

Frequently Asked Questions (FAQs) and Enrollment Scenarios for § 422.514(h)

Updated April 2026 with respect to the [CY2027 Final Rule](#)

The Contract Year 2025 Medicare Advantage and Part D final rule (the CY 2025 Final Rule),¹ which appeared in the Federal Register on April 23, 2024 (89 FR 30448), included several provisions to simplify options for dually eligible individuals and promote greater alignment of Medicare Advantage (MA) dual eligible special needs plans (D-SNPs) and Medicaid managed care organizations (MCOs). Specifically, the provisions at § 422.514(h) adopted in the final rule require that beginning 2027, where an MA organization offers a D-SNP and the MA organization, its parent organization, or any entity that shares a parent organization with the MA organization also contracts with a state as a Medicaid MCO that enrolls full-benefit dually eligible individuals in the same service areas (even if there is only partial overlap of the service areas), the MA organization:

- May only offer, or have a parent organization or share a parent organization with another MA organization that offers, one D-SNP for full-benefit dual eligible individuals, except as otherwise provided in § 422.514(h)(3) (§ 422.514(h)(1)(i)); and
- Must limit new enrollment in the D-SNP to individuals enrolled in, or in the process of enrolling in, the Medicaid MCO (§ 422.514(h)(1)(ii)).

Beginning in 2030, such D-SNPs must only enroll (or continue to enroll) individuals enrolled in (or in the process of enrolling in) the affiliated Medicaid MCO,² except that such D-SNPs may continue to implement deemed continued eligibility requirements as described in §422.52(d). (§ 422.514(h)(2)).

To minimize enrollment disruption associated with achieving compliance with these provisions, CMS also codified a new crosswalk exception at § 422.530(c)(4)(iii). Additionally, limited exceptions to the requirements at § 422.514(h)(1) and (2) were codified at § 422.514(h)(3). The Contract Year 2027 Medicare Advantage and Part D final rule (the CY 2027 Final Rule),³ which appeared in the Federal Register on April X, 2026, included two additional exceptions to the provisions at § 422.514(h) adopted in the CY 2025 Final Rule. These exceptions are discussed later in this document.

CMS developed the below set of frequently asked questions (FAQs) to help MA organizations, states, and other interested parties prepare for implementation of the provisions at § 422.514(h) beginning in CY 2027. However, where there are differences between statute or regulations and the FAQs, the statute or regulations control over the FAQs (and any other guidance). Interested parties should consult the applicable statute, regulations, and final rules.

¹ [Medicare Program; Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Program for Contract Year 2024—Remaining Provisions and Contract Year 2025 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly \(PACE\)](#)

² An “affiliated Medicaid MCO” is one where an MA organization, its parent organization, or another MA organization with the same parent organization offers a D-SNP in the same service area as the aligned Medicaid MCO.

³ [Medicare Program; Contract Year 2027 and Certain Contract Year 2026 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, and Medicare Cost Plan Program](#)

Frequently Asked Questions on D-SNP Enrollment Limitations Provisions at § 422.514(h)

1. Do the requirements at 42 CFR 422.514(h) apply to *all* D-SNPs or only those that are integrated (e.g., HIDE SNPs, FIDE SNPs, AIP D-SNPs)⁴?

The enrollment restrictions and contract limitations at § 422.514(h) apply to *all* types of D-SNPs, including coordination-only D-SNPs affiliated with a Medicaid managed care contract that is owned and controlled by the same entity that operates the coordination-only D-SNP and enrolls full-benefit dual eligible individuals.

2. How do the provisions at § 422.514(h) apply to D-SNPs that are directly capitated to provide Medicaid benefits such that they also meet the definition of a Medicaid MCO?

The contracting limitations at § 422.514(h)(1)(i) – that the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization cannot offer more than one D-SNP in the same service area for full-benefit dually eligible individuals – apply regardless of whether the D-SNP is directly capitated (where the D-SNP and Medicaid MCO are the same legal entity and the SMAC serves as the Medicaid MCO contract) or the D-SNP is aligned to a Medicaid MCO that holds a separate Medicaid MCO contract. Directly capitated D-SNPs that are also Medicaid MCOs operate as a single plan (i.e., an enrollee cannot be in the Medicaid MCO without also being in the D-SNP for their Medicare coverage). This configuration satisfies the enrollment restrictions provided under § 422.514(h); it's not possible for enrollees in these D-SNPs to be unaligned.

3. Do these policies apply at the contract level or the plan benefit package (PBP) level?

The provisions at § 422.514(h) apply at the MA organization and MA parent organization level (“where an MA organization, its parent organization, or another MA organization with the same parent organization offers a D-SNP in the same service area as the aligned Medicaid MCO”). The term “parent organization” is defined at § 422.2. That means an MA organization, its parent organization, and any other MA organization with the same parent organization may only offer one D-SNP (H number and PBP) for full-benefit dually eligible individuals in the same service area as that MA organization’s affiliated Medicaid MCO. The provisions at § 422.514(h) do not preclude the MA organization, its parent organization, or another MA organization with the same parent organization from offering a separate D-SNP for partial-benefit dually eligible individuals in the same service area as their D-SNP subject to § 422.514(h), as allowable by state policy.

4. Does this mean that D-SNPs with affiliated Medicaid MCOs have to operate with exclusively aligned enrollment (EAE) beginning in 2027?

Starting in 2027, § 422.514(h)(1)(ii) allows D-SNPs with affiliated Medicaid MCOs only to **newly** enroll individuals who are already in (or in the process of enrolling in) their affiliated Medicaid MCO. These plans can continue to serve existing enrollees who are unaligned until 2030. Additionally, if an individual newly enrolls in one of these D-SNPs in 2027 while enrolled in the affiliated MCO, then chooses to change their Medicaid MCO later (i.e., their

⁴ The terms “highly integrated dual eligible special needs plans” (HIDE SNPs) and “fully integrated dual eligible special needs plans” (FIDE SNPs) are defined at § 422.2. The term “applicable integrated plan” (AIP) is defined at § 422.561.

enrollment becomes “unaligned”), those individuals may remain in the D-SNP until 2030. D-SNPs affected by the provisions at § 422.514(h) will be operating with EAE beginning in 2030 unless the D-SNP meets one of the exceptions at § 422.514(h)(3).

5. Can a parent organization with a Medicaid MCO continue to operate a coordination-only (CO) D-SNP for partial-benefit dually eligible enrollees when § 422.514(h) applies?

Yes. If state policy allows, the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may operate CO D-SNPs limited to partial-benefit dually eligible enrollees in the same service area in which they operate an integrated D-SNP for full-benefit dually eligible enrollees and an aligned Medicaid MCO. Per § 422.107(c) and (d)(2), if a state allows such CO D-SNPs for partial-benefit dually eligible enrollees, the state must specify via the state Medicaid agency contract (SMAC) that the parent organization is allowed to also operate a CO D-SNP for partial-benefit dually eligible enrollees.

6. What does it mean to be “in the process of enrolling” into a Medicaid MCO? Do states/plans need to change how EAE is effectuated?

To preserve the various state approaches to EAE, § 422.514(h) did not specifically define “in the process of enrolling in” a Medicaid MCO. There is no defined “order” in which the Medicare or Medicaid enrollments need to be effectuated (i.e., neither Medicare nor Medicaid enrollments need to be processed “first”). For example, states that “match” the Medicaid MCO to that of the enrollee’s D-SNP choice may continue to do so, while states that have mandatory Medicaid managed care can also continue their process where the Medicaid MCO enrollment would be first followed by an individual’s enrollment into an integrated D-SNP. Both examples would meet the provisions of § 422.514(h).

Additionally, CMS recognizes that some states have operationalized EAE with a Medicaid enrollment cut-off, such that some dually eligible individuals who elect integrated D-SNPs with EAE late in the month cannot have their Medicaid aligned on the first day of their D-SNP coverage due to Medicaid enrollment limitations. Provided these enrollees’ have their Medicaid MCO aligned to their D-SNP as soon as possible following the D-SNP enrollment, this process is allowable under § 422.514(h).

7. If a D-SNP’s parent organization doesn’t operate a Medicaid MCO that serves full-benefit dually eligible enrollees in my state, how are they affected?

D-SNPs whose MA organization, parent organization, or an entity that shares a parent organization with the MA organization don’t operate a Medicaid MCO that serves full-benefit dually eligible enrollees in a state are unaffected by the enrollment/contracting limitations at § 422.514(h).

8. Do the requirements at § 422.514(h) apply to parent organizations offering D-SNPs and Medicaid prepaid inpatient health plans (PIHPs) or prepaid ambulatory health plan (PAHPs) in the same service area?

An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization that contracts with a state *only* as a PIHP or PAHP would not be

subject to the requirements at § 422.514(h) as they only apply when an organization offers a D-SNP for full-benefit dually eligible enrollees and a Medicaid MCO for full-benefit dually eligible enrollees in the same service area. The PIHP or PAHP does not provide comprehensive Medicaid benefits to those full-benefit dually eligible members.

However, if the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization operates D-SNPs aligned with a Medicaid MCO that does serve full-benefit dually eligible enrollees *and* also has a PIHP or PAHP in the same service area for full-benefit dually eligible enrollees, the enrollment limitations do apply, since the Medicaid MCO provides comprehensive Medicaid benefits to its full-benefit dually eligible members. In those cases, the state may allow the organization to offer more than one D-SNP in the same service area to align with the Medicaid MCO and with the PIHP or PAHP using the exception at § 422.514(h)(3)(i) as discussed further below.

9. Can D-SNPs eligible for the exception at § 422.514(h)(3)(iii) continue to enroll beneficiaries who receive certain Medicaid benefits from a PIHP, PAHP, or PCCM entity, while receiving other benefits from Medicaid FFS?

Yes. Because PIHPs, PAHPs, or PCCMs do not provide comprehensive Medicaid, beneficiaries who receive certain Medicaid benefits from these entities while receiving other benefits from Medicaid FFS are still enrolled in Medicaid FFS for purposes of § 422.514(h)(3)(iii). If an enrollee has Medicaid FFS and coverage for a specific set of services via a PIHP, PAHP, or PCCM entity, they would still be eligible for enrollment in an applicable plan that qualifies for the exception at § 422.514(h)(3)(iii).

10. Are there exceptions to the enrollment limitation policy at § 422.514(h)(1)(i)?

Yes, in the CY 2025 Final Rule, we established exceptions at § 422.514(h)(3), to the policy at § 422.514(h)(1)(i):

- a. An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may operate more than one D-SNP for full-benefit dually eligible enrollees in the same service area subject to the exceptions at § 422.514(h)(3) and if it is allowable via state policy and articulated in the SMAC. Section 422.514(h)(3)(i) allows for the exception that “[i]f a State Medicaid agency’s contract(s) with the MA organization differentiates enrollment into D-SNPs by age group or to align enrollment in each D-SNP with the eligibility or benefit design used in the State’s Medicaid managed care program(s) (as defined in § 438.2)” the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization can offer more than one D-SNP for full-benefit dually eligible enrollees in the same service area as the Medicaid MCO.
 - If the state’s Medicaid managed care programs differentiate by age and the state allows a D-SNP to differentiate enrollment by age (e.g., Massachusetts operates the Senior Care Options program for the over 65 and One Care for the under 65 populations), then the D-SNP would be eligible for this exception.
 - If a state’s Medicaid managed care program differentiates enrollment by benefit design (e.g., differentiating enrollment between enrollees who need nursing facility level of care or long term services and supports and enrollees who do not need nursing facility level of care or long term services and supports, or like New York’s Medicaid Advantage Plus program and its

Managed Long Term Care program), then the D-SNP would be eligible for this exception.

- b. An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may operate more than one D-SNP for full-benefit dually eligible enrollees in the same service area if one of the D-SNPs is a PPO and the other is an HMO; however, the plan that is not aligned with the Medicaid MCO will be closed to new enrollment. This requirement should be articulated in the SMAC and is discussed below. This exception exists because there are regulations (§ 422.530(a)(2)) that prohibit crosswalks between different contracts or different plan types (for example, HMO to PPO). This exception is intended to limit disruption for enrollees where the crosswalk exception at § 422.530(c)(4)(iii) could not apply.

In the C Y 2027 Final Rule, CMS finalized additional exceptions to the provisions at § 422.514(h) adopted in the CY 2025 Final Rule.

- c. If the MA organization subject to § 422.514(h)(1) holds a SMAC with a state that does not mandate enrollment in Medicaid managed care for all full-benefit dually eligible individuals and the SMAC allows enrollment of full-benefit dually eligible individuals who are enrolled in Medicaid FFS, the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may enroll, in a CO D-SNP or HIDE SNP, full-benefit dually eligible individuals who are enrolled in Medicaid FFS. For example, if a state does not require beneficiaries who are full-benefit dually eligible individuals and are affiliated with a particular tribal organization to enroll in a Medicaid MCO, then, at the state's discretion, the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization would be allowed to enroll such individuals into their CO D-SNP or HIDE SNP.
 - These D-SNPs may not enroll full-benefit dually eligible individuals who are enrolled in a Medicaid MCO that is owned and controlled by an entity other than the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization.
- d. MA organizations operating in U.S. Territories that have not adopted the Medicare Savings Programs would be exempt from the requirements at § 422.514(h)(1)(i) that otherwise would require—beginning in contract year 2027—the MA organization to only offer, or have a parent organization or share a parent organization with another MA organization that offers, one D-SNP for full-benefit dually eligible individuals. This exception is explained more thoroughly below.

11. Can you explain the exception from the C Y 2027 Final Rule for U.S. Territories?

The Medicaid program in the U.S. Territories differs from Medicaid programs operating in the States and the District of Columbia in several notable ways. The Medicare Savings Programs (MSPs), as defined at section 1144(c)(7) of the Social Security Act (the Act) and 42 CFR 435.4, are Medicaid eligibility groups through which Medicaid assists low-income Medicare beneficiaries with their Part A and/or Part B premiums, and for many enrollees, cost-sharing. The MSPs are mandatory Medicaid eligibility groups for the 50 States and the District of Columbia, but optional for the U.S. Territories per section 1905(p)(4)(A) of the Act. Currently, no U.S. Territory has adopted the MSPs.

Additionally, per section 1860D-14(a)(3)(F) of the Act and 42 CFR 423.907(a)(1), low-income Part D eligible individuals who reside in the U.S. Territories are ineligible for the Part D low-income subsidy, which provides cost-sharing and premium assistance to low-income Part D-eligible individuals in the

50 States and the District of Columbia in accordance with section 1860D–14 of the Act and 42 CFR part 423 subpart P.

Currently, Puerto Rico is the only U.S. Territory that offers D-SNPs. While traditional funding sources for Medicare premiums are unavailable in the U.S. Territories, D-SNPs have the discretion to apply their MA rebate toward the Part B premium amount. Additionally, premiums for Part D are covered by the Enhanced Allotment Plan (section 1935(e) of the Act), a specific source of funding for prescription drugs for the U.S. Territories.

Given the unique landscape in the U.S. Territories, including Puerto Rico, we finalized an exception to exempt from the requirements at § 422.514(h)(1)(i) MA organizations operating in U.S. Territories that have not adopted MSP.

12. Based on the new exception at § 422.514(h)(iii), do Medicaid FFS beneficiaries need to be enrolled into separate PBPs from aligned enrollees and what will be required in 2030?

The exception to § 422.514(h)(1) and (h)(2) at (h)(3)(iii) that allows for enrollment of dually eligible individuals with Medicaid FFS in a state where the state Medicaid agency does not mandate enrollment in Medicaid managed care for all full-benefit dually eligible individuals. This exception allows affected MA organizations to either enroll enrollees with Medicaid FFS in the same D-SNP as aligned enrollees or in a different D-SNP. The state may indicate a preference via the SMAC of how it wants the full-benefit dually eligible Medicaid FFS individuals enrolled. Specifically, in states where some D-SNPs operate with EAE, the MA organization may be required to separate out the populations into distinct D-SNPs to maintain the D-SNP with EAE. Unless a state changes to require aligned enrollment via mandatory Medicaid managed care, this exception will continue to apply in 2030 and beyond. If a state mandates enrollment in Medicaid managed care, the exception will no longer apply.

13. What happens if the Medicaid MCO that enrolls full-benefit dually eligible individuals and D-SNP service areas do not overlap?

If an MA organization, its parent organization, or an entity that shares a parent organization with the MA organization offers a Medicaid MCO that enrolls full-benefit dually eligible individuals and D-SNP(s) that do not have overlapping service areas at all, then the enrollment limitations at § 422.514(h) do not apply. We note that the D-SNP in this scenario would be a CO D-SNP because for FIDE SNPs and HIDE SNPs, per definitions at § 422.2, the service area for the affiliated Medicaid MCO must cover the entire service area of the D-SNP.

14. What are the implications of § 422.514(h) if the MA organization operates in service areas where it also operates a Medicaid MCO as well as in service areas where it doesn't offer a Medicaid MCO?

Beginning in 2027, an MA organization, its parent organization, or an entity that shares a parent organization with the MA organization that also operates as a Medicaid MCO in the same or overlapping service areas for full-benefit dually eligible individuals can only newly enroll individuals into the D-SNP who are enrolled in (or in the process or enrolling in) the affiliated Medicaid MCO. For FIDE SNPs and HIDE SNPs, per definitions at § 422.2, the service area for the affiliated Medicaid MCO must cover the entire service area of the D-SNP. The MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may use existing processes to adjust their D-SNP

PBPs and service areas to meet the service area requirement and align with the Medicaid MCO service area(s), subject to state approval, such that they can enroll individuals in all their D-SNP service areas.

For example, if an MA organization that also contracts with the example state of Alpha as a Medicaid MCO offers a coordination-only D-SNP and enrolls full-benefit dually eligible individuals in county A, county B, and county C, but only enrolls full-benefit dually eligible individuals under the affiliated Medicaid MCO in counties A and B, the D-SNP would not be able to enroll any individuals in county C effective 2027 (as there is no affiliated Medicaid MCO serving that county). The MA organization, its parent organization, or an entity that shares a parent organization with the MA organization could choose to separate their D-SNP geographically. For example, they could have one D-SNP that matches the Medicaid MCO service area (here, counties A and B) and create a separate D-SNP in county C where the parent organization does not have a Medicaid footprint, and thus would not be subject to § 422.514(h). It's important to note that a state can choose to allow this or not via the SMAC.

15. What happens in a scenario where the parent organization operates a Medicaid MCO that is statewide but has multiple D-SNPs with service areas that differ by region (e.g., they cover separate parts of the state)?

The MA organization, its parent organization, or an entity that shares a parent organization with the MA organization could comply with § 422.514(h)(1)(i) if the D-SNP service areas do not overlap with one another. If there is any overlap among D-SNP service areas, however, the enrollment limitation policy would apply.

16. How might a parent organization consolidate their D-SNP PBPs currently operating in overlapping service areas?

Beginning contract year 2027, CMS established a new crosswalk exception at § 422.530(c)(4)(iii) to permit moving enrollment across D-SNP PBPs under different MA contracts held by MA organizations within the same parent organization to comply with requirements at [§§ 422.514\(h\)](#) and [422.504\(a\)\(20\)](#). Further guidance will be provided in Chapter 11 of the Bid Manual in June 2026.

MA organizations within the same parent organization that offer D-SNPs of different product types (i.e., PPO, HMO) may not crosswalk beneficiaries from one plan to another. Because of this prohibition, CMS provided the HMO/PPO exception noted above (10.b.) to allow parent organizations to operate HMO/HMOPOS and PPO D-SNP types operating in the same service area while closing enrollment into either the HMO or PPO as specified in the SMAC.

17. Can unaligned full-benefit dually eligible enrollees be crosswalked using the crosswalk exception at § 422.530(c)(4)(iii)?

Yes. An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization consolidating D-SNPs to comply with § 422.514(h) can crosswalk full-benefit dually eligible enrollees eligible for the surviving D-SNP, even if they are not currently enrolled in the aligned Medicaid MCO. However, by 2030, all enrollees must be aligned as described in #4 above.

If the surviving D-SNP PBP is required to operate with EAE per state policy, unaligned enrollees cannot be crosswalked into that D-SNP PBP as they are ineligible.

18. What actions may a plan expect states to take regarding the provisions at § 422.514(h)?

States may include a provision in their SMAC that articulates where any of their integrated or managed care programs meet the exceptions at § 422.514(h)(3) and continue to articulate the category(ies) and criteria for eligibility for dually eligible individuals, per § 422.107(c)(2). If an MA organization, its parent organization, or an entity that shares a parent organization with the MA organization is subject to § 422.514(h) and has both an HMO and a PPO, the MA organization should expect the state to articulate in the SMAC which product may no longer accept new enrollment, per § 422.514(h)(3)(ii).

Longer-term, states may want to consider how their D-SNP landscape will change and whether there are new opportunities/incentives to pursue other integration policies (e.g., D-SNP-only contracts) or D-SNP contracting strategies. The CMS Medicare-Medicaid Coordination Office (MMCO) is always happy to talk with states about the existing D-SNP landscape, the potential impact of these new provisions, and other potential contracting strategies. States can reach out to MMCO's D-SNP mailbox at MMCO_DSNPOperations@cms.hhs.gov.

19. What happens if an MA organization that seeks to offer D-SNPs for CY 2027 submits SMACs and/or bids that do not comply with § 422.514(h)?

If an MA organization is subject to the requirements at § 422.514(h) and submits a bid that does not comply with the requirements at § 422.514(h), then the MA organization will be subject to having the state Medicaid agency contract for that D-SNP rejected by CMS and may need to withdraw a bid submission without the ability to update assumptions for any remaining bid submissions. MA organizations should submit the crosswalk exception at the time the crosswalk exceptions module is made available. It would not be acceptable to submit a crosswalk exception to move full-benefit dually eligible members across contracts in a state that does not carve in dually eligible individuals to their Medicaid managed care program. The crosswalk exceptions specific to D-SNPs being permitted to crosswalk members across contracts are codified at 42 CFR 422.530(c)(3) and (4). For states that do include dually eligible individuals in their Medicaid managed care program, it would only be acceptable to crosswalk partial-benefit dually eligible members across contracts for the D-SNP to comply with 42 CFR 422.514(h) and 422.504(a)(20).

20. Does this rule affect how many PBPs an organization can have?

Yes, in part. If the provisions at § 422.514(h) are applicable, then to some extent the MA organization will be limited on how to structure its D-SNP PBPs, thereby limiting the number that may be offered. Further, states may impose a limit on the number of D-SNP PBPs that an organization may offer via the SMAC.

21. What information should be included in the SMAC?

MA organizations offering D-SNPs should expect that SMACs will need to articulate where any of the integrated or Medicaid managed care programs trigger the exceptions codified at § 422.514(h)(3). SMACs will have to continue to include all of the information required per § 422.107(c), including the category(ies) and criteria for eligibility for dually eligible individuals,

per § 422.107(c)(2). If applicable, the following information should be included in the SMAC:

a. New enrollments

Where the D-SNP is not already exclusively aligned, the SMAC should include language that beginning January 1, 2027, the D-SNP PBP may only newly enroll full-benefit dually eligible individuals that are aligned with the affiliated Medicaid MCO. Meaning the D-SNP cannot accept new enrollments from individuals enrolled in another parent organization's Medicaid MCO.

b. Enrollment based on eligibility or benefit design

The exception at § 422.514(h)(3)(i) is available to D-SNPs that operate in states that differentiate enrollment by eligibility or benefit design. If the SMAC allows, the D-SNP may offer one or more additional D-SNPs for full-benefit dually eligible individuals in the same service area in accordance with the group (or groups) eligible for D-SNPs based on provisions of the SMAC.

c. PPO v HMO

This exception at § 422.514(h)(3)(ii) is applicable where an MA organization offers both a PPO and an HMO. The SMAC will need to articulate which D-SNP PBP is closed to new enrollment.

d. Allowance for multiple PBPs

This exception under § 422.514(h)(3)(iii) is only available to plans that operate in a state where the state Medicaid agency does not mandate enrollment in Medicaid managed care for all full-benefit dually eligible individuals and is affected by the enrollment restrictions in § 422.514(h). The state should include in the SMAC the category(ies) and criteria for eligibility for dually eligible individuals, per § 422.107(c)(2) for all the D-SNPs in the contract.

The regulatory language for the new exception at § 422.514(h)(3)(iii) requires applicable states to stipulate in the SMAC that a D-SNP is allowed to enroll beneficiaries who are enrolled in Medicaid FFS. If applicable, the SMAC can also stipulate whether or not these beneficiaries will need to be in a separate PBP.

States may impose a limit on the number of D-SNP PBPs that an organization may offer via the SMAC.

Table: Example Plan Enrollment and Service Area Scenarios

The table below provides example plan scenarios and how each is affected by the provisions at § 422.514(h)

Scenario	2027, 2028, and 2029	2030
Parent organization A operates a D-SNP, but not a Medicaid MCO (or does not operate the Medicaid MCO in the same service area as the D-SNP).	Parent organization A can continue to operate the D-SNP without restrictions on enrollment, unless restrictions are placed by the state via the SMAC.	
Parent organization B operates 3 D-SNPs in a service area but does not operate a Medicaid MCO in the same service area.	Parent organization B can continue to operate all 3 D-SNPs in this service area without any restrictions on enrollment unless restrictions are placed by the state via the SMAC.	
Parent organization C operates a Medicaid MCO but not a D-SNP (or does not operate the D-SNP in the same service area as the Medicaid MCO).	N/A. The provisions at § 422.514(h) apply to parent organizations that offer D-SNPs, so no contracting limitations apply in this scenario.	
Parent organization D operates one D-SNP and a Medicaid MCO, and part of the service areas overlap.	Parent organization D can only enroll into the D-SNP enrollees in the Medicaid MCO, or in the process of enrolling in the Medicaid MCO.	Parent organization D must disenroll enrollees out of the D-SNP who are not also enrolled in the Medicaid MCO.
Parent organization F operates a CO D-SNP in counties A, B, and C but only offers an MCO in counties A and B (i.e., Medicaid managed care is not offered statewide).	Parent organization F may continue to operate the CO D-SNP in all three counties but has to operate a separate D-SNP in county C from the D-SNP operated in counties A and B. A state can choose to allow this or not via the SMAC. .	
Parent organization G operates a D-SNP and an MCO in a state that offers voluntary Medicaid managed care. In other words, the state has voluntary Medicaid managed care and FFS Medicaid.	Depending on the SMAC, Parent organization G can continue to enroll full benefit dually eligible individuals in Medicaid FFS in the same D-SNP as aligned enrollees, or it can enroll full benefit dually eligible individuals in Medicaid FFS in a separate PBP from aligned enrollees.	

<p>Parent organization E operates 3 D-SNPs in a service area and operates a Medicaid MCO in the same service area in a state that mandates Medicaid managed care.</p>	<p>Parent organization E must offer no more than 1 D-SNP in the service area for full-benefit dually eligible individuals. The other 2 D-SNPs may no longer enroll full benefit dually eligible individuals. Parent organization E could non-renew them, or adjust eligibility such that they only serve partial-benefit dually eligible individuals, if state policy allows.</p> <p>Parent organization E may use the crosswalk exception at § 422.530(c)(4)(iii) to move full-benefit dually eligible enrollees into the surviving D-SNP aligned with the Medicaid MCO.</p>	<p>Parent organization E must disenroll enrollees out of the D-SNP PBPs for full-benefit dually eligible individuals who are not also enrolled in the Medicaid MCO.</p> <p>Parent organization E may retain any partial-benefit dually eligible individuals still enrolled in a CO D-SNP specific to partial-benefit enrollees.</p>
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