

**Date:** 2/8/06

**To:** All Medicare Advantage (MA) and Cost-Based Organizations

**From:** Anthony Culotta /s/  
Director, Medicare Enrollment and Appeals Group

**Subject:** Need to Enroll Full-Benefit Dual Eligible Individuals in Plans with Drug Benefits

We have identified a number of situations where MA and cost-based organizations still have full-benefit dual eligible (FBDE) individuals enrolled in plans that do not offer a drug benefit. Thus, the purpose of this letter is to reiterate the requirements for FBDE enrollment, such as those described in Sections 20.4.6 and 40.1.6 of Chapter 2 of the Medicare Managed Care Manual. In addition, I want to alert you to one change in these requirements regarding the effective date of such enrollments.

#### Enrollment Instructions for Full Benefit Dual Eligibles

Since September, 2005, CMS has sent each MA and cost-based organization a monthly file listing all of their FBDE members. Each month's file is a full replacement file. In situations where these members were not otherwise "rolled over" into a plan offering a drug benefit, organizations have been instructed to move these members into an MA-PD plan or cost plan with a Part D optional supplemental benefit effective January 1, 2006. Organizations were required to enroll such individuals even if there was an employer subsidy being claimed for them or if the individual was enrolled in an employer or union sponsored plan. The only exception is for those who affirmatively declined being enrolled (see Chapter 2 and July 5, 2005 Systems Letter).

To the extent that this has not been carried out, it is imperative that you take immediate action to enroll these individuals into a plan with a drug benefit. Organizations that have not effectuated the required January 1, 2006 enrollments for all applicable individuals must submit retroactive enrollment requests to ensure these individuals are enrolled in the appropriate Part D plan effective on that date. They also must report this to their CMS Regional Office Plan Manager immediately to ensure that the Regional Offices are aware of these situations as they deal with the extensive Part D casework load.

#### Updated Guidance on Effective Dates for FBDE Enrollments

Section 40.1.6 of Chapter 2 directs MA organizations to facilitate the enrollment of FBDE individuals who elect an MA-only plan into an MA-PD plan. Starting in 2006, the effective date is the first day of the second month after the individual is identified.

However, to prevent any gap in prescription drug coverage, CMS is instructing MA organizations to facilitate enrollment into MA-PD plans for these individuals retroactive

to the effective date of the individual's enrollment into the MA-only plan (or January 1, 2006; whichever is later). Consistent with existing policy, the MA organization must first notify the FBDE member of the facilitated enrollment. If the individual does not respond within 10 business days of the notice being sent, the MA organization must submit an enrollment transaction to enroll the individual in the MA-PD retroactive to the effective date of enrollment in MA-only plan. Exhibit 27 of Chapter 2 has been revised to reflect this (see attached). Please follow normal procedures for submission of transactions with retroactive effective dates.

Note that the instruction for retroactive effective date applies only to those new enrollees who are FBDEs at the time of their enrollment in the MA or cost-based plan that does not offer a drug benefit, including all FBDEs on the January full dual file. In contrast, for existing MA-only enrollees who later became a full-benefit dual eligible (i.e. became Medicaid eligible after a month or more of enrollment in the MA-only plan), the existing instructions in Chapter 2 for prospective effective dates apply.

Again, these instructions also apply to cost plans that offer a Part D optional supplemental benefit and to MA Private Fee-For-Service plans that offer a Part D benefit.

#### Updated Guidance for Special Needs Plans

If you have a SNP for FBDEs only, note that beneficiaries in the MA full dual file are those with full dual status within the past few months. We deliberately used relatively expansive criteria for who should be included as full duals in this file, to make sure that we capture beneficiaries with intermittent Medicaid status. However, for SNPs that are limited to full duals, please obtain additional corroboration of their current full dual status and follow the instructions outlined in our SNP guidance at <http://www.cms.hhs.gov/SpecialNeedsPlans/Downloads/FinalSNPGuidance1-19-06.pdf>

#### **Contact Information**

If you have questions regarding the information contained in this letter, please contact your CMS Regional Office Plan Manager. Specific questions about auto-enrollment policy or procedures should be submitted to Sharon Donovan at [Sharon.Donovan@cms.hhs.gov](mailto:Sharon.Donovan@cms.hhs.gov) or 410-786-2561.

Attachment