

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



CENTER FOR MEDICARE

DATE: December 7, 2010

TO: All Medicare Advantage Organizations and Prescription Drug Plan Sponsors

FROM: Anthony Culotta, Director
Medicare Enrollment & Appeals Group

RE: Medicare Advantage Disenrollment Period (MADP)

Section 3204 of the Affordable Care Act of 2010 eliminated the Medicare Advantage Open Enrollment Period (OEP), which occurred from January 1 to March 31, as well as the Open Enrollment Period for Newly Eligible Individuals (OEP-NEW). Additionally, the Affordable Care Act established a 45-day annual disenrollment period from Medicare Advantage, referred to in CMS materials as the Medicare Advantage Disenrollment Period (MADP). The purpose of this letter is to clarify CMS' expectations regarding processing of requests and transactions associated with the MADP.

The MADP begins on January 1, 2011, and ends on February 14, 2011. During the MADP, an individual enrolled in a Medicare Advantage (MA) plan may prospectively disenroll from that plan and return to Original Medicare. The effective date of the disenrollment from the MA plan is the first day of the month following the date the disenrollment request is received; thus, disenrollment requests received by MA organizations in January are effective February 1; those received from February 1 through February 14 are effective March 1.

During the same 45-day period, an individual using the MADP to disenroll from an MA plan is eligible for a special enrollment period (SEP) to enroll in a stand-alone Part D plan (PDP). The individual gets this opportunity regardless of whether the MA plan from which the individual disenrolled included a Part D benefit. Like for disenrollments, the effective date of the enrollment in the PDP is the first day of the month following the date the enrollment request is received.

An individual enrolled in both a standalone PDP and an MA Private Fee-For-Service (PFFS) plan without drug coverage may use the MADP to disenroll from the MA-PFFS plan to Original Medicare. It is important to note, however, that the new SEP does not permit such individuals to disenroll from a PDP, nor to enroll in a different PDP. Similarly, individuals already enrolled in a stand-alone PDP must keep their current PDP.

While the MADP does not provide an opportunity to join or switch MA plans, an individual who uses the MADP to disenroll from an MA plan is not prohibited from electing other, non-Medicare Advantage plans. The individual could enroll in a Medicare cost plan or buy a Medigap policy. An individual who chooses to enroll in a cost plan may enroll in a stand-alone PDP or may elect the cost plan Part D optional supplemental benefit, if offered, provided he/she is not already enrolled in a PDP. The Part D election must be made no later than February 14. After February 14, an individual who enrolls in a cost plan after having disenrolled from an MA plan during the MADP must wait for a valid Part D election period in order to enroll in a PDP.

Processing Changes Associated with the MADP

An individual in an MA plan may choose to enroll in a standalone PDP in order to effectuate disenrollment from the MA plan and the return to Original Medicare. In this situation, it is the responsibility of the PDP to verify the beneficiary's eligibility (including current MA enrollment) to make this change.

CMS has established a new election code value of "D" for the MADP. This code value is valid only for disenrollment transactions with an effective date of February 1 or March 1 and for requests received from January 1 to February 14. The MA disenrollment transaction (code 51) must include Election Type Code "D" to accurately reflect the use of the MADP. The MADP election type ("D") is not appropriate for submission on a PDP plan enrollment transaction. To indicate the use of the coordinating SEP, the PDP enrollment transaction must be submitted with the election type value of "S."

To reflect the sunset of the OEP and OEP-NEW, MARx will be updated to no longer accept election type code "O" (for the OEP) or "N" (for the OEP-NEW). MARx will reject these election type codes for effective dates beyond April 1, 2010, for the OEP and January 1, 2011, for the OEP-NEW. The OEP and OEP-NEW election periods will continue to be accepted for valid retroactive actions effective prior to their sunset.

For Assistance

If you have questions about any of these instructions, please contact Jim Canavan at (410) 786-5223 or James.Canavan@cms.hhs.gov or Jeff Maready at (415) 744-3523 or Jeffrey.Maready@cms.hhs.gov.