

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: September 4, 2013

TO: All Medicare Advantage Organizations

FROM: Danielle R. Moon, J.D., M.P.A.

SUBJECT: Draft Update to Chapter 16b of the Medicare Managed Care Manual

Accompanying this memorandum is a draft update to Chapter 16b of the Medicare Managed Care Manual, “Special Needs Plans” for public comment. Comments should be submitted by **September 20, 2013** in accordance with instructions at the end of this memo.

In this draft update, we include the following new guidance and/or clarification of existing policy for MAOs offering SNPs:

- **Applying Frailty Adjustment to Fully Integrated Dual Eligible SNPs (FIDE-SNPs):** We updated information regarding the application of the frailty adjustment to FIDE-SNPs.
- **Model of Care (MOC) Cure Process:** We updated the MOC Cure process to reflect current guidance as published in the CMS Call Letter dated April 2, 2012.
- **SNP MOC Re-approval/Renewal:** We clarified guidance regarding SNP MOC re-approval and application submissions.
- **FIDE-SNPs and SNP Application Process:** We clarified the FIDE-SNP definition and provided an updated definition of FIDE-SNP, in accordance with the CMS Call Letter dated April 2, 2012.
- **Benefit Flexibilities for Certain Dual Eligible SNPs (D-SNPs):** We added guidance on benefit flexibilities for eligible D-SNPs consistent with the CMS Call Letter dated April 2, 2012.
- **State Contract Requirements for D-SNPs:** We revised guidance on the state contract requirements for D-SNPs in order to provide added clarity and detail.
- **C-SNP Verification of Eligibility:** We revised this section to remove some duplication and reduce confusion regarding the verification process. We are also proposing to remove the option for MAOs to use the “expanded alternative methodology” as currently allowed for organizations that have difficulty obtaining confirmation from the beneficiary’s existing provider. To date, only a handful of MAOs have sought CMS

approval for use of this methodology, so it would appear that the vast majority of MAOs offering C-SNPs have been able to verify potential enrollees' eligibility using the pre-enrollment qualification assessment tool or other means.

- **Enrolling Individuals in ESRD:** We provided additional detail with regard to how a SNP can request a waiver to enroll individuals with ESRD.
- **D-SNPs Continued Eligibility Requirements:** We clarified continued eligibility requirements that apply when a dual eligible beneficiary loses special needs status.
- **Marketing Exception for D-SNPs:** We added the marketing exception for D-SNPs that allows additional time for FIDE-SNPs to send the Evidence of Coverage to members.

Unless noted otherwise above, changes to this chapter would be effective with the 2014 contract year. Also, please note that only phrases, paragraphs and sections that present significant, new or modified guidance are identified in red italics in the attached version of the updated Chapter 16b. Changes to section headings, section re-ordering, punctuation, and editorial changes to language have not been highlighted.

Finally, pending proposed modifications to the Model of Care (MOC) elements, we have not revised Section 90 or Appendix 1 of this chapter, and have therefore not included those portions of the chapter in the attachment. We will update this section of the chapter once those revisions are complete.

We thank you in advance for your careful review and comments on this revision of Chapter 16b. We ask that you submit your comments electronically using the attached comment form to Susan.Radke@cms.hhs.gov by September 20, 2013.