

MEMORANDUM

DATE: July 16, 2009

TO: Medicare Advantage Organizations and Employer/Union-Sponsored Group Health Plans

FROM: Teresa DeCaro, RN, M.S., Acting Director
Medicare Drug and Health Plan Contract Administration Group

SUBJECT: Issuance for Public Comment of Draft Update to Chapter 4 of the Medicare Managed Care Manual

Included with this memorandum is a revised draft of Chapter 4 of the Medicare Managed Care Manual, "Benefits and Beneficiary Protections." We are releasing this draft revision to obtain public comments, which we will consider carefully before finalizing the update later this year.

This proposed revision to Chapter 4 reflects guidance provided to MA organizations since the last update to Chapter 4 in June 2007 via HPMS memoranda and Call Letters, as well as clarifications of existing policy, including:

- A new section summarizing all guidance on over-the-counter benefits;
- A 'one-stop' benefit table listing the potential benefit status of a variety of items and services;
- Guidance on required MAO processing of inpatient hospital and Skilled Nursing Facility (SNF) days;
- A summary of the rules for balance billing;
- Tables clarifying access rules by plan type and in emergent situations; and
- Clarifying guidance on meal benefits.

In addition to the substantive clarifications and updates outlined above, we have substantially restructured the guidance in Chapter 4 in response to feedback we have received since our last revision. We believe users will find the new structure easier to read and use. We note especially

that the sections on requirements specific to private-fee-for-service (PFFS) plans and Medicare Savings Accounts (MSAs) have been removed from this chapter and will be placed in a new manual chapter that is devoted to special plan types. Chapter 4 still contains policy applicable to all plan types, including PFFS plans and MSAs, while the new chapter will include policies unique to these plan types.

We thank you in advance for your careful review and comments on this draft revision of Chapter 4. Please submit your comments electronically using the attached comment form to Russell.Hendel@cms.hhs.gov by July 30 2009. You may also access this document on the world wide web at <http://www.cms.hhs.gov/HealthPlansGenInfo/>.

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