



CENTER FOR MEDICARE

DATE: November 16, 2011

TO: Medicare Advantage Organizations, Medicare Advantage-Prescription Drug Organizations, Prescription Drug Plan Sponsors, and Medicare Cost Plans

FROM: Arrah-Tabe-Bedward, Acting Director
Medicare Enrollment and Appeals Group

SUBJECT: Clarification of 2012 Medicare Advantage and Prescription Drug Plan Enrollment Guidance

On August 19, 2011, CMS announced the issuance of the revised Medicare enrollment guidance in Chapters 2 of the Medicare Managed Care Manual and Chapter 3 of the Medicare Prescription Drug Benefit Manual for CY 2012. Since its release, Medicare Advantage (MA) organizations, Part D plan sponsors, and §1876 cost plans have requested clarification of some of the changes to the guidance.

The clarifications in this memorandum apply as described below to MA organizations, Part D plan sponsors and/or §1876 cost plans and are effective for contract year 2012. For the notices with changes outlined below, plans may exhaust existing stock already printed. CMS understands that plans have mailed the re-assignment confirmation notices (i.e., Exhibit 29 in Chapter 3) to individuals for their January 1, 2012 enrollments. Plans do not need to reissue these notices. The changes to this notice should be in effect for future reassignments.

The electronic versions of Chapter 2 of the Medicare Managed Care Manual and Chapter 3 of the Medicare Prescription Drug Benefit Manual will be updated within 10 days of this memorandum to reflect this information and can be found at <http://www.cms.gov/MedicareMangCareEligEnrol/> and <http://www.cms.gov/MedicarePresDrugEligEnrol/>, respectively.

Chapters 2 & 3 §30 – Election Periods and Effective Dates

Enrollment requests the plan is not denying must be submitted to CMS within 7 calendar days of the plan's receipt of the completed enrollment request. Accordingly, we are revising the first paragraph of this section to indicate that plans have 7, not 10, calendar days in which to determine the applicant's election period.

We are also clarifying the use of **Chapter 2, Exhibit 5**, Model Notice to Request Information. Plans using this model notice for the sole purpose of requesting information regarding an applicant's eligibility for an election period must include a due date that is no later than seven

calendar days from the date the enrollment request was received. As outlined above, plans must determine the election period within 7 days of receiving the completed enrollment request.

In addition to election period eligibility information, plans may use this model notice to request information necessary to complete an enrollment request. When used for this purpose, the notice must state that the missing information must be received by the end of the month in which the enrollment request was initially received, or within 21 calendar days of the request for additional information (whichever is later).

Chapter 2 §30.4.4 #3 - SEP for Individuals Enrolled in Cost Plans that are Non-renewing their Contracts

The SEP start and end dates have been revised to state that this SEP begins December 8 of the current contract year and ends on the last day of February of the following year.

Chapter 3 §30.3.8 #3 – SEP for Individuals Enrolled in Cost Plans that are Non-renewing their Contracts

For consistency with MA enrollment guidance, we are revising this SEP to remove the requirement that beneficiaries in nonrenewing cost contracts have Part D via the cost plan’s optional supplemental Part D benefit in order to be eligible for this SEP.

Chapter 2 §30.4.4 #15/ Chapter 3 §30.3.8 #13 - SEP to Enroll in an MA Plan, PDP or Cost Plan with a Plan Performance Rating of 5 Stars

Individuals may use the 5-Star SEP to disenroll from an MA plan in order to enroll in a 5-Star cost plan.

In addition, CMS is establishing a coordinating Part D SEP for individuals who use the 5-Star SEP to enroll in a MA Private Fee-for-Service plan without prescription drug coverage or a 5-Star cost plan. (See Chapter 3 §30.4.4 #8 below) As a reminder to all plans, individuals may use this SEP once per calendar year.

The 5-Star PDP sponsor, MA organization or Cost plan must use the appropriate election period identifier value of “R” on the MARx enrollment transaction into the 5-Star plan. PDP sponsors or cost plans using the coordinating SEP as described below must use the SEP election period value of “S.”

NEW! - Chapter 3 §30.3.8 #8 Letter H – Coordinating Part D SEP for Individuals using the 5-Star SEP to Enroll in a 5-Star Plan without Part D Coverage

Regardless of whether an individual had Part D drug coverage prior to requesting enrollment in the 5-Star plan, individuals using the 5-Star SEP to enroll in a 5-Star MA-only PFFS plan may use this coordinating Part D SEP to enroll in any PDP for which they are eligible. Similarly, individuals using the 5-Star SEP to disenroll from an MA plan to enroll in a 5-Star cost plan may also use this coordinating Part D SEP to enroll in the cost plan’s optional supplemental Part D benefit, if offered, or in any PDP for which they are eligible. The stand-alone PDP for this coordinating SEP does not have to be 5-Star rated.

Individuals who use the 5-Star SEP to enroll in a MA-only coordinated care plan may not use this coordinating SEP to enroll in a stand-alone PDP, because it is prohibited by statute.

Individuals who lose Part D coverage by using the 5-Star SEP to enroll in an MA coordinated care plan will have to wait until their next valid election period in order to request enrollment in a plan with Part D coverage. Further, this coordinating SEP may not be used to change the plan election made using the 5-Star SEP. For example, an individual who used the 5-Star SEP to enroll in a 5-Star PDP may not use this coordinating SEP to enroll in a different PDP. Likewise, an individual who used the 5-Star SEP to enroll in a 5-Star PDP, losing their MA coverage may not use this SEP to enroll in a MA-PD plan.

Chapter 3 §50.2.1.4 – Special Procedures for Auto and Facilitated Enrollees Whose Address Is Outside the PDP Region

Plans that confirm the enrollee’s permanent residence outside the plan service area and choose to submit an enrollment transaction to enroll the beneficiary in a PDP it offers in that area must use the first day of the month prior to the enrollment effective date as the application date and an enrollment source code data value of “B.”

Chapter 3 §50.3.2 – Disruptive Behavior

For consistency with MA enrollment guidance, we are revising the Advance Notice guidance in this section to require that plans include in this required notice a description of the behavior it has identified as disruptive and how it is impacting the plan’s ability to arrange for or provide services to the member or to other members of the plan.

Chapter 2 §60.3.4/ Chapter 3 §60.2.4 - Reinstatements Based on “Good Cause” Determination for Failure to Pay Plan Premiums or Part D-IRMAA

The first sentence in the fourth paragraph of the subsection entitled “Process for ‘Good Cause’ Determinations” contains a typographical error. The statement should reference a “favorable” instead of an “unfavorable” determination.

Chapters 2 & 3 Exhibit 17 - Model Notice to Offer Reinstatement of Beneficiary Services

The first sentence of this model notice appears twice. Plans should delete the first instance of this sentence and submit the notice to CMS as model material.

Chapter 2 Exhibit 21a - Notification of Involuntary Disenrollment by the CMS for Failure to Pay the Part D-IRMAA

The first sentence under the heading “How can I get my coverage back?” is missing the word ‘ask.’ Plans should insert the word ‘ask’ so that the sentence reads, “You have the right to ask Medicare to reconsider...” and submit the notice to CMS as model material.

Chapter 3 Exhibit 29 - Model Reassignment Confirmation

Premium information for LIS individuals has been revised to provide appropriate text options for individuals with 100% premium subsidy and individuals with premium subsidy other than 100%.

Additional Information:

Please direct questions regarding the submission and/or review of member materials to your CMS Account Manager. For enrollment policy questions, you may contact Jeff Maready at Jeffrey.Maready@cms.hhs.gov.