

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



**Center for Medicare  
Medicare Plan Payment Group**

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DATE: November 18, 2010

TO: All MA-PD plans

FROM: Cheri Rice, Acting Director, Medicare Plan Payment Group

SUBJECT: Participation in 2011 HOS for Medicare Advantage Organizations planning to sponsor FIDE SNPs in 2012 – **Final response needed by December 1**

The Centers for Medicare & Medicaid Services (CMS) issued a memo on September 21, 2010 providing information to Medicare Advantage Organizations (MAOs) that expect to sponsor a fully integrated dual eligible special needs plan (FIDE SNP) in 2012. This memo allows MAOs that believe they will sponsor a FIDE SNP in 2012 and wish to participate in the 2011 Medicare Health Outcome Survey (HOS) for their FIDE SNP population until **Wednesday, December 1, 2010** to inform CMS of their decision.

The Patient Protection and Affordable Care Act of 2010 provided the Secretary with the authority to adjust the payments of certain dual eligible special needs plans (SNPs) for the frailty of their plan enrollees. A frailty adjustment is made to payment if a dual SNP “is fully integrated with capitated contracts with States for Medicaid benefits, including long-term care, **and** has a similar average level of frailty ... as the PACE program.”

In order for CMS to determine whether a FIDE SNP has a similar average level of frailty as the PACE program, CMS must be able to calculate a 2012 frailty score for each FIDE SNP. In order to calculate a frailty score for 2012, MAOs must participate in the 2011 HOS at the FIDE SNP level. MAOs can participate in the HOS at the FIDE SNP level, as long as the FIDE SNPs has a minimum enrollment of at least 30 members and has been in operation for at least one year. FIDE SNPs commencing on January 1, 2011 or later are excluded from participating in the 2011 HOS.

CMS will announce its methodology for determining whether a FIDE SNP “has a similar average level of frailty ... as the PACE program” in the 2012 Rate Announcement in April 2011. We will notify FIDE SNPs of their 2012 frailty score and how they compare to the PACE average later in 2011.

To inform CMS that you would like to participate in the 2011 HOS to support the calculation of frailty score for your FIDE SNP for 2012 payment, please email Natasha Facey at [Natasha.Facey@cms.hhs.gov](mailto:Natasha.Facey@cms.hhs.gov) **no later than Wednesday, December 1, 2010**. Please provide the contract and PBP numbers of the FIDE SNPs you would like surveyed. After you notify CMS of your decision to participate in the 2011 HOS, NCQA will send you information about the HOS. If you have already notified CMS of your decision to participate in the 2011 HOS, no further action is required.

Additional information regarding participation in 2011 HOS for MAOs planning to sponsor FIDE SNPs in 2012 can be found in the memo dated September 21, 2010.