

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: July 27, 2018

TO: Section 1876 Cost Contract Plans

FROM: Kathryn A. Coleman
Director

SUBJECT: Cost Plan Transition Notice Requirements in the Medicare Access and CHIP Reauthorization Act of 2015

CMS and cost plans affected by cost competition requirements have certain obligations under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) to notify enrollees. This memo clarifies these responsibilities.

As stated in our December 7, 2015 HPMS memo “Implementation of Cost Contract Plan Transition Requirements under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA),” cost plans affected by competition requirements are permitted to transition their enrollees to a Medicare Advantage (MA) plan and voluntarily non-renew their existing plan(s). Each cost plan enrollee affected by this transition must receive the transition notice from the cost plan no later than September 15 of the year prior to the enrollment conversion. Plans may send the transition notices as early as August 15, 2018. The Cost Contract Transition Notice to Beneficiaries must be submitted in the HPMS under Crosswalk Notice (File & Use) (Code 2085).

This notification must outline that the enrollee will be enrolled into, and receive benefits from, your MA plan beginning January 1, 2019, unless the enrollee chooses another MA plan or enrolls in Original Medicare before December 31, 2018.

The notice must include—

- A statement that the individual will be enrolled into an MA plan.
- The effective date of the coverage.
- The opportunity for an individual to select another plan or enroll in Original Medicare (including Medigap rights).
- Information regarding the AEP and Special Election Period (December 8 – February 28), the coverage options available and how to make an enrollment change.
- A description of differences between the cost plan and MA plan and specific comparisons of cost-sharing, premiums, drug coverage, and provider networks (section 1851(d)(2)(B)(ii) of the Act).

CMS must also notify cost plan enrollees who are being transition into an MA plan. The notice will inform the enrollee that they may no longer receive services from the cost plan in 2019 and will instead receive healthcare from one of the organization’s MA plans, unless the enrollee

chooses another plan or Original Medicare. The notice will state that the enrollee will receive more specific information from his or her current plan by September 15, 2018, and to contact the current plan for further information. CMS plans to send this notice by mid-August.

Additionally, CMS must notify enrollees whose cost plan is terminating and who are not being transitioned into an MA plan. The notice will include specific information on the special election period, Medigap rights, prescription drug coverage, and provide sources of additional information for enrollees to help them find and compare other health care options. CMS will send these non-renewal notices to enrollees impacted by these changes by September 1, 2018.

If you have any questions about this email please contact your Regional Office Account Manager.