

DEPARTMENT OF HEALTH & HUMAN SERVICES
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CENTER FOR BENEFICIARY CHOICES

To: Medicare Advantage Organizations and 1876 Cost Plans

From: Anthony J. Culotta, Acting Director /s/
Medicare Enrollment and Appeals Group

Subject: Updated Guidance – Changes to Effective Date of Medicare Advantage (MA) and 1876 Cost Plan Auto-Enrollments and Notice to Begin Facilitated Enrollment of Other LIS Beneficiaries

Date: March 17, 2006

The purpose of this memo is to provide information and guidance about the following:

- The first round of facilitated enrollment, effective May 1, 2006
- Effective dates for future auto-enrollment actions
- The monthly file of full benefit duals enrolled in MA plans

Facilitated Enrollment Effective May 1, 2006

MA organizations and 1876 Cost Plans must facilitate enrollment of their non-full benefit dual members who are also eligible for the low-income subsidy (LIS) effective May 1, 2006, instead of June 1, 2006, as stated in previous guidance. Affected beneficiaries must receive notice from the organization about such enrollment no later than April 10, 2006, so that they have sufficient time to opt-out or change plans prior to May 1. (See Chapter 2, Exhibit 28 of the Medicare Managed Care Manual (MMCM) for the model notice to be used for this purpose.)

The following data elements will enable organizations to distinguish these non-full dual members (“Other LIS Eligibles”) from full-benefit dual eligibles:

- LIS premium subsidy amount is 025, 050, or 075
- LIS copayment level = 4 (15%)
- LIS copayment level =1 (\$2/5) and the individual is not on the MA full dual file

1876 cost plans must follow the same process to auto- or facilitate enroll those beneficiaries who do not have a Part D optional supplemental benefit, even though they may have elected a stand-alone PDP on their own. Since cost plans will not necessarily know which of their members are enrolled in a stand-alone PDP, they must still include them in the auto- or facilitated enrollment process, and provide timely notification to the beneficiary in advance of

submitting the enrollment transaction to CMS. (Please see Guidance issued on February 8, 2006 for more information about the timeframes for notifying beneficiaries and submitting enrollment transactions to CMS.) If the beneficiary subsequently informs the plan that s/he has elected a PDP, the cost plan must accept this “opt-out” from auto- or facilitated enrollment and cannot submit an enrollment transaction on behalf of this individual.

CMS has safeguards in place to prevent existing MA and cost plan enrollees from being facilitated enrolled into a PDP. However, there may be instances in which a beneficiary election will not have been processed at the point in time when facilitated enrollment occurs. In these cases, the beneficiary will receive a notice from CMS informing him/her that s/he has been enrolled into a PDP. However, once the beneficiary election is processed, it will prevail over the facilitated enrollment made by CMS.

New Guidance on Auto-Enrollment Effective Date

Our existing guidance in Chapter 2 of the MMCM (Section 20.4.6) currently requires that full-benefit dual eligibles enrolled in an MA plan without Medicare prescription drug benefits be enrolled into an MA-PD plan in the same organization. The effective date of this enrollment for those who are Medicare eligible and subsequently become Medicaid eligible is the first day of the second calendar month following the month of auto-enrollment. However, this policy may result in a gap in prescription drug coverage for these individuals.

Therefore, effective immediately, the effective date of auto-enrollment for full-benefit dual eligibles who are Medicare eligible and subsequently become Medicaid eligible will be the first day of the month of Medicaid eligibility, the first day of enrollment in an MA-only plan or 1876 Cost Plan Benefit Package without Part D optional supplemental benefit, or January 1, 2006, whichever is later. This also applies to those individuals who become Medicare and Medicaid eligible in the same month. As a result, all auto-enrollments will now be retroactive, as shown below:

- New full benefit duals who are Medicare eligible first will be enrolled retroactive to the start of Medicaid eligibility (i.e., the first day of month they appear on the MA full dual file)
- New full duals who are Medicaid eligible first will be enrolled retroactive to the start of Medicare Part D eligibility (i.e., the effective date of their enrollment in the MA-only plan, which should also coincide with first day of the month they appear on the MA full dual file. Please also see Guidance issued on February 8, 2006).

However, in no case will the effective date of auto-enrollment precede the date that the individual became an enrollee of the MA organization or 1876 Cost Plan. This updated guidance supersedes instructions in Section 40.1.6 of Chapter 2 of the MMCM as applicable to this subset of auto-enrollees.

Continuation of MA Full Dual File

CMS will continue to provide the monthly MA Full Dual File as a means for MA organizations and 1876 Cost Plans to identify their current full-benefit dual eligibles enrollees who need to be enrolled into the organization's Part D benefit. The March MA full dual file was released to plans on March 13, 2006. The file will still be limited to existing full-benefit dual eligible enrollees in an organization. (See information above about identifying "Other LIS Eligibles.") The organization must continue to determine whether any of those individuals require auto-enrollment, and if so, auto-enroll them.

Beginning this month, the MA full dual file will only be sent to MA organizations and 1876 cost plans that need to conduct auto-enrollment, specifically:

- MA-organizations with at least one MA-only plan
- 1876 Cost Plans that offer a Part D optional supplemental benefit
- MA-PFFS that offer a Part D benefit.

The MA full dual file will no longer be sent to the following organizations:

- MA organizations that only offer MA-PD plans, since all enrollees have Part D benefits and do not need to be auto-enrolled
- 1876 Cost Plans that do not offer a Part D optional supplemental benefit in any of its Plan Benefit Packages (PBPs)
- 1833 Cost Plans
- MA Private Fee-For-Service (MA-PFFS) plans that do not offer a Part D benefit in any of its Plan Benefit Packages (PBPs)
- MA organizations or 1876 Cost Plans in the territories

Further Information

We appreciate MA organizations and 1876 Cost Plans' continued cooperation in ensuring full-benefit dual eligibles and other LIS eligibles are enrolled in a timely manner so as to avoid coverage gaps. If you have any questions, please contact Sharon Donovan at (410) 786-2561, or sharon.donovan@cms.hhs.gov