

**Contract Year 2015**  
**Non-Renewal and Service Area Reduction (NR/SAR) Guidance: Enrollee Notification**

Medicare Advantage Organizations (MAOs), Prescription Drug Plans (PDPs), section 1876 Cost Plans, and Employer/Union-Only Group Waiver Plans (EGWPs) non-renewing their contracts or individual plan benefit packages, or reducing their service areas are required to notify their enrollees within a specific timeframe and provide information about alternative enrollment options. (42 C.F.R. §422.506(a)(2)(ii), 42 C.F.R. §423.507(a)(2)(ii), 42 C.F.R. §417.492(a)(1)(ii))

No information about non-renewals or service area reductions may be released to the public, including current enrollees, before September 18, 2014. Any marketing to members of a non-renewing plan, whether the plan's own members or a competitor's, may not take place until October 2, 2014.

***Delivery and Notification Receipt Requirements***

NR/SAR plans and sponsor must send final notices with individual beneficiary names and addresses, and ensure timely enrollee receipt as follows:

- MAOs, PDPs, Cost plans that offer a Part D benefit, and EGWPs must provide notice to each of its affected enrollees **at least 90 days** before the end of the current contract period.
  - Since some EGWPs operate on a non-calendar year basis, the 90-day notice should be calculated based on when its contract year ends.
- Cost plans that do not offer a Part D benefit must provide notice to each of its affected enrollees **at least 60 days** before the end of the current contract period.

CMS recommends the use of first class postage for these notices. If a health plan or Part D sponsor chooses to provide information on other Medicare products, it must do so in accordance with section 40.8.2 of the Medicare Marketing Guidelines (MMG).

Regardless of when the notices are mailed, all health plan notices must be dated **October 2, 2014** to ensure national consistency in the application of Medigap Guaranteed Issue (GI) rights to all beneficiaries. PDP notices can be dated to reflect the date that the notice is printed.

NR/SAR plans and Part D sponsors that are unable to meet the required enrollee receipt date must inform their Account Manager and specify why the notices were not sent timely and when they will be sent.

***Format Requirements***

The personalized final beneficiary notices should be on 8 ½" x 11" sized paper and mailed in a similarly-sized envelope. These notices must also include the individual beneficiary's name and address to enable affected beneficiaries to prove their special rights to Medigap insurers and

other Medicare plans and Part D sponsors.

### ***Non-Renewal Model Notices***

NR/SAR plans and Part D sponsors must use the attached non-renewal notices and submit them (under Non-Renewal Notice (ML) (F&U Cert) (2077)) in the Health Plan Management System (HPMS). Unless otherwise specified, the following notices should not be modified:

- Model Notice to Beneficiaries in PDPs that are Non-Renewing or Reducing their Service Areas (Tab A)
- Model Notice to Beneficiaries in MA, MA-PD, and Cost Plans that are Non-Renewing or Reducing their Service Areas (Tab B)
- Model Notices to Beneficiaries in Special Needs Plans (Tabs C, D, and J)
- “What You Should Know about Medigap,” including specific notices for the three waiver States: Massachusetts, Minnesota, and Wisconsin (Tabs F-I)

EGWPs are not required to submit non-renewal notices in HPMS, but must make them available to CMS upon request.

### ***Notification of Alternative Enrollment Options***

NR/SAR plans and Part D sponsors must notify enrollees of alternative enrollment options using one or both of the options below:

- **Written Description.** If a plan sponsor chooses to provide a written description, the plan sponsor must provide all plan options to the affected enrollees. The list of available plans must be downloaded from HPMS and included in the final beneficiary notice mailing. To access the list, go to HPMS > Contract Management > Contract Reports > 2015 > Non-Renewal/SAR Reports > Organization Replacement Report > Select Contract Number and State. The table may be downloaded as an Excel file by clicking on “Download to Excel” at the bottom of the page.
- **Outbound Phone Calls.** If a plan sponsor chooses to place outbound calls, the plan sponsor must notify the affected enrollees on how they may find out about plan options from available sources, including 1-800-MEDICARE, State Health Insurance Program (SHIP), and [Medicare.gov](http://www.Medicare.gov). NR/SAR plans and Part D sponsors must adhere to the Outbound Non-Renewal/Service Area Reduction Call Script Requirements (Tab E). The script does not need to be submitted in HPMS. If the plan sponsor chooses to submit or if CMS requests submission of the script, it should be done so under Other Scripts (ML) (F&U Cert) (6017).

### ***Medigap Policies and State-Specific Notices***

#### Applicable to MA Organizations:

MAOs must inform all enrollees affected by the non-renewal or service area reduction about their Medigap rights. This includes informing those who are eligible for Medicare due to a disability and individuals with End Stage Renal Disease. Information on this topic is provided in

the enclosed document “What You Should Know about Medigap.” (See Tab F.) CMS has prepared State-specific Medigap notices for Massachusetts, Minnesota, and Wisconsin, which are the three original “waiver States.” (See Tabs G-I.) Many other States have Medigap protections that go beyond federal requirements. The State-specific information can be obtained by contacting your local SHIP office or State Department of Insurance. Use of this State-specific language will ensure accurate communication of these provisions. Note that SNPs that exclusively enroll dual eligibles should **not** include Medigap information in their communications. This is to avoid confusion for dual eligibles, who may be prohibited from purchasing a Medigap policy, and whose State may pay the dual eligible’s cost-sharing in Original Medicare.

Trial period for beneficiaries enrolled in an MA or MA-PD plan:

Special rules apply for affected enrollees in a managed care trial period. These individuals must actively and voluntarily disenroll from their non-renewing MA plans in order to choose from a broader range of Medigap policies available on a Guaranteed Issue (GI) basis. MAOs must provide these beneficiaries with written documentation of their voluntary disenrollment, even if the voluntary request is made for a December 31, 2014 effective date. Beneficiaries may be required to submit this written documentation to a Medigap issuer as proof of their right to purchase certain GI Medigap policies. CMS Model Notices for Voluntary Disenrollment are found in the Medicare Managed Care Manual, Chapter 2.

For further assistance on non-renewals or service area reductions, contact your Account Manager or submit your question to “Non-Renew/Terminations” in the DMAO Mailbox, located at <https://dmao.lmi.org/>.