



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: December 21, 2010

TO: All Medicare Advantage Organizations and Network Private Fee-For-Service (PFFS) Initial and Service Area Expansion Applicants and Transitioning Incumbent PFFS Plans

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

SUBJECT: Release of Contract Year 2012 Medicare Advantage Health Services Delivery Guidance and Reference Tables

As a part of the Medicare Advantage (MA) application process, applicants who apply to offer Coordinated Care plans and network Private Fee-For-Service (PFFS) plans must demonstrate that they have an adequate contracted provider network that is sufficient to provide access to covered services, as required by 42 CFR 422.112(a)(1). The purpose of this memorandum and the attached guidance is to describe CMS' automated network review process for Health Services Delivery (HSD) submission and review, and to advise of refinements to this process for contract year (CY) 2012 application process.

While CMS' changes to the HSD submission and review process are described further in Section IV of the attached guidance, we would like to highlight the following changes:

- Reference tables have been updated based on 2009 beneficiary enrollment data.
- A new county (Counties with Extreme Access Consideration) has been added for those areas posing access challenges in all provider specialty types.
- There is a later deadline for the submission of Exception Requests to ensure applicants are submitting only Exception Request that are required based on their most recently submitted HSD tables.

In addition, for the CY2012 application process, applicants will have weekly opportunities following the release of the final applications to submit their network data for evaluation against the standardized criteria prior to the final application submission date. This pre-submission process, which CMS expects all applicants to fully utilize, will enable applicants to identify those areas in which their networks fall short of the set criteria and in which the applicant should focus additional contracting efforts in an attempt to fully meet the criteria. CMS will release additional instructions regarding this assessment tool in January 2011.

Applicants who fail to meet these criteria may request CMS' approval of a network exception in accordance with the attached CY2012 HSD Guidance. Additionally, CMS has released the CY2012 HSD Criteria Reference Tables which can be found on the CMS website at

<http://www.cms.hhs.gov/MedicareAdvantageApps/>. Please send any questions regarding these topics to MA_Applications@cms.hhs.gov.