Dissemination of Part D plan information.

423.129 Resolution of complaints in complaints tracking module.

423.132 Public disclosure of pharmaceutical prices for equivalent drugs.

423.136 Privacy, confidentiality, and accuracy of enrollee records.

### Subpart D—Cost Control and Quality Improvement Requirements

423.150 Scope.

423.153 Drug utilization management, quality assurance, medication therapy management (MTM) programs, drug management programs, and access to Medicare Parts A and B claims data extracts.

423.154 Appropriate dispensing of prescription drugs in long-term care facilities under PDPs and MA-PD plans.

423.156 Consumer satisfaction surveys.

423.159 Electronic prescription drug program.

423.160 Standards for electronic prescribing.

423.162 Quality improvement organization activities.

## Centers for Medicare & Medicaid Services, HHS

Pt. 423

- 423.165 Compliance deemed on the basis of accreditation.
- 423.168 Accreditation organizations.
- 423.171 Procedures for approval of accreditation as a basis for deeming compliance.
- 423.180 Basis and scope of the Part D Prescription Drug Plan Quality Rating System.
- 423.182 Part D Prescription Drug Plan Quality Rating System.
- 423.184 Adding, updating, and removing measures.
- 423.186 Calculation of Star Ratings.

### Subpart E [Reserved]

### Subpart F—Submission of Bids and Monthly Beneficiary Premiums; Plan Approval

- 423.251 Scope.
- 423.258 Definitions.
- 423.265 Submission of bids and related information.
- 423.272 Review and negotiation of bid and approval of plans submitted by potential Part D sponsors .
- 423.279 National average monthly bid amount.
- 423.286 Rules regarding premiums.
- 423.293 Collection of monthly beneficiary premium.
- 423.294 Failure to collect and incorrect collections of premiums and cost sharing.

### Subpart G—Payments to Part D Plan Sponsors For Qualified Prescription Drug Coverage

- 423.301 Scope.
- 423.308 Definitions and terminology.
- 423.315 General payment provisions.
- 423.322 Requirement for disclosure of information.
- 423.329 Determination of payments.
- 423.336 Risk-sharing arrangements.
- 423.343 Retroactive adjustments and reconciliations.
- 423.346 Reopening.
- 423.350 Payment appeals.
- 423.352 CMS-identified overpayments associated with payment data submitted by Part D sponsors.
- 423.360 Reporting and returning of overpayments.

### Subpart H [Reserved]

### Subpart I—Organization Compliance with State Law and Preemption by Federal Law

- 423.401 General requirements for PDP sponsors.
- 423.410 Waiver of certain requirements in order to expand choice.
- 423.415 Temporary waivers for entities seeking to offer a prescription drug plan in more than one State in a region.

- 423.420 Solvency standards for non-licensed entities.
- 423.425 Licensure does not substitute for or constitute certification.
- 423.440 Prohibition of State imposition of premium taxes; relation to State laws.

### Subpart J—Coordination under Part D Plans with Other Prescription Drug Coverage

- 423.452 Scope.
- 423.453 Definitions.
- 423.458 Application of Part D rules to certain Part D plans on and after January 1, 2006.
- 423.462 Medicare secondary payer procedures.
- 423.464 Coordination of benefits with other providers of prescription drug coverage.
- 423.466 Timeframes for coordination of benefits.

### Subpart K—Application Procedures and Contracts with PDP Sponsors

- 423.500 Scope and basis.
- 423.501 Definitions.
- 423.502 Application requirements.
- 423.503 Evaluation and determination procedures.
- 423.504 General provisions.
- 423.505 Contract provisions.
- 423.506 Effective date and term of contract.
- 423.507 Nonrenewal of contract.
- 423.508 Modification or termination of contract by mutual consent.
- 423.509 Termination of contract by CMS.
- 423.510 Termination of contract by Part D sponsor.
- 423.512 Minimum enrollment requirements.
- 423.514 Validation of Part D reporting requirements.
- 423.516 Prohibition of midyear implementation of significant new regulatory requirements.
- 423.520 Prompt payment by Part D sponsors.
- 423.521 Final settlement process and payment.
- 423.522 Requesting an appeal of the final settlement amount.
- 423.530 Plan crosswalks.

### Subpart L—Effect of Change of Ownership or Leasing of Facilities during Term of Contract

- 423.551 General provisions.
- 423.552 Novation agreement requirements.
- 423.553 Effect of leasing a PDP sponsor's facilities.

### Subpart M—Grievances, Coverage Determinations, Redeterminations, and Reconsiderations

- 423.558 Scope.

**Pt. 423**

- 423.560 Definitions.
- 423.562 General provisions.
- 423.564 Grievance procedures
- 423.566 Coverage determinations.
- 423.568 Standard timeframe and notice requirements for coverage determinations.
- 423.570 Expediting certain coverage determinations.
- 423.572 Timeframes and notice requirements for expedited coverage determinations.
- 423.576 Effect of a coverage determination.
- 423.578 Exceptions process.
- 423.580 Right to a redetermination.
- 423.582 Request for a standard redetermination.
- 423.584 Expediting certain redeterminations.
- 423.586 Opportunity to submit evidence.
- 423.590 Timeframes and responsibility for making redeterminations.
- 423.600 Reconsideration by an independent review entity (IRE).
- 423.602 Notice of reconsideration determination by the independent review entity.
- 423.604 Effect of a reconsideration determination.
- 423.610–423.634 [Reserved]
- 423.636 How a Part D plan sponsor must effectuate standard redeterminations or reconsiderations, or decisions.
- 423.638 How a Part D plan sponsor must effectuate expedited redeterminations or reconsiderations.

**Subpart N—Medicare Contract Determinations and Appeals**

- 423.641 Contract determinations.
- 423.642 Notice of contract determination.
- 423.643 Effect of contract determination.
- 423.650 Right to a hearing, burden of proof, standard of proof, and standards of review.
- 423.651 Request for hearing.
- 423.652 Postponement of effective date of a contract determination when a request for a hearing is filed timely.
- 423.653 Designation of hearing officer.
- 423.654 Disqualification of hearing officer.
- 423.655 Time and place of hearing.
- 423.656 Appointment of representatives.
- 423.657 Authority of representatives.
- 423.658 Conduct of hearing.
- 423.659 Evidence.
- 423.660 Witnesses.
- 423.661 Discovery.
- 423.662 Prehearing and summary judgment.
- 423.663 Record of hearing.
- 423.664 Authority of hearing officer.
- 423.665 Notice and effect of hearing decision.
- 423.666 Review by the Administrator.
- 423.667 Effect of Administrator's decision.
- 423.668 Reopening of a contract determination or decision of a hearing officer or the Administrator.

**42 CFR Ch. IV (10–1–24 Edition)**

**Subpart O—Intermediate Sanctions**

- 423.750 Types of intermediate sanctions and civil money penalties.
- 423.752 Basis for imposing intermediate sanctions and civil money penalties.
- 423.756 Procedures for imposing intermediate sanctions and civil money penalties.
- 423.758 Maximum amount of civil money penalties imposed by CMS.
- 423.760 Determinations regarding the amount of civil money penalties and assessment imposed by CMS.
- 423.762 Settlement of penalties.
- 423.764 Other applicable provisions.

**Subpart P—Premium and Cost-Sharing Subsidies for Low-Income Individuals**

- 423.771 Basis and scope.
- 423.772 Definitions.
- 423.773 Requirements for eligibility.
- 423.774 Eligibility determinations, redeterminations, and applications.
- 423.780 Premium subsidy.
- 423.782 Cost-sharing subsidy.
- 423.800 Administration of subsidy program.

**Subpart Q—Guaranteeing Access to a Choice of Coverage (Fallback prescription drug plans)**

- 423.851 Scope.
- 423.855 Definitions.
- 423.859 Assuring access to a choice of coverage.
- 423.863 Submission and approval of bids.
- 423.867 Rules regarding premiums.
- 423.871 Contract terms and conditions.
- 423.875 Payments to fallback prescription drug plans.

**Subpart R—Payments to Sponsors of Retiree Prescription Drug Plans**

- 423.880 Basis and scope.
- 423.882 Definitions.
- 423.884 Requirements for qualified retiree prescription drug plans.
- 423.886 Retiree drug subsidy amounts.
- 423.888 Payment methods, including provision of necessary information.
- 423.890 Appeals.
- 423.892 Change of Ownership.
- 423.894 Construction.

**Subpart S—Special Rules for States-Eligibility Determinations for Subsidies and General Payment Provisions**

- 423.900 Basis and scope.
- 423.902 Definitions.
- 423.904 Eligibility determinations for low-income subsidies.
- 423.906 General payment provisions.
- 423.907 Treatment of territories.

423.908 Phased-down State contribution to drug benefit costs assumed by Medicare.  
423.910 Requirements.

#### **Subpart T—Appeal Procedures for Civil Money Penalties**

423.1000 Basis and scope.  
423.1002 Definitions.  
423.1004 Scope and applicability.  
423.1006 Appeal rights.  
423.1008 Appointment of representatives.  
423.1010 Authority of representatives.  
423.1012 Fees for services of representative.  
423.1014 Charge for transcripts.  
423.1016 Filing of briefs with the Administrative Law Judge or Departmental Appeals Board, and opportunity for rebuttal.  
423.1018 Notice and effect of initial determinations.  
423.1020 Request for hearing.  
423.1022 Parties to the hearing.  
423.1024 Designation of hearing official.  
423.1026 Disqualification of Administrative Law Judge.  
423.1028 Prehearing conference.  
423.1030 Notice of prehearing conference.  
423.1032 Conduct of prehearing conference.  
423.1034 Record, order, and effect of prehearing conference.  
423.1036 Time and place of hearing.  
423.1038 Change in time and place of hearing.  
423.1040 Joint hearings.  
423.1042 Hearing on new issues.  
423.1044 Subpoenas.  
423.1046 Conduct of hearing.  
423.1048 Evidence.  
423.1050 Witnesses.  
423.1052 Oral and written summation.  
423.1054 Record of hearing.  
423.1056 Waiver of right to appear and present evidence.  
423.1058 Dismissal of request for hearing.  
423.1060 Dismissal for abandonment.  
423.1062 Dismissal for cause.  
423.1064 Notice and effect of dismissal and right to request review.  
423.1066 Vacating a dismissal of request for hearing.  
423.1068 Administrative Law Judge's decision.  
423.1070 Removal of hearing to Departmental Appeals Board.  
423.1072 Remand by the Administrative Law Judge.  
423.1074 Right to request Departmental Appeals Board review of Administrative Law Judge's decision or dismissal.  
423.1076 Request for Departmental Appeals Board review.  
423.1078 Departmental Appeals Board action on request for review.  
423.1080 Procedures before the Departmental Appeals Board on review.  
423.1082 Evidence admissible on review.

423.1084 Decision or remand by the Departmental Appeals Board.  
423.1086 Effect of Departmental Appeals Board Decision.  
423.1088 Extension of time for seeking judicial review.  
423.1090 Basis, timing, and authority for reopening an Administrative Law Judge or Board decision.  
423.1092 Revision of reopened decision.  
423.1094 Notice and effect of revised decision.

#### **Subpart U—Reopening, ALJ Hearings and ALJ and Attorney Adjudicator Decisions, Council Review, and Judicial Review**

423.1968 Scope.  
423.1970–423.1976 [Reserved]  
423.1978 Reopening determinations and decisions.  
423.1980 Reopening of coverage determinations, redeterminations, reconsiderations, decisions, and reviews.  
423.1982 Notice of a revised determination or decision.  
423.1984 Effect of a revised determination or decision.  
423.1986 Good cause for reopening.  
423.1990 Expedited access to judicial review.  
423.2000 Hearing before an ALJ and decision by an ALJ or attorney adjudicator: General rule.  
423.2002 Right to an ALJ hearing.  
423.2004 Right to a review of IRE notice of dismissal.  
423.2006 Amount in controversy required for an ALJ hearing and judicial review.  
423.2008 Parties to the proceedings on a request for an ALJ hearing.  
423.2010 When CMS, the IRE, or Part D plan sponsors may participate in the proceedings on a request for an ALJ hearing.  
423.2014 Request for an ALJ hearing or a review of an IRE dismissal.  
423.2016 Timeframes for deciding an appeal of an IRE reconsideration.  
423.2018 Submitting evidence.  
423.2020 Time and place for a hearing before an ALJ.  
423.2022 Notice of a hearing before an ALJ.  
423.2024 Objections to the issues.  
423.2026 Disqualification of the ALJ or attorney adjudicator.  
423.2030 ALJ hearing procedures.  
423.2032 Issues before an ALJ or attorney adjudicator.  
423.2034 Requesting information from the IRE.  
423.2036 Description of an ALJ hearing process.  
423.2038 Deciding a case without a hearing before an ALJ.  
423.2040 Prehearing and posthearing conferences.  
423.2042 The administrative record.

**Pt. 423**

**42 CFR Ch. IV (10–1–24 Edition)**

- 423.2044 Consolidated proceedings.
- 423.2046 Notice of an ALJ or attorney adjudicator decision.
- 423.2048 The effect of an ALJ's or attorney adjudicator's decision.
- 423.2050 Removal of a hearing request from OMHA to the Council.
- 423.2052 Dismissal of a request for a hearing before an ALJ or request for review of an IRE dismissal.
- 423.2054 Effect of dismissal of a request for a hearing or request for review of an IRE's dismissal.
- 423.2056 Remands of requests for hearing and requests for review.
- 423.2058 Effect of a remand.
- 423.2062 Applicability of policies not binding on the ALJ and Council.
- 423.2063 Applicability of laws, regulations, CMS Rulings, and precedential decisions.
- 423.2100 Medicare Appeals Council review: general.
- 423.2102 Request for Council review when ALJ or attorney adjudicator issues decision or dismissal.
- 423.2106 Where a request for review may be filed.
- 423.2108 Council Actions when request for review is filed.
- 423.2110 Council reviews on its own motion.
- 423.2112 Content of request for review.
- 423.2114 Dismissal of request for review.
- 423.2116 Effect of dismissal of request for Council review or request for hearing.
- 423.2118 Obtaining evidence from the Council.
- 423.2120 Filing briefs with the Council.
- 423.2122 What evidence may be submitted to the Council.
- 423.2124 Oral argument.
- 423.2126 Case remanded by the Council.
- 423.2128 Action of the Council.
- 423.2130 Effect of the Council's decision.
- 423.2134 Extension of time to file action in Federal District Court.
- 423.2136 Judicial review.
- 423.2138 Case remanded by a Federal District Court.
- 423.2140 Council review of ALJ or attorney adjudicator decision in a case remanded by a Federal District Court.

**Subpart V—Part D Communication Requirements**

- 423.2260 Definitions.
- 423.2261 Submission, review, and distribution of materials.
- 423.2262 General communications materials and activity requirements.
- 423.2263 General marketing requirements.
- 423.2264 Beneficiary contact.
- 423.2265 Websites.
- 423.2266 Activities with healthcare providers or in the healthcare setting.
- 423.2267 Required materials and content.

- 423.2272 Licensing of marketing representatives and confirmation of marketing resources.
- 423.2274 Agent, broker, and other third-party requirements.
- 423.2276 Employer group retiree marketing.

**Subpart W—Medicare Coverage Gap Discount Program**

- 423.2300 Scope.
- 423.2305 Definitions.
- 423.2310 Condition for coverage of drugs under Part D.
- 423.2315 Medicare Coverage Gap Discount Program Agreement.
- 423.2320 Payment processes for Part D sponsors.
- 423.2325 Provision of applicable discounts.
- 423.2330 Manufacturer discount payment audit and dispute resolution.
- 423.2335 Beneficiary dispute resolution.
- 423.2340 Compliance monitoring and civil money penalties.
- 423.2345 Termination of Discount Program Agreement.

**Subpart X—Requirements for a Minimum Medical Loss Ratio**

- 423.2400 Basis and scope.
- 423.2401 Definitions.
- 423.2410 General requirements.
- 423.2420 Calculation of medical loss ratio.
- 423.2430 Activities that improve health care quality.
- 423.2440 Credibility adjustment.
- 423.2450 [Reserved]
- 423.2460 Reporting requirements.
- 423.2470 Remittance to CMS if the applicable MLR requirement is not met.
- 423.2480 MLR review and non-compliance.
- 423.2490 Release of Part D MLR data.

**Subpart Y—Transitional Coverage and Retroactive Medicare Part D Coverage for Certain Low-Income Beneficiaries Through the Limited Income Newly Eligible Transition (LI NET) Program**

- 423.2500 Basis and scope.
- 423.2504 LI NET eligibility and enrollment.
- 423.2508 LI NET benefits and beneficiary protections.
- 423.2512 LI NET sponsor requirements.
- 423.2516 Selection of LI NET sponsor and contracting provisions.
- 423.2518 Intermediate sanctions for the LI NET sponsor.
- 423.2520 Non-renewal or termination of appointment.
- 423.2524 Bidding and payments to LI NET sponsor.
- 423.2536 Waiver of Part D program requirements.