

**MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP**

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**MEMORANDUM**

DATE: August 19, 2010

TO: All Medicare Advantage Organization offering Dual Eligible Special Needs Plans

FROM: Danielle R. Moon, J.D., M.P.A.  
Director

SUBJECT: Guidance on Contracts - Dual Eligible Special Needs Plans and State Medicaid Agencies for Contract Year 2011

The purpose of this memo is to provide clarification regarding the contract processes for Medicare Advantage Organization (MAOs) that offer Dual Eligible (DE) Special Needs Plans (SNPs). The Affordable Care Act amended section 164(a) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), which required existing DE SNPs that are not seeking to expand their service area to execute contracts with State Medicaid Agencies. Consequently, these plans have until December 31, 2012 to execute such a contract.

However, pursuant to section 164(a) of MIPPA, all MAOs seeking to offer new DE SNPs in 2011 or those seeking a service area expansion for contract year 2011 are still required to have a contract with their State Medicaid Agency if they have not yet obtained one and submit that contract to CMS as described further below. The contract must contain the eight elements described in Attachment A.

Note: If you obtained an approved contract with your respective State Medicaid Agency in 2009 for operation and implementation for the 2010 contract year only, i.e., it was not automatically renewed due to an “evergreen” clause or was not for multiple years (2010 and beyond), you must renew this contract with your State Medicaid Agency in order to continue to operate in 2011. Please consult with your State Medicaid contact person and Regional Office contacts to discuss the renewal process for the contract.

Information about DE SNPs that are required to submit state contracts to CMS for review and approval (new, expanding and renewals of those that were approved for operation in 2010) will not be included in the initial plan landscape release in September. However, information about these plans is expected to be included in a subsequent update in October, if their submission to CMS is timely (by the September 1, 2010), complete, and has met the conditions for approval.

### **Specific Guidance for Submitting Contract Documents**

MAOs seeking to offer new dual eligible SNPs or a service area expansion for CY 2011 should submit the following materials to CMS by **September 1, 2010**.

- Completed contract for 2011 implementation
- Contracting Review Matrix with the “Page Number(s)” and “Section Number” columns completed. (See Attachment B).

### **Technical Assistance for States**

CMS has posted more detailed contract guidance on a new CMS Special Needs Plan State Resource Center webpage -

[http://www.cms.gov/SpecialNeedsPlans/05\\_StateResourceCenter.asp#TopOfPage](http://www.cms.gov/SpecialNeedsPlans/05_StateResourceCenter.asp#TopOfPage) . If you need further assistance, please contact Ms. LaVern Baty at (410) 786-5480.

### **Contract Submission Process**

Completed contracts (either electronically or hard copy) for the 2011 contract year must be submitted by the MAO - Dual Eligible SNP by **September 1, 2010**.

- Electronic submissions should be sent to CMS [SNP\\_Mail@cms.hhs.gov](mailto:SNP_Mail@cms.hhs.gov). Please include the Contract ID# and Plan Name in the “Subject” line. The contract and the Contracting Review Matrix should be in a zip file.
- Hard copy submissions should be mailed as follows:

Attn: Ms. LaVern Baty  
Centers for Medicare & Medicaid Services  
Center for Medicare  
Medicare Drug & Health Plan Contract Administration Group  
7500 Security Boulevard, Mail Stop C4-24-26  
Baltimore, Maryland 21244-1850