



## MEDICARE-MEDICAID COORDINATION OFFICE

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**DATE:** September 10, 2024  
**TO:** State Medicaid Agencies operating Capitated Financial Alignment Model Demonstrations  
**FROM:** Lindsay P. Barnette  
Director, Models, Demonstrations and Analysis Group  
**SUBJECT:** End-of-Demonstration Enrollment Considerations

MMCO is working with the seven states currently operating capitated financial alignment model demonstrations under the Medicare-Medicaid Financial Alignment Initiative (FAI) to transition the Medicare-Medicaid Plans (MMPs) to integrated dual eligible special needs plans (D-SNPs) effective January 1, 2026. This memo discusses end-of-demonstration enrollment and operational considerations for affected states. Our goal is to ensure seamless transitions for existing MMP enrollees.

Five of seven demonstration states are conducting Medicaid procurements to select plan sponsors for the states' successor 2026 Medicaid managed care programs and corresponding D-SNPs. As such, the final selected integrated plans in these states are still unknown. Where appropriate below, this memo separately articulates policy decisions and considerations for any current MMP sponsors who will not be offering integrated D-SNPs in 2026.

Many of the decision points below articulate a "floor," and states have some discretion to deviate from the identified dates (e.g., a state may stop ongoing MMP passive enrollment sooner, but no later, than the timeframe discussed below). To facilitate our planning for 2025, **we are asking states to provide additional decisions in writing to their MMCO state leads on the timeframes articulated below.**

## Ending MMP Enrollment

### FAI enrollment moratorium

As originally drafted, the three-way contracts included an enrollment moratorium for the last six months of each demonstration, during which MMPs may not accept new enrollment. However, the waiver authority in the three-way contracts allows for the transition of MMP enrollees to integrated D-SNPs in 2026, and CMS has developed the operational capacity to seamlessly transition enrollees. Therefore, MMCO is open to removing the six-month moratorium for opt-in enrollment from the three-way contracts based on state discretion for **MMPs that offer successor integrated D-SNPs**. This would allow for opt-in enrollment to occur into these MMPs through December 1, 2025. (Additional discussion with respect to stopping opt-in enrollment into MMPs that will not be offering successor D-SNPs is below). This decision would require an update to the three-way contracts in most states.

- **State decision point:** *Maintain six-month enrollment moratorium or allow opt-in enrollment through NLT December 1, 2025?*
- **Deadline to inform MMCO:** *December 31, 2024.*

### **Ending passive enrollment for MMP sponsors offering successor 2026 integrated D-SNPs**

Most remaining states with capitated financial alignment model demonstrations leverage ongoing passive enrollment—either monthly or quarterly—into MMPs. To ensure MMP enrollment for individuals passively enrolled is effective prior to those same enrollees receiving any demonstration transition noticing—and to ensure a smooth transition from MMPs to integrated D-SNPs—for MMPs that **will** offer a successor integrated D-SNP in 2026, **the last possible effective date of passive enrollment is July 1, 2025** (i.e. the states’ last passive files will be sent to CMS around May 1, 2025). States may elect to stop passive into the MMPs sooner than July 1, 2025, but not later.

- **State decision point:** *Continue ongoing passive enrollment into MMPs offering successor integrated D-SNPs until July 1, 2025 or end sooner?*
- **Deadline to inform MMCO:** *December 31, 2024.*

### **Ending passive and opt-in enrollment for MMP sponsors NOT offering 2026 successor integrated D-SNPs**

For any MMPs that will terminate at the end of CY2025 and not offer an integrated D-SNP into which MMP enrollees can transition, MMCO will discontinue passive enrollment into the terminating MMP as soon as possible following the announcement of MCO awardees. This means that passive enrollment transactions and noticing already in process to non-awarded MMP sponsors can continue, but a state should not initiate additional passive enrollment noticing or transactions into non-awarded MMPs once the state has announced awardees. States and MMCO will discontinue opt-in enrollment for these MMPs no later than July 1, 2025 (six months prior to the end of the demonstration), even if the state has lifted the six-month enrollment moratorium for other MMPs. States may elect an earlier date to discontinue opt-in enrollment into these MMPs.

- **State decision point:** *Continue opt-in enrollment into MMPs that will not offer successor integrated D-SNPs until July 1, 2025 or end sooner?*
- **Deadline to inform MMCO:** *December 31, 2024.*

## Transitions from 2025 MMPs to 2026 Integrated D-SNPs

### For 2026 integrated D-SNPs offered by the same sponsor

To ensure a seamless transition for enrollees at demonstration sunset, CMS will allow MMP sponsors that will offer integrated D-SNPs in 2026 to transition MMP enrollees into those D-SNPs. The D-SNP offered by the same plan sponsor/legal entity as the MMP will use the CMS plan crosswalk functionality in HPMS to effectuate enrollee crosswalks. We will instruct successor D-SNPs to submit crosswalk exception requests with the reason code “MMP to D-SNP transition” to CMS on the appropriate timeframe in 2025 (usually early June and again in early July) to transition MMP enrollees into the integrated D-SNP for January 1, 2026.

- No state decision point. 2025 MMP sponsors offering 2026 successor D-SNPs will use the CMS crosswalk process to transition enrollees.

### For 2026 integrated D-SNPs offered by a different sponsor

As noted above, a subset of the states operating capitated financial alignment model demonstrations are conducting Medicaid procurements to select integrated D-SNPs for CY2026. It is possible that a sponsor currently operating an MMP will not win a Medicaid procurement to become an integrated D-SNP, and that a sponsor not currently operating an MMP will operate an integrated D-SNP beginning in CY2026.

In the event a state would like to move MMP enrollees to an integrated D-SNP offered by a different sponsor from that of an MMP that will not have a successor D-SNP in the same area, such transitions will leverage the D-SNP-to-D-SNP passive requirements described at § 422.60(g). These requirements speak to evaluating the receiving D-SNP for capacity to receive enrollment from another organization’s plan. Among these is a requirement that the receiving plan have a substantially similar provider network to the terminating plan. If a state would like to transition 2025 MMP enrollees into an integrated D-SNP offered by a different sponsor than that of the MMP, please let MMCO know as soon as possible after plan awards are announced, but no later than **December 31, 2024**. Note: a state’s interest in pursuing such a transition does not guarantee the receiving D-SNP will meet the criteria to successfully passively enroll MMP enrollees into the D-SNP.

- ***State decision point:*** *Initiate the process to evaluate non-MMP sponsor’s integrated D-SNPs for receipt of passive enrollment from terminating MMPs for 2026?*
- ***Deadline to inform MMCO:*** *December 31, 2024.*

## Medicaid redeterminations during the demonstration transition period

A subset of the states operating capitated model demonstrations are using optional enrollment approaches offered through the [Medicare-Medicaid Plan Enrollment and Disenrollment Guidance](#) that are intended to keep MMP enrollees connected to their MMP during a temporary loss of Medicaid eligibility. These approaches include an Optional Period of Deemed Continued Eligibility and Rapid Re-Enrollment, as articulated in sections 40.2.3.2 and 40.2.3.3 respectively. While these policies have improved continuity of coverage in MMPs throughout the duration of the demonstrations, maintaining these processes into the demonstration transition period (i.e. the last three months of the demonstrations) may create confusion for enrollees due to the confluence of noticing required for deeming or rapid re-enrollment as well as any plan and state transition noticing.

MMCO has learned from prior demonstration transitions that the sunset of even a small demonstration can generate a large amount of individual enrollment casework for MMCO and state staff when MMP enrollees temporarily lose Medicaid eligibility during the transition period. Given the sunset of seven demonstrations at the end of 2025, MMCO **will not** be able to provide individual level casework corrections for MMP enrollees who may lose Medicaid eligibility during the transition period. **MMCO is committed to working with states currently providing a deeming period or rapid re-enrollment process to determine the proper timing to discontinue these processes, which must occur prior to October 1, 2025, when the demonstration transition period starts.**

Additionally, states can consider implementation of a “special” deeming period specific to the demonstration transition as had been planned for the sunset of the California Cal MediConnect demonstration. While the “special” deeming period was never effectuated due to the ongoing public health emergency in 2022, the California Department of Health Care Services had intended to provide an MMP deeming period for the last five months of the demonstration (from August 1, 2022 to December 31, 2022) for MMP enrollees who may have lost Medicaid eligibility to ensure not only continuity of coverage throughout the transition, but also accurate transition noticing for all demonstration enrollees. Once the MMP enrollees with a temporary loss of Medicaid eligibility were transitioned into integrated D-SNPs offered by the same sponsor effective January 1, 2023, these enrollees would then be subject to the integrated D-SNP’s deeming period. MMCO is committed to working with states sunsetting demonstrations to the extent they want to implement a similar approach.

- ***State decision point:*** Determine whether to implement a special demonstration transition deeming period.
- ***Suggested decision timing:*** As soon as possible.

## QUESTIONS

Please reach out to your MMCO state leads with any questions regarding this memorandum.