



DATE: September 9, 2010

TO: All MA, MA-PD, Section 1876 Cost Contract Plans, Employer/Union-Only Group Waiver Plans (EGWPs) and PDP Sponsors with Contracts or Plans that are Non-Renewing or Reducing Their Service Areas for 2011

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SUBJECT: Non-Renewal and Service Area Reduction Guidance

This memorandum provides all MA, MA-PD, cost contract, EGWP plans, and PDP sponsors with guidance regarding their obligations to adhere to all CMS requirements to ensure that all affected beneficiaries receive timely notification of a non-renewal or service area reduction of their current plan for CY 2011.

The guidance that follows is applicable to all MA, MA-PD, cost contract, and EGWP plans, and PDP sponsors that have notified CMS of their intent to non-renew or reduce their service areas. Organizations must send a non-renewal notice to enrollees by October 2, however the notice may not be sent before September 21, 2010.

Attached you will find the following:

- Non-Renewal and Service Area Reduction Guidance
- Model Final Notice to Beneficiaries in MA, MA-PD, Cost Contract and EGWP Plans that are Non-Renewing or Reducing Their Service Areas (Tab A)
- Model Notice to Beneficiaries in PDPs that are Non-Renewing or Reducing Their Service Areas (Tab B)
- **New** Model Notice to Beneficiaries in Special Needs Plans (SNPs) that Exclusively Enroll Dual Eligibles (Tab C)
- Outbound Informational Non-Renewal/Service Area Reduction Script (Tab D)
- “What You Should Know about Medigap,” with specific attachments for the three waiver states of Massachusetts, Minnesota and Wisconsin (Tabs E, F, G and H).

For this year, we have added language to the model final notice for beneficiaries in MA, MA-PD, Cost Contract, and EGWP plans that advises LIS eligibles and dual eligibles that CMS will enroll them in a prescription drug plan effective January 1, 2011, if they fail to choose a new plan on their own. We have also included this language in a **new** notice this year for SNPs that exclusively enroll dual eligibles. Please note that this letter (Tab C) is to be sent without any of

the Medigap attachments, so as to avoid confusion for dual eligible beneficiaries who may be prohibited from purchasing a Medigap policy, and whose State may pay their cost-sharing if they are in Original Medicare.

Please note that at this time, the deadline has passed for organizations to submit any additional notice to CMS to voluntarily non-renew or request a service area reduction. Similarly, the bid deadline has passed.

If you have any questions or concerns about non-renewals or service area reductions, please contact your Account Manager.

Attachments (9)