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TO: Medicare-Medicaid Plans

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SUBJECT: Applicability of Final Call Letter Provisions to Medicare-Medicaid Plans

This memorandum provides additional guidance regarding the applicability to Medicare-Medicaid Plans (MMPs) of the provisions of the Contract Year (CY) 2016 Final Call Letter issued on April 6, 2015. In the chart below, we specify whether a particular provision in the CY 2016 Final Call Letter is: (1) not applicable to MMPs; (2) applicable to MMPs; (3) partly applicable to MMPs; or (4) informational only. For some provisions, comments are provided as further background.

Any questions regarding the contents of this memorandum should be directed to the Medicare-Medicaid Coordination Office at mmcocapsmodel@cms.hhs.gov.

CY 2016 Final Call Letter Provisions and Applicability to Medicare-Medicaid Plans

Final Call Letter Provisions (by section)	Not Applicable to MMPs	Applicable to MMPs	Partly Applicable to MMPs	Informational Only	Comments
<i>Section I – Parts C and D</i>					
Annual Calendar			X		Applicable to MMPs when the “MMP” column is checked.
Incomplete and Inaccurate Bid Submissions: Incomplete Submissions			X		All guidance regarding PBP submission is applicable. Guidance related to BPT requirements is not applicable.
Incomplete and Inaccurate Bid Submissions: Inaccurate Submissions		X			
Incomplete and Inaccurate Bid Submissions: Plan Corrections	X				Refer to Section E.2 of February 23, 2015 HPMS Memo, “Medicare-Medicaid Plan Annual Requirements and Timeline for CY 2016” for applicable guidance on this topic.
Formulary Submissions: All Subsections		X			

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Revisions to Good Cause Processes	X				
Enrollment Eligibility for Individuals Not Lawfully Present in the United States		X			
Making the Exceptions and Appeals Processes More Accessible for Beneficiaries				X	
Contracting Organizations with Ratings of Less Than Three Stars in Three Consecutive Years – Timeline for Application of Termination Authority	X				MMPs currently do not have star ratings.
Enhancements to the 2016 Star Ratings and Beyond			X		MMPs are required to report on all Part C and D quality measures, including SNP-only and display measures. To the extent that specification changes on individual measures impact plan reporting, MMPs must comply with the specified changes. CMS will provide more information on a possible MMP star rating later in 2015.

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Changes to Measures for 2016—SNP Care Management Measure			X		The Call Letter notes that CMS issued a clarification to this measure in 2014 making it explicit that the initial Health Risk Assessment (HRA) must occur on or after the date of the member’s initial enrollment in the plan. However, MMPs may conduct HRAs prior to the effective date of enrollment for opt-in enrollees. MMPs may conduct HRAs prior to the effective date of enrollment for passive enrollments under specific, pre-approved circumstances. MMPs must receive formal approval from CMS prior to conducting early HRAs during passive enrollment. MMPs should comply with the timeframes applicable to MMPs for reporting this measure.
Audit & Oversight: Plan Audit Performance		X			

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Audit & Oversight: Program & Compliance New Program Audit Modules			X		MMPs will be included in the pilot audit module for Medication Therapy Management. Since MMPs report networks annually, they will not be included in the Provider Network Adequacy pilot audit.
Integrated Dual-Eligible Special Needs Plans	X				
Value-Based Contracting to Reduce Costs and Improve Health Outcomes		X			CMS will be reaching out to and having conversations with MMP sponsors regarding how they are using physician incentive payments and value-based contracting of provider services to improve quality of care and reduce its costs, with a particular focus on services for which Medicare and Medicaid coverage overlap (e.g., home health care and nursing facility care). Based on this input, we may also, this year, ask MMP sponsors to share data regarding their adoption of alternative payment models.

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Innovations in Health Plan Design				X	
<i>Section II: Part C</i>					
Overview of CY 2016 Benefits and Bid Review	X				
Plans with Low Enrollment	X				
Meaningful Difference (Substantially Duplicative Plan Offerings)	X				
Total Beneficiary Cost (TBC)	X				
Maximum Out-of-Pocket (MOOP) Limits	X				
Per Member Per Month (PMPM) Actuarial Equivalent (AE) Cost Sharing Limits	X				
Part C Cost Sharing Standards	X				
Part C Optional Supplemental Benefits	X				

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PBP Updates and Guidance: Medical Services Performed in Multiple Health Care Settings			X		Applicable portions of the guidance relate to section 14a of the PBP (Medicare-covered preventive services). MMPs should also note the discussion of possible future PBP service category changes.
PBP Updates and Guidance: Service Category Titles		X			
PBP Updates and Guidance: Tiered Cost Sharing of Medical Benefits	X				
Part C Emergency/Urgently Needed Services Deductible Guidance	X				
Annual Physical Exam Supplemental Benefit		X			

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Exceptions to Policies Permitting Plans to Limit Durable Medical Equipment (DME) to Certain Brands and Manufacturers		X			
Contract Consolidations	X				
Limiting Applications	X				
MA/MA-PD Application Change	X				
Two-Year Prohibition		X			Applies in conjunction with the terms of the three-way contract.
Guidance to Verify that Networks are Adequate and Provider Directories are Current		X			
Guidance for Off-Cycle Submission of Summaries of MOC Changes			X		Refer to Section B.2 of February 23, 2015 HPMS Memo, "Medicare-Medicaid Plan Annual Requirements and Timeline for CY 2016" for applicable guidance on this topic.

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Waiver of the Three-Day Qualifying Inpatient Hospital Stay			X		While many MMPs waive the three-day stay (and some are required to do so in the three-way contracts), this provision clarifies the bid process, and MMPs do not submit bid pricing tools (BPTs) as Medicare Advantage plans do. MMPs must indicate the waiver of the three-day stay in the PBP as appropriate, however.
Standardizing the Health Risk Assessment (HRA)				X	MMPs should comply with the HRA requirements in their three-way contracts. CMS is interested in any specific information regarding how three-way contract requirements for HRAs are compatible or incompatible with the Center for Disease Control and Preventions' (CDC) Model HRA.
Guidance for In-Home Enrollee Risk Assessments				X	MMPs should comply with the HRA requirements in their three-way contracts. CMS is interested in any specific information regarding how

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					three-way contract requirements for HRAs are compatible or incompatible with the best practices identified in the Call Letter, including the recommendations for the personnel to perform in – home enrollee risk assessments. MMPs are reminded that only diagnoses from risk adjustment-acceptable physician specialty types may be submitted for payment purposes.
Section 1876 Cost Contract Provisions	X				
<i>Section III: Part D</i>					
Improving Drug Utilization Review Controls in Medicare Part D		X			
Medication Therapy Management (MTM)		X			

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Access to Preferred Cost-Sharing Pharmacies	X				
Part D Benefit Parameters for Non-Defined Standard Plans			X		While meaningful difference and cost sharing thresholds do not apply to MMPs, the changes being made with respect to generic tier labeling will apply to MMPs. Although these tier changes will not be reflected in the PBP software and HPMS for CY 2016, MMPs must ensure that the generic tier labels in their CY 2016 beneficiary materials are consistent with these new requirements.
Maximum Allowable Cost (MAC) Pricing		X			
Mail Order and Changes to Applying for Exceptions to the Auto-Ship Policy		X			
Coordination of Benefits (COB) User Fee		X			
Part D Low Enrollment	X				

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<i>Appendices</i>					
Appendix 1 – Contract Year 2016 Guidance for <u>Prescription Drug Plan (PDP) Renewals and Non-Renewal</u>	X				
Appendix 2 – Contract Year 2016 Guidance for <u>Prescription Drug Plan (PDP) Renewals and Non-Renewals - Table</u>	X				
Appendix 3 -- Measure – Beneficiary Access and Performance Problems (Revised Methodology)				X	CMS will provide more information on a possible MMP star rating later in 2015.
Appendix 4 – Improvement Measures (Part C & D)				X	CMS will provide more information on a possible MMP star rating later in 2015.