

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



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

Corrective Action Plan (CAP)

June 09, 2021

H8764

Mr. Anthony Serrano
Compliance Officer
Aspire Health Plan
10 Ragsdale Drive, Suite 101
Monterey, CA 93940

VIA EMAIL: anthony.serrano@aspirehealthplan.org

RE: Failure to Maintain Fiscal Soundness

Dear Mr. Serrano:

The Centers for Medicare & Medicaid Services (CMS) is issuing this determination for a Corrective Action Plan (CAP) to Aspire Health Plan, which operates a Medicare Advantage-Prescription Drug Plan contract H8764, because the organization failed to adhere to CMS' fiscal soundness requirements.

Federal regulations at 42 C.F.R. §422.504(a)(14) require MA organizations ensure a fiscally sound operation by maintaining a positive net worth (total assets exceeding total liabilities). Aspire Health Plan's independently audited financial statements as of December 31, 2019, show a negative net worth of (\$43,820,756). CMS issued the organization compliance notices for the same issue; on November 4, 2019, CMS issued a warning letter with business plan, on December 20, 2018 a warning letter, and on May 17, 2017 a notice of non-compliance. Your organization had an additional year to reestablish a positive net worth but failed to do so. Therefore, CMS is requesting a CAP from your organization.

Your organization's financial situation raises concern that Aspire Health Plan is unable to provide care required under its Medicare contract. CMS expects your organization to keep us up to date with both your progress in reestablishing a positive net worth and with any actions you take in conjunction with the State related to fiscal soundness and maintaining quality care. CMS will continue to monitor your performance in this area on a quarterly basis.

CMS requests that Aspire Health Plan implement a detailed Corrective Action Plan (CAP). As part of this CAP, Aspire Health Plan should address the actions it will take to correct this

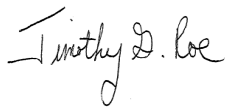
deficiency. The CAP should be submitted to the CMS Financial Review Mailbox at FinancialReview@cms.hhs.gov by July 21, 2021.

CMS is issuing this compliance notice pursuant to 42 C.F.R. § 422.510(c)(1)(i). CMS is permitted per 42 C.F.R. § 422.510 to terminate a contract if the organization fails to develop and implement a CAP. Although regulations provide at least a 30 day timeframe to implement a CAP, CMS acknowledges that an extended period of time may be necessary to correct the fiscal soundness deficiencies. CMS expects that your organization will provide a reasonable timeframe in the CAP that reflects an appropriate level of urgency in resolving this matter.

CMS has the authority to impose sanctions, penalties and other enforcement actions as described in Federal regulations at 42 C.F.R. § 422 Subparts K and O. Should your organization fail to develop, implement or complete its CAP, CMS may consider the imposition of intermediate sanctions (e.g., suspension of enrollment activities) or civil money penalties. CMS notes that we are issuing this compliance notice based exclusively on information that we obtained from sources other than the sponsor's own self-disclosure.

If you have any questions about this notice, please email the CMS Financial Review mailbox at FinancialReview@cms.hhs.gov and copy your account manager.

Sincerely,

A handwritten signature in cursive script that reads "Timothy G. Roe".

Timothy G. Roe
Director
Division of Surveillance, Compliance & Marketing

cc via email:

Dale Summers, Director, Division of Finance & Benefits
Christine Reinhard, Part C Compliance Lead
Kaihe Akahane, Regional Account Manager, RO #09