

Part D sponsor of its decision on the reconsideration in writing.

(v) *Effect of reconsideration decision.* The decision of the CMS reconsideration official is final and binding unless a timely request for an informal hearing is filed in accordance with paragraph (a)(2) of this section.

(2) *Informal hearing.* A Part D sponsor dissatisfied with CMS's reconsideration decision made under paragraph (a)(1) of this section is entitled to an informal hearing as provided for under paragraphs (a)(2)(i) through (a)(2)(iv) of this section.

(i) *Manner and timing of request.* A request for an informal hearing must be made in writing and filed with CMS within 15 calendar days of the date of CMS's reconsideration decision.

(ii) *Content of request.* The request for an informal hearing must include a copy of the reconsideration decision and must specify the findings or issues in the decision with which the Part D sponsor disagrees and the reasons for its disagreement.

(iii) *Informal hearing procedures.* The informal hearing is conducted in accordance with the following:

(A) The CMS Hearing Officer provides written notice of the time and place of the informal hearing at least 30 calendar days before the scheduled date.

(B) The CMS reconsideration official provides a copy of the record that was before CMS when CMS made its decision to the hearing officer.

(C) The hearing officer review is conducted by a CMS hearing officer who neither receives testimony nor accepts any new evidence. The CMS hearing officer is limited to the review of the record that was before CMS when CMS made its decision.

(iv) *Decision of the CMS hearing officer.* The CMS hearing officer decides the case and sends a written decision to the Part D sponsor explaining the basis for the decision.

(v) *Effect of hearing officer's decision.* The hearing officer's decision is final and binding, unless the decision is reversed or modified by the CMS Administrator in accordance with paragraph (a)(3) of this section.

(3) *Review by the Administrator.* The Administrator's review is conducted in the following manner:

(i) *Manner and timing of request.* A Part D sponsor that has received a hearing officer's decision may request review by the Administrator within 15 calendar days of the date of issuance of the hearing officer's decision under paragraph (a)(2)(iv) of this section. The Part D sponsor may submit written arguments to the Administrator for review.

(ii) *Discretionary review.* (A) After receiving a request for review, the Administrator has the discretion to elect to review the hearing officer's determination in accordance with paragraph (a)(3)(iii) of this section or to decline to review the hearing officer's decision within 30 calendar days of receiving the request for review.

(B) If the Administrator declines to review the hearing officer's decision, the hearing officer's decision is final and binding.

(iii) *Electing to review.* If the Administrator elects to review the hearing officer's decision, the Administrator reviews the hearing officer's decision, as well as any information included in the record of the hearing officer's decision and any written argument submitted by the Part D sponsor, and determine whether to uphold, reverse, or modify the hearing officer's decision.

(iv) *Effect of Administrator's decision.* The Administrator's decision is final and binding.

(b) *Matters subject to appeal and burden of proof.* (1) The Part D sponsor's appeal is limited to CMS's calculation of the final settlement amount. CMS does not consider information submitted for the purposes of retroactively adjusting a prior reconciliation.

(2) The Part D sponsor bears the burden of proof by providing evidence demonstrating that CMS' calculation of the final settlement amount is incorrect.

(c) *Stay of financial transaction until appeals are exhausted.* If a Part D sponsor requests review of the final settlement amount, the financial transaction associated with the issuance or payment of the final settlement amount is stayed until all appeals are exhausted. Once all levels of appeal are exhausted or the Part D sponsor fails to request further review within the

applicable 15-calendar-day timeframe, CMS communicates with the Part D sponsor to complete the financial transaction associated with the issuance or payment of the final settlement amount, as appropriate.

(d) *Continued compliance with other law required.* Nothing in this section limits a Part D sponsor's responsibility to comply with any other statute or regulation.

[89 FR 30839, Apr. 23, 2024, as amended at 89 FR 63828, Aug. 6, 2024]

§ 423.530 Plan crosswalks.

(a) *General rules*—(1) *Definition of plan crosswalk.* A plan crosswalk is the movement of enrollees from one plan benefit package (PBP) in a PDP contract to another PBP under a PDP contract between a Part D Sponsor and CMS. To crosswalk enrollees from one PBP to another is to change the enrollment from the first PBP to the second.

(2) *Prohibitions.* (i) Plan crosswalks between PBPs under one PDP contract and PBPs under another PDP contract are prohibited unless both the PDP sponsors with which CMS contracts are the same legal entity or have the same parent organization.

(ii) Plan crosswalks are prohibited that split the enrollment of one PBP into multiple PBPs.

(iii) Plan crosswalks are prohibited from a PBP offering basic prescription drug coverage to a PBP offering enhanced alternative coverage.

(3) *Compliance with renewal/non-renewal rules.* The PDP sponsor must comply with renewal and non-renewal rules in §§ 423.506 and 423.507 in order to complete plan crosswalks.

(4) *Eligibility.* Enrollees must be eligible for enrollment under § 423.30 in order to be moved from one PBP to another PBP.

(5) *Applicability to Employer group health or waiver plans.* Nothing in this section permits the crosswalk of enrollees in an employer group health or waiver plan PBP to another PBP outside the usual process for enrollment in employer group health or waiver plans.

(b) *Mandatory plan crosswalks.* A Part D sponsor of a PDP must perform a plan crosswalk in the following circumstances:

(1) *Renewal of a PBP offering basic prescription drug coverage.* A PDP sponsor that plans to continue operating a PBP offering basic prescription coverage in the same service area for the upcoming contract year must crosswalk enrollment from the PBP offering basic prescription drug coverage in the current contract year into a PBP offering basic prescription drug coverage under the same PDP contract in the upcoming contract year. The PBP for the upcoming contract year must retain the same plan ID as the PBP for the current contract year.

(2) *Renewal of a PBP offering enhanced alternative drug coverage.* A PDP sponsor that plans to continue operating a PBP offering enhanced alternative coverage in the same service area for the upcoming contract year must crosswalk enrollment from the PBP offering enhanced alternative drug coverage in the current contract year into a PBP offering enhanced alternative drug coverage in the upcoming contract year. The PBP for the upcoming contract year PBP must retain the same plan ID as the PBP for the current contract year.

(c) *Plan crosswalk exceptions.* A Part D sponsor of a PDP may perform a plan crosswalk in the following circumstances after receiving approval from CMS under the procedures described in paragraph (d) of this section.

(1) *Consolidated renewals.* If a PDP sponsor wishes to non-renew a PBP offering enhanced alternative prescription drug coverage under a PDP contract that is not non-renewing or reducing its service area so that the contract no longer includes the service area of the non-renewing PBP, it may crosswalk enrollment from the non-renewing PBP into a PBP offered under the contract in the upcoming contract year.

(i) The plan ID for the upcoming contract year PBP must be the same plan ID as one of PBPs for the current contract year.

(ii) The PBPs being consolidated must be under the same PDP contract.

(iii) A PBP offering basic prescription drug coverage may not be discontinued if the PDP contract continues to offer coverage (other than employer