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DATE: October 1, 2010

TO: Medicare Advantage Organizations
Medicare Advantage-Prescription Drug Organizations
Prescription Drug Plan Sponsors

FROM: Michael Crochunis, Acting Director
Medicare Enrollment & Appeals Group

RE: Clarification of Medicare Advantage and Prescription Drug Plan Enrollment Guidance

On August 17, 2010, CMS announced the issuance of the revised Medicare enrollment guidance in Chapters 2 and 3 of the Medicare Managed Care Manual and the Medicare Prescription Drug Benefit Manual, respectively. Since its release, plan sponsors have requested clarification about some of the changes to the guidance. The purpose of this memorandum is to provide clarification regarding the following sections of the Medicare enrollment guidance:

- Chapter 2 Exhibit 13 – Model Notice of Disenrollment Due to Death; and
- Chapter 3 §60.1.2 – Cancellation of Disenrollment.

The clarifications in this memorandum apply to all Medicare Advantage (MA) organizations and Part D plan (PDP) sponsors and are effective for contract year 2011.

Chapter 2: Exhibit 13 – Model Notice of Disenrollment Due to Death

Exhibit 13 in Chapter 2 of the Medicare Managed Care Manual is a model notice that MA plans may use to notify a member's estate of the details of the termination of a member's enrollment due to the death of that member. In the 2011 update to Chapter 2, the language in the second paragraph of the model notice could create confusion for a deceased beneficiary's estate. In order to prevent confusion and to allow plans to use the model notice under the file-and-use marketing guidelines, CMS is changing the words "prior to" to "after."

Chapter 3: §60.1.2 – Cancellation of Disenrollment

In §60.2.2 of Chapter 2, CMS previously established detailed instructions as to what an MA organization should do to appropriately cancel a disenrollment request that the sponsor had already submitted to CMS. The current update of §60.1.2 of Chapter 3 was to include similar language. Thus, CMS is adding the following language in the second paragraph after the second sentence (i.e., after the words, "...the now void disenrollment transaction."):

To submit an action to cancel a disenrollment, the PDP sponsor must submit a transaction code 61 (enrollment), with the effective date equal to the effective date of the disenrollment being cancelled, and an election type code (enrollment period) equal to 'X' for administrative

action. The application date on this transaction must be the same application date on the existing (original) enrollment in the current plan.

For Assistance

If you have specific policy questions about any of these instructions, please contact Jim Canavan at (410) 786-5223 or James.Canavan@cms.hhs.gov.