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TO: Financial Alignment Demonstration Contracts

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SUBJECT: Additional Guidance on the Model of Care Submission Requirements for CY 2013 Financial Alignment Demonstration Applicants

On May 8, 2012, CMS announced that there would be a delay in the deadline for submission of Financial Alignment Demonstration (FAD) contracts' model of care (MOC). This memorandum provides guidance on the revised submission process and timelines.

General Guidance

As stated in our March 29, 2012 guidance memorandum, "Additional Guidance on the Medicare Plan Selection Process for Organizations Interested in Offering Capitated Financial Alignment Demonstration Plans in 2013," all FAD applicants must develop and submit for CMS and State review a MOC for their enrollees that incorporates both CMS and any applicable State requirements. While the substance of CMS' requirements for FAD applicants' MOC submission remains the same as we articulated in the March 29, 2012 guidance memorandum, the submission process and timelines have changed. We note that the National Committee for Quality Assurance (NCQA), the entity that evaluates Medicare Advantage (MA) Special Needs Plan (SNP) MOCs on CMS' behalf, will also be working with CMS to evaluate FAD contracts' MOC submissions. With the NCQA's assistance, CMS will review and approve MOC submissions based on the same eleven elements and scoring standards CMS has established for approval of MA SNP MOCs. Per our previous guidance on this topic, the final score obtained on the MOC will determine whether it is approved for one, two, or three years.

Since the approval of the MOC will be a joint process between CMS and States, both the State and CMS will need to agree on both the overall approval of the MOC, as well as the number of years for which the approval will be valid.

FAD applicants will be permitted to cure problems with their MOC submissions after their initial submission. Applicants with MOCs scoring below 85 percent will have the opportunity to improve their scores based on CMS and State feedback on the elements and factors that need additional work. CMS intends to communicate plan selection decisions by late July 2012. However, given the extended deadline for MOC submissions, all plan selections will be made

contingent on a final MOC approval prior to the contracting deadline. At the end of the review process, MOCs that do not meet both CMS' and State standards for approval will not be eligible to enter into a three-way contract with CMS and the State.

Submission Process and Timelines

Applicants must submit to CMS a MOC narrative and MOC matrix document (see attached template; submissions may be submitted in Word or PDF format) in a zip file for each distinct MOC that will be implemented under the contract to mmcocapsmodel@cms.hhs.gov by 5 p.m. EST on July 2, 2012. Applicants should include the following information in the subject line – “MOC Submission for HXXX, PBP Number/Plan Names XXXX.” Applicants should use the following naming conventions for the MOC narrative and MOC matrix documents, respectively – “Hxxxx_PBP Number/Plan Name XXXX_MOC” and ““Hxxxx_PBP Number/Plan Name XXXX_MOC_matrix.”

The MOC matrix document has been modified to allow organizations to indicate the plan benefit packages (PBPs) under its contract to which a particular MOC submission will apply. We note that organizations that intend to use more than one MOC for their PBPs under one contract (e.g., contracts that will use one or more subcontractors to offer distinct plans under a contract) will need to submit a separate MOC narrative and MOC matrix document for each individual MOC submission. Each separate MOC submission should be sent in a separate email for tracking purposes.

In order to streamline NCQA's review of the MOC submissions in cases where organizations are basing their FAD contract's MOC submissions on a previously submitted and approved MOC under the MA SNP program, applicants must submit both a clean and a redlined version of the MOC narrative. The redline document should indicate all changes made to the narrative relative to NCQA's previously approved version. If applicable, applicants should describe in the MOC matrix how their MOC submission is linked to any previous MOC submissions under the SNP program. If applicable, applicants should also provide a crosswalk in the MOC matrix to any other FAD contracts for which the applicant or the applicant's parent organization is using the same MOC as the basis for submission. This will help NCQA assure inter-rater reliability and consistency of scoring.

Applicants will receive email notifications summarizing NCQA's and the State's findings in late July 2012 and providing further instructions for resubmitting MOCs. Applicants may resubmit their narratives if their scores are below the 85% threshold for a three-year approval, either or in order to increase their score to obtain a 2- or 3-year approval or to improve their score above the passing threshold of 70%. Applicants that elect to resubmit their MOCs will have approximately one week to revise and resubmit their MOC documents. We expect that the second (and final) round of NCQA and State review will be completed in late August, with final determinations communicated to applicants shortly thereafter.

Inclusion of State-Specific Elements in the MOC

States may require FAD applicants to include additional elements in their MOCs beyond the 11 elements required by CMS or to address certain topics or State-specific requirements within the 11 elements required by CMS. For example, a State may wish to require that interested organizations include in their MOC narratives a 12th element that addresses demonstration-specific issues (e.g., specific information about behavioral health or long-term supports and services) not otherwise captured in CMS' 11 required elements. A State may also wish to require that interested organizations' descriptions within the 11 elements are consistent with State-specific standards. For example, if a State has specific requirements with respect to the health risk assessment process and tool the organization is required to describe in Element 7 of CMS' MOC standards, the organization would be expected to describe that process or tool consistent with the State's specific requirements; however, the narrative for Element 7 would still need to be written in a way that is responsive to CMS' scoring criteria for that element. NCQA will score the 11 CMS-required elements consistent with CMS' current scoring criteria, but the inclusion of information that is responsive to specific State requirements should not impact the score, provided applicants are mindful of the level of detail and minimum requirements the scoring criteria require.

The Medicare-Medicaid Coordination Office is working with 2013 Capitated Financial Alignment Demonstration States to ensure that they provide clear and specific guidance to applicants regarding additional information they expect to be included in applicants' unified MOC submissions.

Please send any questions you have about this guidance to mmcocapsmodel@cms.hhs.gov.