



DEPARTMENT OF HEALTH & HUMAN SERVICES  
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MEDICARE ADVANTAGE GROUP

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To: Current and Applicant Medicare Advantage Organizations, Medicare Cost-based Plans and Health Plan Demonstrations, Prescription Drug Plans and other interested parties

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Subject: Issuance of Draft 2008 Combined Model Annual Notice of Change and Evidences of Coverage for Public Comment

Date: June 13, 2007

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Today we are releasing for comment the draft 2008 combined model Annual Notice of Change (ANOC) and Evidences of Coverage (EOC) for HMOs, PPOs, PFFS, MSA, Medicare Cost plans and Prescription Drug Plans.

### **Structure of Combined ANOC/EOC**

Beginning this year, the combined ANOC/EOC will be released in two forms. The draft will be released in modular form which includes text for all plan types. The final will be released as individual versions specific to each plan type. The modular draft allows update and reviews in a single document across all plan types to avoid inconsistencies across final documents where language should be the same or similar.

Characteristics of the draft combined model ANOC/EOC include:

- Color coding to help identify language specified to each plan type.
- All instructions to plans contained within the models begin with Note: and are in shaded text. (These notes and shading should be removed prior to issuing the ANOC/EOC.)
- Text that applies to all plan types is in black.
- Bracketed areas allow plans to insert plan specific language or customized language to reflect plan arrangements. Inclusion of plan specific or customized language in these areas of the ANOC/EOC will not prevent an organization from receiving a 10-day review.
- Text labeled with PDP applies to all plan types offering prescription drug coverage.

### **Options for Using the Combined ANOC/EOC**

Plans will have two choices in 2008 for using the model ANOC and EOC as described below.

#### **Option 1 -- Use of Combined ANOC/EOC - New Process**

CMS developed a new option for use of the ANOC and EOC for contract year 2008. This process is voluntary for 2008, but will become mandatory in future years. The new option allows plans to send to all existing members prior to the annual election period an EOC that incorporates the ANOC. This would allow existing enrollees to have comprehensive information about their existing plan prior to the annual election period and saves the plan an extra mailing to

existing members. If a plan chooses this option, the summary of benefits (SB) would only be needed as a pre-enrollment marketing tool for prospective enrollees.

Plans that use this option would send the EOC to new 2008 enrollees on a monthly basis according to the guidance in the Medicare Marketing Guidelines. Plans have the option of leaving the ANOC information in the EOC for ongoing use with new enrollment or plans may remove it without further CMS review and approval.

Plans using this option may not modify language unless the instructions for the plan type allow for modification or elimination.

Plans must use the expedited marketing material review process (as described in the August 4, 2006, HPMS memo) when using this option. A summary of the review process is as follows. Plans must submit the standardized combined ANOC/EOC to the Regional Office (RO) by August 1, 2007 with benefit/cost sharing place holder information. CMS will provide a designated category code to upload the combined document in the HPMS marketing module. The RO will review and approve the template. Once the bid is approved, the plan must update benefit/cost sharing information consistent with the final approved bid(s). After updating this information the plan can print and mail without further RO review.

The combined standardized ANOC/EOC and LIS riders must be mailed so beneficiaries receive it by October 31, 2007. Organizations sponsoring MA-PD plans and PDPs must send an abridged or comprehensive formulary in addition to the combined ANOC/EOC.

#### Option 2 Stand Alone ANOC/EOC

Plans that choose not to use option 1 should handle the ANOC and EOC similarly to past years. Plans must mail the ANOC along with the Summary of Benefits (SB) so beneficiaries receive them by October 31, 2007. The ANOC model must be pulled from the EOC model.

Organizations sponsoring MA-PD plans and PDPs must send an abridged or comprehensive formulary along with the ANOC and SB. The ANOC and EOC may be used as a model for a 10-day Regional Office review or non-model for a 45-day Regional Office review.

The EOC must be mailed to beneficiaries by January, 31, 2008. Organizations sponsoring MA-PD plans and PDPs must also mail the low income subsidy rider (LIS) with the EOC. Plans that use the model may only make changes to bracketed text or by following the instructions in brackets or preceded by Note:.

## ANOC/EOC Timeline

August 1, 2007	<ul style="list-style-type: none"> <li>MA, MA-PD and PDP organizations submit combined standardized ANOC/EOC or stand-alone, non-model ANOC to CMS RO for review.</li> </ul>
October 1, 2007	<ul style="list-style-type: none"> <li>1876 Cost Plans and Cost Plans offering part D must submit final combined ANOC/EOC and stand alone ANOC to CMS RO for review.</li> </ul>
October 31, 2007	<ul style="list-style-type: none"> <li>Beneficiaries must receive the combined standardized ANOC/EOC or the stand-alone ANOC and SB depending on which option from above is followed.</li> <li>All MA-PDs and PDPs must mail their LIS riders and abridged or comprehensive formularies before this date to ensure receipt by member by October 31.</li> </ul>
November 1, 2007	<ul style="list-style-type: none"> <li>MA, MA-PD, Cost Plans and PDPs submit non-model EOC to CMS RO for review.</li> </ul>
November 6, 2007	<ul style="list-style-type: none"> <li>Final date for Cost Plans to send the stand alone non-model ANOC to CMS RO for review.</li> </ul>
December 1, 2007	<ul style="list-style-type: none"> <li>Cost plans must mail the stand alone ANOC with SB before this date to ensure receipt by members by December 1.</li> <li>Cost plans offering Part D must mail their LIS riders and abridged or comprehensive formularies before this date to ensure receipt by members by December 1.</li> </ul>
December 3, 2007	<ul style="list-style-type: none"> <li>MA, MA-PD, Cost Plans and PDPs submit model EOC to CMS RO for review.</li> </ul>
January 31, 2007	<ul style="list-style-type: none"> <li>MA, MA-PD, Cost Plans and PDP must mail stand alone EOCs to members with an effective date of January 1, 2008.</li> </ul>

We will be providing a checklist that organizations must use when submitting their EOC for review. The checklist will apply to HMO, PPO, PFFS, Medicare Cost plans and PDP. These checklists will be released with the final combined ANOC/EOC.

Comments on these materials must be received no later than 5:00 P.M. EDT, June 27, 2007. All comments must be submitted on the attached comment response form. Please submit comments via email to [marketing@cms.hhs.gov](mailto:marketing@cms.hhs.gov). This email box will not be available to receive ANOC/EOC comments following the due date.

We look forward to your comments on the draft combined ANOC/ EOC and your continued participation in the program.