



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

MEMORANDUM

DATE: February 16, 2011

TO: All Medicare Advantage Organizations

FROM: Danielle R. Moon, J.D., M.P.A.
Director

SUBJECT: Guidance for Submitting Special Needs Plan Proposals for Contract Year 2012

The purpose of this memorandum is to remind all Medicare Advantage Organizations (MAOs) seeking to offer Special Needs Plans (SNPs) during Medicare Advantage (MA) contract year 2012 (CY 2012) that they are required to submit a SNP proposal through the Health Plan Management System (HPMS) by February 24, 2011. This proposal is required by all new SNPs, expanding SNPs, and existing/non-expanding SNPs for each SNP type the organization plans to offer during CY 2012. The new requirement to submit a SNP proposal to operate in CY 2012 for existing SNPs that are not expanding their service areas is part of the SNP approval process required under the Affordable Care Act. The SNP proposal can be found as Appendix 1 to the 2012 MA Application. The SNP proposal contains required attestations and uploads pertaining to the SNP's Model of Care and Quality Improvement Program, as well as attestations and uploads specific to the type of SNP the applicant seeks to offer. In addition, this memorandum clarifies the MIPPA state Medicaid contract requirement for dual eligible SNPs (D-SNPs) for CY 2012. Finally, this memorandum provides technical guidance on removing Renewal SNP proposals in HPMS.

SNPs Required to Submit a New Proposal

For MA Contract Year 2012, all organizations wishing to offer a SNP will need to submit a SNP Proposal for each SNP-type they seek to offer. For example, if a MAO wishes to offer one All Duals D-SNP and one Medicaid Subset - \$0 Cost Share D-SNP, this MAO will be required to submit 2 separate SNP proposals (one for each one of these SNP types) by February 24, 2011.

All D-SNP plans wishing to convert an existing D-SNP-type to a new D-SNP type are also required to submit a SNP proposal for the new SNP type they wish to offer in 2012 (and secure MIPPA compliant state Medicaid contract as specified in the next section). For example, if an existing D-SNP currently offers an All Dual D-SNP but wants to offer a Medicaid Subset non-\$0 cost share D-SNP in CY 2012, the plan is required to submit a SNP proposal for a non-\$0 cost share D-SNP and obtain a MIPPA compliant contract covering its entire 2012 D-SNP service

area. All SNP proposals must be submitted to CMS through the Health Plan Management System (HPMS) by February 24, 2011.

Dual Eligible SNPs and Medicaid State Contract Requirements

As required by the Medicare Improvements for Patients and Providers Act of 2008 and the Affordable Care Act, starting in contract year 2013, all D-SNPs will be required to have a contract with the state Medicaid agencies in each state in which they seek to operate. However, for CY 2012, D-SNPs are only required to have a signed state Medicaid agency contract to operate if they: (1) are offering a new D-SNP-type in CY 2012 (including those existing D-SNPs that are converting from a different D-SNP type in 2012); (2) are expanding the service area of an existing D-SNP type in CY 2012; or (3) offered a new D-SNP type in CY 2010 or CY 2011, or expanded the service area of an existing dual eligible SNP during either of these two contract years. D-SNPs falling into any of these three categories must have a signed state Medicaid agency contract from each state in their D-SNP service areas to operate in CY 2012. These organizations must submit a signed state Medicaid Agency contract, along with a completed 2012 D-SNP state Medicaid Agency Contract Matrix Upload Document to CMS by July 1, 2011.

Removing Existing SNP Proposals

For organizations wishing to discontinue an existing SNP offering in CY 2012, the existing SNP proposal must be removed in HPMS. Failure to complete the existing SNP proposal or failure to remove an unwanted existing SNP proposal will prevent the organization from being able to "Final Submit" any other applications (such as a contract-level service area expansion (SAE) application or other new SNP applications). Existing SNPs are labeled as Renewal SNPs in HPMS.

In order to remove a existing SNP proposal in HPMS, please access the Proposed SNP Application Data page in HPMS by following this path:

HPMS Home Page>Contract Management>Basic Contract Management>Select Contract Number>Proposed SNP Application Data

Follow these steps to remove a existing SNP Proposal:

1. Select the Radio Button next to the Renewal SNP application you wish to drop.
2. Select the "Drop" Radio Button under the heading "Select an action."
3. Click Submit, and the Confirmation screen will display.
4. Click Submit on the Confirmation screen to remove the Renewal SNP application.