



**Medicare-Medicaid Coordination Office**

**DATE:** February 21, 2014

**TO:** States and Medicare-Medicaid Plans Participating in the Capitated Financial Alignment Model

**FROM:** Sharon Donovan  
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**SUBJECT:** Passively Enrolling Individuals Who Become Newly Dually Eligible into a Medicare-Medicaid Plan

Since the beginning of the Medicare Part D program in 2006, CMS has auto-enrolled new Medicare-Medicaid enrollees into Prescription Drug Plans (PDPs). Autoenrollment is critical for accessing this important benefit because the only way to get coverage for Part D-covered drugs is with enrollment in a Part D plan. With the start of the Financial Alignment Demonstrations, and subject to important protections, States have been given authority to passively enroll existing Medicare-Medicaid enrollees into Medicare-Medicaid Plans (MMPs), which provide the Part D benefit.

This memorandum provides guidance on States' option to passively enroll certain individuals who become newly dually eligible, specifically those who have Medicaid-first, and then subsequently become Medicare eligible ("Medicaid-first"). States interested in this option should submit a modification to their Appendix 5 to the Medicare-Medicaid Plan Enrollment and Disenrollment Guidance indicating their intent to do so and affirming that they will use the process outlined below. Please note this memorandum does not cover the passive enrollment procedures for newly dual eligible beneficiaries who are considered Medicare first, i.e., Medicare beneficiaries who later become eligible for Medicaid; that will be addressed in subsequent guidance.

Passive Enrollment of "Medicaid-First" Population

The key to successfully coordinating MMP passive enrollment with the CMS auto-enrollment into a PDP is the timing of the State's passive enrollment file submission, as well as the application date on the passive enrollment transaction.

- States must successfully submit passive enrollment transactions to CMS between 63-90 days in advance of the MMP enrollment effective date, **but no later than the 63<sup>rd</sup> day before the MMP enrollment effective date.** If the 63<sup>rd</sup> day lands on a Sunday, then State must send passive enrollment transactions to CMS before 5:00pm EST, the prior Saturday (one day earlier; 64<sup>th</sup> day before the MMP enrollment effective date). For

example, if an individual will become Medicare eligible on October 1, the passive enrollment transaction is due:

- July 30 if that day is Monday-Saturday
- July 29 if that day is Sunday
- The application date must be December 1, 2002. Please note this differs from the application date on passive enrollments for existing Medicare-Medicaid enrollees (those can be found in section 30.1.4.I of the Medicare-Medicaid Plan Enrollment and Disenrollment Guidance).

States must send a passive enrollment notice to the beneficiary no later than 60 days before the effective date of the passive enrollment. This notice must indicate the name of the plan the individual is being enrolled in, the effective date of the enrollment and information on the process to opt-out, as outlined in Section 30.1.4 of the MMP Enrollment and Disenrollment Guidance.

As with any passive enrollment, individuals retain the right to cancel the passive enrollment prior to the effective date or disenroll after the effective date. As noted in section 30.1.4.E of the Medicare-Medicaid Plan Enrollment and Disenrollment Guidance, in both cases the individual is considered to have opted out of future passive enrollments.

#### CMS Auto-enrollments of New Medicare-Medicaid Enrollees

To ensure that newly dual eligible beneficiaries who are Medicaid-first have Part D coverage on the first day of Medicare entitlement, CMS processes the auto-enrollment of these individuals into a stand-alone Medicare PDP two months in advance of their Medicare start date. CMS identifies these individuals through data from the Social Security Administration (SSA) and States (via the Medicare Modernization Act or MMA file). The SSA “attainer” file provides 4-5 months advance notice of those about to become Medicare eligible. The States’ monthly MMA File submittals include “PRO” records for individuals who are currently eligible for full Medicaid benefits, but whom they anticipate may get Medicare coverage in the near future. In the CMS response file, CMS identifies the Medicare start date for those who do have upcoming Medicare Parts A entitlement and/or Part B enrollment. States can use the data CMS returns in response to “PRO” records to identify not only those who will age into Medicare but those who will reach the end of their Medicare 24 month disability waiting period.

Around 60 days prior to an individual’s Medicare effective date, the CMS auto-enrollment process begins its routine “auto-sweep” function to identify prospective dual eligible beneficiaries and determine if they already have a Part D plan (including a Medicare-Medicaid Plan) in place for their Medicare start date. If not enrolled in a Part D plan at the time of the “auto sweep,” they will be auto-enrolled into a standalone PDP. Individuals auto-enrolled by CMS into PDPs may not be passively enrolled into an MMP until the following calendar year.

Please submit any questions to [MMCOCapsmodel@cms.hhs.gov](mailto:MMCOCapsmodel@cms.hhs.gov)