

Date: August 15, 2005

To: Medicare Advantage Organizations  
Section 1876 Cost-based Contractors  
Demonstrations

From: Patricia P. Smith  
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Center for Beneficiary Choices

Subject: Release of Final Annual Notice of Change (ANOC) s – Contract Year  
2006

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Today we are releasing the revised 2006 Annual Notice of Change (ANOC) for Medicare Advantage Organizations, demonstrations and Medicare Cost plans. It is worth noting that because we are combining the Medicare Advantage guidelines with the Medicare Prescription Drug marketing guidelines, the ANOC model documents will no longer be included in the marketing guidelines themselves, but will be located at the CMS website address <http://www.cms.hhs.gov/healthplans/marketing/>.

In general, the ANOC highlights for beneficiaries the specific changes in Medicare plan benefits, plan premiums and plan rules effective January 1, 2006. It also addresses the close out of the Medicare-Approved discount drug card. While a model ANOC for MA organizations and Medicare Cost plans is contained in the draft Chapter 3 of the Medicare Managed Care Manual, organizations may not use the models, because they do not reflect all of the changes required by the MMA. MA organizations MUST use the revised ANOCs being provided today. The revised ANOCs contain information specific to the Medicare prescription drug coverage and the Open Enrollment Period limitations. For the 2006 contract year, the following three models have been developed for organizations to use for its current enrollees, based upon which plan the members will be enrolled in on January 1, 2006:

- (1) Medicare Advantage-only plan,
- (2) Medicare Advantage-Prescription Drug, and
- (3) MA-only plans for whom the plan will facilitate the enrollment of its full benefit dual eligible enrollees into an MA-PD plan effective January 1, 2006.

Please note that organizations need to ensure that members receive the ANOC along with the Summary of Benefits (SB) by October 31, 2005. If you have submitted the ANOC based on the draft Chapter 3 Medicare Managed Care Manual for review, please resubmit your 2006 ANOCs based on the models which accompany this notice. Additionally, all Medicare Cost plans must ensure that members receive the ANOC by December 1, 2005. The new Medicare Marketing Guidelines being posted today provide further guidance on the use of the ANOC.

If you have specific questions about any of these instructions, please do not hesitate to contact your Regional office.

Thank You.