



MEMORANDUM

TO: Current and Future Medicare Advantage Organizations

FROM: Patricia P. Smith, Director, Medicare Advantage Group

RE: Release of Final 2007 Medicare Advantage Applications

DATE: January 27, 2006

The Centers for Medicare & Medicaid Services (CMS) is posting today its final 2007 Medicare Advantage (MA) Applications to <http://www.cms.hhs.gov/MedicareAdvantageApps/>

Application submissions must be received no later than 5:00 PM Eastern time March 20, 2006.

In an effort to make the application process as simple as possible, we have not made major changes in these applications from last year. However, in response to your comments we have made several revisions that will reduce the burden on you. In a number of places we have also clarified our guidance.

Today's posting includes the following applications:

- MA Initial Application for Coordinated Care Plans (CCP)
- MA Initial Application for Regional Preferred Provider Organization Plans (RPPO)
- MA Initial Application for Private Fee for Service Plans (PFFS)
- MA Initial Application for Medical Savings Account Plans (MSA)
- MA Service Area Expansion Application for Coordinated Care Plans (CCP) and Private Fee For Service Plans (PFFS)

Please note:

- Medicare Advantage coordinated care plans (CCPs) are required to offer at least one plan containing Part D prescription drug benefits in each of their service areas. (HMOs and PPOs are CCPs). Therefore, all new or expanding CCP organizations must complete and submit a Medicare Advantage Prescription Drug Plan Sponsor application as a condition of approval of the CCP application. This Part D prescription drug benefit is also due on March 20. The Part D application can be found via the link on the website page given above.
- The law prohibits plans from offering a new or expanding an existing local PPO product in 2007.
- The law also continues to prohibit new 1876 cost-based plans, and it also precludes any MAO from operating an 1876 cost plan in the same area in which it operates an MA product.

- As part of your response to the Medicare Marketing section of the application you must agree and explain how you will limit the number of submitted bids in a service area to those that demonstrate meaningful differences to a beneficiary.

Medicare Advantage Organizations (MAOs) that are applying to become qualified for an MA contract with CMS for the first time must complete the entire application. In addition to the applications, we are posting a Medicare Advantage Organization (MAO) “Submissions Matrix” to assist you in identifying the appropriate items that must accompany your submission as well as a “Useful Information for 2007 MA Applicants” document to answer frequently-asked questions about applying for a 2007 CMS contract.

CMS will be providing a satellite training conference on these and other applications on Tuesday, January 31 from 1:00 – 4:00 PM EST. You may register for the training at <http://cms.internetstreaming.com>.

We hope you find the applications and related tools useful. We look forward to continuing our partnership with our current Medicare Advantage partners and to building strong working relationships with new applicants. We have designated the following individuals to answer your questions about specific MA applications:

- Local Coordinated Care Plan (HMO, HMO-POS, PSO).....Ann Moses 410-786-1167
Ann.Moses@cms.hhs.gov
- Regional Preferred Provider Organization (RPPO).....Helaine Fingold 410-786-5014
Helaine.Fingold@cms.hhs.gov
- Private Fee For Service Organization(PFFS).....Mervyn John 410-786-1141
Mervyn.John@cms.hhs.gov
- Medical Savings AccountPaul Foster 410-786-1150
Paul.Foster@cms.hhs.gov
- Service Area Expansion (CCP, PFFS).....Lettica Ramsey 410-786-5262
Lettica.Ramsey@cms.hhs.gov

In addition to individuals listed above, you may also contact your local Regional Office for assistance.

Cc: Abby L. Block, Director, Center for Beneficiary Choices, CMS
Gary Bailey, Deputy Director, for Plan Policy and Operations, Center for Beneficiary Choices, CMS
Cynthia Tudor, Acting Director, Medicare Prescription Drug Group, CBC, CMS
CMS Regional Office Managers