

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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**Office of Media Affairs**

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## **MEDICARE NEWS**

FOR IMMEDIATE RELEASE  
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### **MEDICARE ISSUES INTERMEDIATE SANCTION NOTICE TO AETNA INSURANCE COMPANY MEDICARE HEALTH AND DRUG PLANS**

On April 5, 2010, the Centers for Medicare & Medicaid Services (CMS) issued a notice to Aetna Insurance Company of its intent to impose an intermediate sanction to ensure that Medicare beneficiaries continue to have access to prescription drugs under Medicare's requirements.

The intermediate sanction, which will prevent Aetna from marketing to and enrolling new beneficiaries, will be effective April 21. It will remain in effect until Aetna demonstrates to CMS that it has corrected its deficiencies and they are not likely to recur. Medicare's actions should not impact the approximately one million enrollees in the Aetna plans across the country.

Aetna was served with the intermediate sanction notice because it has continued to improperly administer the Medicare drug benefit in the plan's national standalone prescription drug plan (PDP) and its 25 Medicare Advantage prescription drug (MA-PD) contracts. Approximately 400,000 Medicare beneficiaries are enrolled in the organization's MA-PD plans and another 600,000 are enrolled in the Aetna PDP.

"Current Aetna health and drug plan members who are having difficulty in getting their prescriptions filled should contact 1-800-MEDICARE or their local state health insurance assistance program for help," said Jonathan Blum, acting director of CMS' Center for Drug and Health Plan Choices.

Medicare issued the intermediate sanction because the plan has failed to fully meet its obligations to Medicare beneficiaries. More specifically those obligations include, but are not limited to:

- Failing to meet Medicare's transition requirements by ensuring that existing beneficiaries were able to continue to receive drugs they had been receiving in 2009 that were not on the plans' formularies in 2010;
- Improperly processing coverage determinations and expedited appeal requests in cases where delays would jeopardize the life or health of the enrollee;
- Applying prior authorization (PA) and step therapy (ST) drug requirements that had not been approved by Medicare; and

-- More --

- Failing to take timely and proper steps to ensure that enrollees are eligible for the Part D low-income subsidy (LIS).

Aetna's problems were raised to CMS by both plan members and their physicians. CMS will closely monitor the plan to determine that corrective actions have been taken and these deficiencies are not likely to recur and if Aetna is not in compliance to Medicare requirements, penalties that range from fines to the possibility of termination of Aetna's contracts with Medicare could be imposed.

CMS encourages plan members who may have concerns with their Part D coverage to contact 1-800-MEDICARE (1-800-633-4227) or the state health insurance assistance program (SHIP) to help get them resolved.

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NOTE: The letter to Aetna is available at

<http://www.cms.gov/MCRAAdvPartDEnrolData/EA/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=2&sortOrder=descending&itemID=CMS1204347&intNumPerPage=10>