

# First Tier, Downstream, or Related Entity Definitions

## DEEMED

FDRs are deemed to have met the Fraud/Waste/Abuse (FWA) training and educational requirements if they have met the FWA certification requirements through one of the following:

- Enrollment into Parts A or B of the Medicare program
- Accreditation as a supplier of Durable Medical Equipment, Prosthetics/Orthotics & Supplies (DMEPOS)

No additional documentation beyond the documentation necessary for proper credentialing is required to establish that an employee, FDR, or employee of an FDR is deemed. For a chain to be deemed, such as chain pharmacies, each location must be enrolled into Medicare Part A or B.

## DOWNSTREAM ENTITY

Any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the Medicare Advantage (MA) benefit or Part D benefit, below the level of the arrangement between a Medicare Advantage Organization (MAO) or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

## FIRST TIER ENTITY

Any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare-eligible individual under the MA program or Part D program.

## RELATED ENTITY

Any entity that is related to an MAO or Part D sponsor by common ownership or control and:

1. Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation;
2. Furnishes services to Medicare enrollees under an oral or written agreement; or
3. Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period.

