

CMS Releases Part C and Part D Program Audit and Enforcement Report 2024

On July 15, 2025, CMS released the 2024 Part C and Part D Program Audit and Enforcement Report. This report provides a current snapshot of the program audit landscape, a summary of the 2024 Program Audits, Sponsor tips, as well as CMS' enforcement actions.

Program Audit Overview

CMS conducted 39 total program audits of 36 parent organizations in 2024:

- 19 of the audits were routine (i.e., full-scope program audits)
- 20 were focused audits on new requirements for utilization management (UM)

The CMS Program Audits evaluated compliance in the areas of Compliance Program Effectiveness (CPE), Formulary Administration (FA), Coverage Determinations, Appeals and Grievances (CDAG), Organizational Determinations, Appeals and Grievances (ODAG) and Special Needs Plan Care Coordination (SNPCC). The UM Focus Audits assessed compliance with the Part C UM requirements finalized in CMS-4201-F that Plan Sponsors were expected to implement as of January 1, 2024.

Areas of Non-Compliance

CMS called out certain areas of noncompliance identified through the audits. Sponsors were urged to address these issues proactively which can be achieved through mock audits and benefit testing.

Civil Money Penalties

CMS imposed CMPs based on violations impacting enrollees, with penalties adjusted for aggravating factors. Notable areas of non-compliance which resulted in Civil Money Penalties (CMPs) included:

- Inappropriate cost sharing for Part C services and Part D medications
- Inappropriate denials/delays of Part D medications
- Misclassification of Part D coverage requests

Intermediate Sanctions

CMS imposed intermediate sanctions which can either suspend a Sponsor's ability to market to and accept new Part C or Part D enrollees or receive payment for new enrollees. Intermediate sanctions were imposed for failures to meet Medical Loss Ratio requirements and Dual Eligible Special Needs Plan integration requirements.

CMS encourages Plan Sponsors to use the information in this report to improve their internal auditing, monitoring, and compliance activities. Contact us if you would like to review this report in more detail and would like to schedule a mock audit or a universe review.