

**MEDICARE DRUG AND HEALTH PLAN CONTRACT ADMINISTRATION GROUP (MCAG)**

**MEMORANDUM**

**TO:** Current and New Applicant Medicare Advantage Organizations, Medicare Cost-based Plans and Health Plan Demonstrations, Prescription Drug Plans and Other Interested Parties

**FROM:** Teresa DeCaro, Acting Director /s/  
Medicare Drug and Health Plan Contract Administration Group

**SUBJECT:** Communication of Plan Information Through Electronic or Portable Media

**DATE:** July 18, 2008

We have received a number of requests over the past several years from plans asking if they can use electronic or portable media to provide member materials to Medicare plan members in place of hard copies. The Social Security Act [§1852(c)(1) and §1860(a)(1)(A)] and Medicare regulations (42 CFR 422.64, 422.111, 423.48, and 423.128) describe how information must be provided to beneficiaries (in a clear, accurate, and standardized form), but do not limit the methods of transmittal.

Some of the types of requests we have received include:

- Distribute plan materials through email;
- Develop a password protected website where members can access their plan information; and
- Place plan information on portable media devices like CDs or DVDs.

CMS does not want to hinder the ability of organizations and sponsors to use technology to provide member materials to Medicare beneficiaries. Our concerns are: 1) members receive plan information that is clear, accurate, and in standardized form that enables them to make informed decisions about their Medicare plan options and 2) the privacy of beneficiary protected health information is maintained. Therefore, if a plan elects to distribute plan information to members through electronic media (e.g., email, websites) instead of providing hard copies (paper), the plan is responsible for ensuring that it is in compliance with HIPAA (Health Insurance Portability and Accountability Act of 1996).

In addition, Plans must:

- Have hard copies of all member materials available to members upon request.
- Ensure that the process is completely voluntary. Members must be informed of the option and be given the choice to opt-in. If a member no longer wishes to receive plan

communications through electronic or portable media, they must be able to opt-out upon request.

- Document each member's election to receive plan communication electronically or on portable media.
- Have safeguards in place to ensure that member contact information is current, communication materials are delivered and received timely and appropriately, and important materials are identified in a way that members understand their importance.
- Have a process for automatic mailing of hard copies when electronic versions are undeliverable.
- Have a system in place to monitor and evaluate the effectiveness of the electronic communication process.

Finally, CMS may review plan electronic communication and portable media policies, procedures, systems, and documentation during monitoring and compliance visits.