

§ 417.484 Requirement applicable to related entities.

(a) *Definition.* As used in this section, *related entity* means any entity that is related to the HMO or CMP by common ownership or control and—

(1) Performs some of the HMO's or CMP's management functions under contract or delegation;

(2) Furnishes services to Medicare enrollees under an oral or written agreement; or

(3) Leases real property or sells materials to the HMO or CMP at a cost of more than \$2,500 during a contract period.

(b) *Requirement.* The contract must provide that the HMO or CMP agrees to require all related entities to agree that—

(1) HHS, the Comptroller General, or their designees have the right to inspect, evaluate, and audit any pertinent books, documents, papers, and records of the subcontractor involving transactions related to the subcontract; and

(2) The right under paragraph (b)(1) of this section to information for any particular contract period will exist for a period equivalent to that specified in § 417.482(f).

(3) That payments must not be made to individuals and entities included on the preclusion list, defined in § 422.2 of this chapter.

[50 FR 1346, Jan. 10, 1985, as amended at 58 FR 38082, July 15, 1993; 81 FR 80556, Nov. 15, 2016; 83 FR 16721, Apr. 16, 2018]

§ 417.486 Disclosure of information and confidentiality.

The contract must provide that the HMO or CMP agrees to the following:

(a) To submit to CMS—

(1) All financial information required under subpart O of this part and for final settlement; and

(2) Any other information necessary for the administration or evaluation of the Medicare program.

(b) To comply with the requirements set forth in part 420, subpart C, of this chapter pertaining to the disclosure of ownership and control information.

(c) To comply with the requirements of the Privacy Act, as implemented by 45 CFR part 5b and subpart B of part 401 of this chapter, with respect to any

system of records developed in performing carrier or intermediary functions under §§ 417.532 and 417.533.

(d) To meet the confidentiality requirements of § 482.24(b)(3) of this chapter for medical records and for all other enrollee information that is—

(1) Contained in its records or obtained from CMS or other sources; and

(2) Not covered under paragraph (c) of this section.

[50 FR 1346, Jan. 10, 1985, as amended at 58 FR 38082, July 15, 1993; 60 FR 45680, Sept. 1, 1995]

§ 417.488 Notice of termination and of available alternatives: Risk contract.

A risk contract must provide that the HMO or CMP agrees to give notice as follows if the contract is terminated:

(a) At least 60 days before the effective date of termination, to give its Medicare enrollees a written notice that—

(1) Specifies the termination date; and

(2) Describes the alternatives available for obtaining Medicare services after termination.

(b) To pay the cost of the written notices.

[60 FR 45680, Sept. 1, 1995]

§ 417.490 Renewal of contract.

A contract with an HMO or CMP is renewed automatically for the next 12-month period unless CMS or the HMO or CMP decides not to renew, in accordance with § 417.492.

[50 FR 1346, Jan. 10, 1985, as amended at 58 FR 38082, July 15, 1993]

§ 417.492 Nonrenewal of contract.

(a) *Nonrenewal by the HMO or CMP.*

(1) If an HMO or CMP does not intend to renew its contract, it must—

(i) Give written notice to CMS at least 90 days before the end of the current contract period; and

(ii) Notify each Medicare enrollee by mail at least 60 days before the end of the contract period.

(2) CMS may accept a nonrenewal notice submitted less than 90 days before the end of a contract period if—