

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services 7500
Security Boulevard, Mail Stop C1-22-06
Baltimore, Maryland 21244-1850



MEDICARE PARTS C AND D OVERSIGHT AND ENFORCMENT GROUP

October 7, 2021

Dr. Pavel Bindra
Chief Executive Officer
Imperial Insurance Companies, Inc.
1100 East Green Street
Pasadena, CA 91106

Re: Notice of Release of Intermediate Sanction (Suspension of Enrollment) for Medicare Advantage-Prescription Drug Plan Contract Number: H2793 – State of Arizona Only

Dear Dr. Bindra,

On June 17, 2021, the Centers for Medicare & Medicaid Services (CMS) imposed an intermediate sanction on Imperial Insurance Companies, Inc. (“Imperial”) contract H2793 (state of Arizona only), thereby suspending enrollment for its Medicare Advantage-Prescription Drug Plan (MA-PD) contract. The sanction was imposed because the Arizona Department of Insurance and Financial Institutions (AZ DIFI) and Imperial entered into a consent order requiring Imperial to “immediately cease from enrolling any new members into any of its Arizona HMO Medicare Advantage plans. Arizona took this action after determining that Imperial was operating without a proper certificate of authority. Because Imperial was not permitted to accept new enrollments under its license with the state of Arizona, Imperial was in violation of 42 C.F.R. §§ 422.504(a)(1) and 423.505(b)(2), which requires MA-PD organizations that contract with CMS to accept new enrollments as provided in 42 C.F.R. Parts 422 and 423, Subpart B.

On October 5, 2021, the AZ DIFI withdrew the consent order because Imperial obtained the proper certificate of authority as a health care service organization. As a result, Imperial is no longer in violation of CMS regulations and CMS is releasing the intermediate sanction from contract H2793, effective October 5, 2021.

CMS expects Imperial to remain in good standing with the State of Arizona. Any future failures to comply with CMS requirements may subject Imperial to other applicable remedies available under law, including the imposition of intermediate sanctions, civil money penalties, or contract termination as described in 42 C.F.R. Parts 422 and 423, Subparts K and O. If you have any questions about this notice, please call or email the enforcement contact provided in your email notification.

Sincerely,

/s/

John A. Scott

Director

Medicare Parts C and D Oversight and Enforcement Group

cc: Kevin Stansbury, CMS/CM/MOEG/DCE
Ann Duarte, CMS/OPOLE
Brenda Suiter, CMS/OPOLE
Ayanna Busby-Jackson, CMS/OPOLE
Devon King, CMS/OPOLE