

**EMPLOYER/UNION-ONLY GROUP PART C ADDENDUM TO CONTRACT WITH
APPROVED ENTITY PURSUANT TO SECTIONS 1851 THROUGH 1859 OF THE
SOCIAL SECURITY ACT FOR THE OPERATION OF A MEDICARE ADVANTAGE
MSA DEMONSTRATION PLAN**

The Centers for Medicare & Medicaid Services (hereinafter referred to as “CMS”) and <<CONTRACT_NAME>>, a Medicare Advantage Organization (hereinafter referred to as the “MA Organization”) agree to amend the contract <<CONTRACT_ID>>, including all attachments, addenda, and amendments thereto, governing MA Organization’s operation of a Medicare Advantage Medical Savings Account (MSA) Demonstration Plan described in §1851(a)(2)(B) of the Social Security Act (hereinafter referred to as “the Act”) to include the provisions contained in this Addendum (collectively hereinafter referred to as the “contract”), under which MA Organization shall offer Employer/Union-Only Group MA MSA Demonstration Plans (hereinafter referred to as “employer/union-only group MSA plans”) in accordance with the waivers granted by CMS under §1857(i) of the Act. The terms of this Addendum shall only apply to MSA plans offered by MA Organization exclusively to eligible individuals enrolled in employment-based health coverage under a contract between MA Organization and the employer/union sponsor of the employment-based health coverage.

This Addendum is made pursuant to Subpart K of 42 CFR Part 422.

Article I
Employer/Union-Only Group Medicare Advantage MSA Plan

- A. MA Organization agrees to operate one or more employer/union-only group health plans in accordance with the Medicare Advantage contract (as modified by this Addendum), which incorporates in its entirety the *2014 Part C-Medicare Advantage and 1876 Cost Plan Expansion Application* (released January 10, 2013) and any employer/union-only group waiver guidance, including, but not limited to those requirements contained in Chapter 9 of the Medicare Managed Care Manual).
- B. This Addendum is deemed to incorporate any changes that are required by statute to be implemented during the term of the contract, and any regulations and policies implementing or interpreting such statutory provisions.
- C. In the event of any conflict between the employer/union-only group waiver guidance issued prior to the execution of the contract and this Addendum, the provisions of this Addendum shall control. In the event of any conflict between the employer/union-only group waiver guidance issued after the execution of the contract and this Addendum, the provisions of the employer/union-only group guidance shall control.
- D. This Addendum is in no way intended to supersede or modify 42 CFR Part 422 or §§1851 through 1859 of the Act, except as specifically provided in applicable employer/union-only group waiver guidance and/or in this Addendum. Failure to reference a statutory or regulatory requirement in this Addendum does not affect the applicability of such requirement to MA Organization and CMS.
- E. The provisions of this Addendum apply to all employer/union-only group MSA plans offered by MA Organization under this contract number. In the event of any conflict between the provisions of this Addendum and any other provision of the contract, the terms of this Addendum shall control.

Article II
Functions to be Performed by the Medicare Advantage Organization

- A. PROVISION OF BENEFITS
 - 1. MA Organization agrees to provide enrollees in each of its employer/union-only group MSA plans the basic benefits (hereinafter referred to as “basic benefits”) as required under 42 CFR §422.103 (as modified by the Medicare Medical Savings Account Demonstration Special Terms and Conditions) and, to the extent applicable, supplemental benefits under 42 CFR §422.104, including any applicable benefit design variations for employer/union groups, and as established in MA Organization’s final benefit and price bid proposal as approved by CMS.
 - 2. For employer/union-only group MSA plans offering non-calendar year coverage, MA Organization may determine basic and supplemental benefits (including deductibles, out-

of-pocket limits, etc.) on a non-calendar year basis subject to the following requirements:

- (a) Applications, bids, and other submissions to CMS must be submitted on a calendar year basis; and
 - (b) CMS payments will be determined on a calendar year basis.
3. MA Organization can vary offerings to employer groups within the same plan benefit package (PBP) provided the following conditions are met:
- (a) The amount of the deposit into the beneficiary's MSA account cannot vary from the amount in the filed bid;
 - (b) The deductible for the MSA plan can be lowered from what is in the bid for an employer group either by having the employer paying a premium or by raising the cost-sharing amount above the deductible (or a combination of both). The "buy down" must be actuarially equivalent, however, to the additional benefit;
 - (c) The deductible for the MSA can be raised by lowering the cost-sharing above the deductible;
 - (d) The cost sharing above the deductible can vary by specific benefit provided it is actuarially equivalent to the cost sharing above the deductible in the filed bid; and
 - (e) The benefit packages offered to individual employer groups must meet the minimum deductible, the minimum spread between the deposit and the deductible and the maximum out-of-pocket limit requirements, and must be at least actuarially equivalent to the benefit package in the filed bid.

B. ENROLLMENT REQUIREMENTS

- 1. MA Organization agrees to restrict enrollment in an employer/union-only group MSA plan to those individuals eligible for the employer's/union's employment-based group coverage.
- 2. MA Organization will not be subject to the requirement set forth in 42 CFR §422.50 to offer the employer/union-only group MSA plan to all eligible beneficiaries residing in the plan's service area.
- 3. If an employer/union elects to enroll individuals eligible for its employer/union-only group MSA plan through a group enrollment process, MA Organization will not be subject to the individual enrollment requirements set forth in 42 CFR §422.60. MA Organization agrees that it will comply with all the requirements for group enrollment contained in CMS guidance, including those requirements contained in Chapter 2 of the Medicare Managed Care Manual.

4. Enrollees in employer/union-only group MSA plans are allowed a special election period (SEP). Like the SEP for other MA plans, this SEP allows these enrollees to make elections into or out of employer sponsored MA MSA plans, to disenroll from an MA plan to take employer sponsored coverage of any kind, and to disenroll from employer sponsored coverage to elect an MA plan.

C. BENEFICIARY PROTECTIONS

1. Except as provided in subparagraph 2 of this paragraph, CMS agrees that with respect to any employer/union-only group MSA plans, MA Organization will not be subject to the prior review and approval of marketing materials and election forms requirements set forth in 42 CFR Part 422 Subpart V. MA Organization will be subject to all other disclosure requirements contained in 42 CFR §422.111 and in CMS guidance, including those requirements contained in Chapter 9 of the Medicare Managed Care Manual.
2. CMS agrees that the disclosure requirements set forth in 42 CFR §422.111 will not apply with respect to any employer/union-only group MSA plan when the employer/union is subject to alternative disclosure requirements (e.g., the Employee Retirement Income Security Act of 1974 (“ERISA”)) and fully complies with such alternative requirements. MA Organization agrees to comply with the requirements for this waiver contained in employer/union-only group waiver guidance, including those requirements contained in Chapter 9 of the Medicare Managed Care Manual.

D. SERVICE AREA

CMS agrees that MA Organization may offer an employer/union-only group MSA plan in any state in which eligible enrollees reside provided MA Organization has properly designated (in accordance with CMS operational requirements) its employer/union-only group service areas in CMS’s Health Plan Management System (HPMS) as including those areas outside of its individual service area(s) to allow for enrollment of these beneficiaries.

In witness whereof, the parties hereby execute this contract.

This document has been electronically signed by:

FOR MA ORGANIZATION

<<CONTRACTING_OFFICIAL_NAME>>

Contracting Official Name

<<DATE_STAMP>>

Date

<<CONTRACT_NAME>>

Organization

<<ADDRESS>>

Address

FOR THE CENTERS FOR MEDICARE & MEDICAID SERVICES

<<CYNTHIA_TUDOR_ESIG>>

Cynthia Tudor, Ph.D.

Director

Medicare Drug Benefit
and C & D Data Group,
Center for Medicare

<<DATE_STAMP>>

Date