

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: April 29, 2014

TO: Medicare Advantage Organizations, PACE Organizations, and Employer/Union-Sponsored Group Health Plans

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

SUBJECT: Issuance of Proposed Update to Chapter 4 of the Medicare Managed Care Manual

Accompanying this memorandum is a proposed update to Chapter 4 of the Medicare Managed Care Manual, "Benefits and Beneficiary Protections." We are releasing this document to obtain public comment, which we will consider carefully before finalizing Chapter 4. This proposed update to Chapter 4 includes new, updated, and clarified guidance for Medicare Advantage organizations (MAOs) and employer/union-sponsored group health plans effective contract year 2015. The proposed changes include those made consistent with the 2015 Call Letter issued on April 7, 2014.

We propose new content and/or clarification of policy in the following areas:

- **Downstream entities (Section 10.5.3):** We have clarified MAO's responsibilities for their downstream entities.
- **Clinical Trials (Section 10.7):** We have clarified guidance on clinical trials and payment for Investigational Device Exemption studies.
- **The benefits list (Section 30.3):** We have updated guidance on supplemental benefits in Section 30.3 (for example, repairs of items provided as supplemental benefits and remote access technologies).
- **Tiering cost sharing of medical benefits (Section 50.1):** We have clarified our policy on tiering enrollee cost sharing for medical benefits.
- **Other Enrollee Out-of-Pocket Liability (Section 50.5):** We have added Section 50.5, "Guidance on Other Enrollee Out-of-Pocket Liability."
- **Value-Added Items and Services (Section 80):** We have clarified our guidance on Value-Added Items and Services."
- **Multiple MACs with Conflicting Policies (Section 90.2.2):** We have clarified our guidance that MAOs must adopt the coverage policy that is most beneficial to enrollees.
- **Access and Availability Rules for coordinated Care Plans (Section 110.1):** We have added two subsections to provide guidance about significant changes to provider networks

that is consistent with our Call Letter issued April 7, 2014. Additionally, we clarify that MA plans are expected, when network specialists are inadequate to meet a member's medical needs, to arrange, at in network cost sharing, for care outside of the provider network.

- **Educating Members in Medicaid and Medicare (Section 210):** We have removed this section.

Additionally, we have reorganized the chapter slightly and revised some language to improve clarity.

We thank you in advance for your careful review and comments on the proposed revisions to Chapter 4. Please submit your comments electronically using the attached comment form to Russell.Hendel@cms.hhs.gov by May 14, 2014. You also may access the comment form and the proposed updates to Chapter 4 at <http://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/index.html>.