

Frequently Asked Questions (FAQs) and Enrollment Scenarios for § 422.514(h)

The Contract Year 2025 Medicare Advantage and Part D final rule,¹ which appeared in the Federal Register on April 23, 2024 (89 FR 30448), included several provisions to simplify options for dually eligible individuals and promote greater alignment of Medicare Advantage (MA) dual eligible special needs plans (D-SNPs) and Medicaid managed care organizations (MCOs). Specifically, the provisions at § 422.514(h) adopted in the final rule require that beginning 2027, where an MA organization offers a D-SNP and the MA organization, its parent organization, or any entity that shares a parent organization with the MA organization also contracts with a state as a Medicaid MCO that enrolls full-benefit dual eligible individuals in the same service areas (even if there is only partial overlap of the service areas), the MA organization:

- May only offer, or have a parent organization or share a parent organization with another MA organization that offers, one D-SNP for full-benefit dual eligible individuals, except as otherwise provided in § 422.514(h)(3), (§ 422.514(h)(1)(i)); and
- Must limit new enrollment in the D-SNP to individuals enrolled in, or in the process of enrolling in, the Medicaid MCO (§ 422.514(h)(1)(ii)).

Beginning in 2030, such D-SNPs must only enroll (or continue to enroll) individuals enrolled in (or in the process of enrolling in) the affiliated Medicaid MCO,² except that such D-SNPs may continue to implement deemed continued eligibility requirements as described in § 422.52(d). (§ 422.514(h)(2)).

To minimize enrollment disruption associated with achieving compliance with these provisions, CMS also codified a new crosswalk exception at § 422.530(c)(4)(iii). Additionally, limited exceptions to the requirements at § 422.514(h)(1) and (2) were codified at § 422.514(h)(3).

CMS developed the below set of frequently asked questions (FAQs) to help MA organizations, states, and other interested parties prepare for implementation of the provisions at § 422.514(h) beginning in CY 2027. However, where there are differences between statute or regulations and the FAQs, the statute or regulations control over the FAQs (and any other guidance). Interested parties should consult the applicable statute, regulations, and final rules.

Frequently Asked Questions on Enrollment Limitation and “One D-SNP” Provisions at § 422.514(h)

- 1. Do the requirements at 42 CFR 422.514(h) apply to *all* D-SNPs or only those that are integrated (e.g., HIDE SNPs, FIDE SNPs, AIP D-SNPs)³?**

¹ [Medicare Program; Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Program for Contract Year 2024—Remaining Provisions and Contract Year 2025 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, Medicare Cost Plan Program, and Programs of All-Inclusive Care for the Elderly \(PACE\)](#)

² An “affiliated Medicaid MCO” is one where an MA organization, its parent organization, or another MA organization with the same parent organization offers a D-SNP in the same service area as the aligned Medicaid MCO.

³ The terms “highly integrated dual eligible special needs plans” (HIDE SNPs) and “fully integrated dual eligible special needs plans” (FIDE SNPs) are defined at § 422.2. The term “applicable integrated plan” (AIP) is defined at § 422.561.

The enrollment restrictions and contract limitations at § 422.514(h) apply to *all* types of D-SNPs, including coordination-only D-SNPs.

2. How do the provisions at § 422.514(h) apply to D-SNPs that are directly capitated to provide Medicaid benefits such that they also meet the definition of a Medicaid MCO?

The contracting limitations at § 422.514(h)(1)(i) – that the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization cannot offer more than one D-SNP in the same service area for full-benefit dually eligible individuals – apply regardless of whether the D-SNP is directly capitated (where the D-SNP and Medicaid MCO are the same legal entity and the SMAC serves as the Medicaid MCO contract) or the D-SNP is aligned to a Medicaid MCO that holds a separate Medicaid MCO contract. Directly capitated D-SNPs that are also Medicaid MCOs operate as a single plan (i.e., an enrollee cannot be in the Medicaid MCO without also being in the D-SNP for their Medicare coverage). This configuration satisfies the enrollment restrictions provided under § 422.514(h); it's not possible for enrollees in these D-SNPs to be unaligned.

3. Do these policies apply at the contract level or the plan benefit package (PBP) level?

The provisions at § 422.514(h) apply at the MA organization and MA parent organization level (“where an MA organization, its parent organization, or another MA organization with the same parent organization offers a D-SNP in the same service area as the aligned Medicaid MCO”). The term “parent organization” is defined at § 422.2. That means an MA organization, its parent organization, and any other MA organization with the same parent organization may only offer one D-SNP (H number and PBP) for full-benefit dually eligible individuals in the same service area as that MA organization’s affiliated Medicaid MCO. The provisions at § 422.514(h) do not preclude the MA organization, its parent organization, or another MA organization with the same parent organization from offering a separate D-SNP for partial-benefit dually eligible individuals in the same service area as their D-SNP subject to § 422.514(h), as allowable by state policy.

4. Does this mean that D-SNPs with affiliated Medicaid MCOs have to operate with exclusively aligned enrollment (EAE) beginning in 2027?

Starting in 2027, § 422.514(h)(1)(ii) allows D-SNPs with affiliated Medicaid MCOs only to **newly** enroll individuals who are already in (or in the process of enrolling in) their Medicaid MCO. These plans can continue to serve existing enrollees who are unaligned until 2030. D-SNPs affected by the provisions at § 422.514(h) will be operating with EAE beginning in 2030.

5. Can a parent organization with a Medicaid MCO continue to operate a coordination-only (CO) D-SNP for partial-benefit dually eligible enrollees when § 422.514(h) applies?

Yes. If state policy allows, the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may operate CO D-SNPs limited to

partial-benefit dually eligible enrollees in the same service area in which they operate an integrated D-SNP for full-benefit dually eligible enrollees and an aligned Medicaid MCO. If a state allows such CO D-SNPs for partial-benefit dually eligible enrollees, the state must specify via the state Medicaid agency contract (SMAC) that the parent organization is allowed to also operate a CO D-SNP for partial-benefit dually eligible enrollees.

6. What does it mean to be “in the process of enrolling” into a Medicaid MCO? Do states/plans need to change how EAE is effectuated?

To preserve the various state approaches to EAE, § 422.514(h) did not specifically define “in the process of enrolling in” a Medicaid MCO. There is no defined “order” in which the Medicare or Medicaid enrollments need to be effectuated (i.e., neither Medicare nor Medicaid enrollments need to be processed “first”). For example, states that “match” the Medicaid MCO to that of the enrollee’s D-SNP choice may continue to do so, while states that have mandatory Medicaid managed care can also continue their process where the Medicaid MCO enrollment would be first followed by an individual’s enrollment into an integrated D-SNP. Both examples would meet the provisions of § 422.514(h).

Additionally, CMS recognizes that some states have operationalized EAE with a Medicaid enrollment cut-off, such that some dually eligible individuals who elect integrated D-SNPs with EAE late in the month cannot have their Medicaid aligned on the first day of their D-SNP coverage due to Medicaid enrollment limitations. Provided these enrollees’ have their Medicaid MCO aligned to their D-SNP as soon as possible following the D-SNP enrollment, this process is allowable under § 422.514(h).

7. If a D-SNP’s parent organization doesn’t operate a Medicaid MCO in my state, how are they affected?

D-SNPs whose MA organization, parent organization, or an entity that shares a parent organization with the MA organization don’t operate a Medicaid MCO in a state are unaffected by the new enrollment/contracting limitations at § 422.514(h).

8. Do the requirements at § 422.514(h) apply to parent organizations offering D-SNPs and Medicaid prepaid inpatient health plans (PIHPs) or prepaid ambulatory health plan (PAHPs) in the same service area?

An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization that contracts with a state *only* as a PIHP or PAHP would not be subject to the requirements at § 422.514(h) as they only apply when an organization offers a D-SNP for full-benefit dually eligible enrollees and a Medicaid MCO in the same service area. However, if the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization operates D-SNPs aligned with a Medicaid MCO *and* a PIHP or PAHP in the same service area for full-benefit dually eligible enrollees, the enrollment limitations do apply. In those cases, the state may allow the organization to offer more than one D-SNP in the same service area to align with the Medicaid MCO and with the

PIHP or PAHP using the exception at § 422.514(h)(3)(i) as discussed further below.

9. Are there exceptions to the “one D-SNP” policy at § 422.514(h)(1)(i)?

Yes, there are two exceptions, established at § 422.514(h)(3), to the “one D-SNP” policy at § 422.514(h)(1)(i):

- a. An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may operate more than one D-SNP for full-benefit dually eligible enrollees in the same service area if it is allowable via state policy and articulated in the SMAC. Exceptions are limited, however. Specifically, § 422.514(h)(3)(i) states that “if a State Medicaid agency’s contract(s) with the MA organization differentiates enrollment into D SNPs **by age group or to align enrollment in each D-SNP with the eligibility and/or benefit design used in the State’s Medicaid managed care program(s) (as defined in § 438.2)**” a D-SNP MA organization, its parent organization, or an entity that shares a parent organization with the MA organization can offer more than one D-SNP for full-benefit dually eligible enrollees in the same service area as the Medicaid MCO. The exception is tied to whether there are multiple integrated or managed care programs for full-benefit dually eligible enrollees that differ by eligibility (e.g., Massachusetts operates the Senior Care Options program for the over 65 and One Care for the under 65 populations) or benefit design (e.g., New York’s Medicaid Advantage Plus program and its Managed Long Term Care program). The state could not use the exception to require parent organizations to continue to operate a separate D-SNP for dually eligible individuals in Medicaid FFS, however.
- b. An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may operate more than one D-SNP for full-benefit dually eligible enrollees in the same service area if one of the D-SNPs is a PPO and the other is an HMO; however, the plan that is not aligned with the Medicaid MCO will be closed to new enrollment. This exception exists because there are regulations (§ 422.530(a)(2)) that prohibit crosswalks between different contracts or different plan types (for example, HMO to PPO). This exception is intended to limit disruption for enrollees where the crosswalk exception at § 422.530(c)(4)(iii) could not apply.

10. What happens if the Medicaid MCO and D-SNP service areas do not overlap?

If an MA organization, its parent organization, or an entity that shares a parent organization with the MA organization offers a Medicaid MCO and D-SNP(s) that do not have overlapping service areas at all, then the enrollment limitations at § 422.514(h) do not apply.

11. What are the implications of § 422.514(h) if the D-SNP operates in service areas where they also operate a Medicaid MCO as well as in service areas where they don’t offer a Medicaid MCO?

In 2027, an MA organization, its parent organization, or an entity that shares a parent organization with the MA organization that also operates as a Medicaid MCO in the same or overlapping service areas for full-benefit dual eligibles can only newly enroll individuals into the D-SNP who are enrolled in (or in the process or enrolling in) the affiliated Medicaid MCO. For impacted organizations, any D-SNP service areas where no affiliated MCO is present will be closed to new enrollment. The MA organization, its parent organization, or an entity that shares a parent organization with the MA organization may use existing processes to adjust their D-SNP PBPs and service areas to more closely align to the Medicaid MCO service area(s), subject to state approval, such that they can enroll individuals in all their D-SNP service areas.

For example, if a D-SNP that also contracts with the state of Maryland enrolls full-benefit dually eligible individuals in Montgomery, Baltimore, and Carroll counties, but only enrolls full-benefit dually eligible individuals under the affiliated Medicaid MCO in Montgomery and Baltimore counties, the D-SNP would not be able to enroll any individuals in Carroll county effective 2027 (as there is no affiliated Medicaid MCO serving that county). The MA organization, its parent organization, or an entity that shares a parent organization with the MA organization could choose to separate their D-SNP geographically. For example, they could have one D-SNP that matches the Medicaid MCO service area (here, Baltimore and Montgomery counties) and create a separate D-SNP in Carroll where the parent org does not have a Medicaid footprint, and thus would not be subject to § 422.514(h). It's important to note that a state can choose to allow this or not via the SMAC.

12. What happens in a scenario where the parent organization operates a Medicaid MCO that is statewide but has multiple D-SNPs with service areas that differ by region (e.g., they cover separate parts of the state)?

The MA organization, its parent organization, or an entity that shares a parent organization with the MA organization could comply with § 422.514(h)(1)(i) if the D-SNP service areas do not overlap with one another. If there is any overlap among D-SNP service areas, however, the “one D-SNP” policy would apply.

13. How might a parent organization consolidate their D-SNP PBPs currently operating in overlapping service areas?

Beginning contract year 2027, CMS established a new crosswalk exception at § 422.530(c)(4)(iii) to permit moving enrollment across D-SNP PBPs under different MA contracts held by MA organizations within the same parent organization. Because crosswalks across plan types (HMO to PPO and vice versa) are not permitted, CMS provided the exception noted above to allow parent organizations to operate HMO and PPO D-SNP types operating in the same service area. Further guidance will be provided in Chapter 11 of the Bid Manual in June 2026.

14. Can unaligned full-benefit dually eligible enrollees be crosswalked using the crosswalk exception at § 422.530(c)(4)(iii)?

Yes. An MA organization, its parent organization, or an entity that shares a parent organization with the MA organization consolidating plans to comply with § 422.514(h) can crosswalk full-benefit dually eligible enrollees eligible for the surviving D-SNP, even if they are not currently enrolled in the aligned Medicaid MCO. However, by 2030, all enrollees must be aligned as described in #4 above.

If the surviving D-SNP PBP is required to operate with EAE per state policy, unaligned enrollees cannot be crosswalked into that D-SNP PBP as they are ineligible.

15. What do the provisions at § 422.514(h) mean for states?

States should expect parent organizations operating multiple D-SNPs in the same service area to begin consolidating plans to a single D-SNP aligned with Medicaid MCOs operating in the state. States will need to articulate where any of their integrated or managed care programs meet the exceptions articulated at § 422.514(h)(3)(i) in their SMACs. Otherwise CMS will require the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization to offer only one D-SNP for full-benefit dually eligible enrollees in that service area.

Longer-term, states may want to consider how their D-SNP landscape will change and whether there are new opportunities/incentives to pursue other integration policies (e.g., D-SNP-only contracts) or D-SNP contracting strategies. The CMS Medicare-Medicaid Coordination Office (MMCO) is always happy to talk with states about the existing D-SNP landscape, the potential impact of these new provisions, and other potential contracting strategies. States can reach out to MMCO's D-SNP mailbox at MMCO_DSNPOperations@cms.hhs.gov.

16. It seems like these policies are punishing the parent organizations that operate Medicaid MCOs in the same state, since CO D-SNPs without affiliated Medicaid MCOs aren't subject to § 422.514(h) and thus don't have to consolidate.

While it may seem like the provisions adopted in the final rule favor unintegrated D-SNPs, the final rule also included new SEP provisions that do the opposite by providing additional opportunities for eligible beneficiaries to enroll in integrated D-SNPs. Specifically, the final rule established a new SEP, at § 423.38(c)(35) which provides a monthly opportunity for full-benefit dually eligible individuals to elect an integrated D-SNP (FIDE SNP, HIDE SNP, or AIP); this SEP is not available for elections into CO D-SNPs. It's important to consider how the provisions work together.

More information on the SEPs can be found in our SEP resource [here](#).

Example plan enrollment and consolidation scenarios

The table below provides example plan scenarios and how each is affected by the provisions at § 422.514(h)

Scenario	2027, 2028, and 2029	2030
Parent organization A operates a D-SNP, but not a Medicaid MCO (or does not operate the Medicaid MCO in the same service area as the D-SNP).	Parent organization A can continue to operate the D-SNP without restrictions on enrollment, unless restrictions are placed by the state via the SMAC contract	
Parent organization B operates 3 D-SNPs in a service area but does not operate a Medicaid MCO in the same service area.	Parent organization B can continue to operate all 3 D-SNPs in this service area without any restrictions on enrollment unless restrictions are placed by the state via the SMAC contract.	
Parent organization C operates a Medicaid MCO but not a D-SNP (or does not operate the D-SNP in the same service area as the Medicaid MCO).	N/A. The provisions at § 422.514(h) apply to parent organizations that offer D-SNPs, so no contracting limitations apply in this scenario.	
Parent organization D operates one D-SNP and a Medicaid MCO, and part of the service areas overlap.	Parent organization D can only enroll into the D-SNP enrollees in the Medicaid MCO, or in the process of enrolling in the Medicaid MCO.	Parent organization D must disenroll enrollees out of the D-SNP who are not also enrolled in the Medicaid MCO.
Parent organization E operates 3 D-SNPs in a service area and operates a Medicaid MCO in the same service area.	<p>Parent organization E must offer no more than 1 D-SNP in the service area for full-benefit dually eligible individuals. The other 2 D-SNPs may no longer enroll full benefit dually eligible individuals. Parent organization E could non-renew them, or adjust eligibility such that they only serve partial-benefit dually eligible individuals, if state policy allows.</p> <p>Parent organization E may use the crosswalk exception at § 422.530(c)(4)(iii) to move full-benefit dually eligible enrollees into the surviving D-SNP aligned with the Medicaid MCO.</p>	<p>Parent organization E must disenroll enrollees out of the D-SNP PBPs for full-benefit dually eligible individuals who are not also enrolled in the Medicaid MCO.</p> <p>Parent organization E may retain any partial-benefit dually eligible individuals still enrolled in a CO D-SNP specific to partial-benefit enrollees.</p>

Scenario	2027, 2028, and 2029	2030
	Once parent organization E has determined which D-SNP is surviving and serving full-benefit enrollees, parent organization E's D-SNP can only enroll enrollees in the Medicaid MCO, or in the process of enrolling in the Medicaid MCO.	