

MEDICARE ADVANTAGE GROUP

DATE: November 19, 2007

TO: All Medicare Advantage Organizations offering Private Fee-for-Service Plans

FROM: David A. Lewis /s/
Director, Medicare Advantage Group

SUBJECT: New requirement that PFFS Plans Give Beneficiaries Notice of Sales Event Cancellations

On May 25, 2007, CMS released a memo to all Medicare Advantage (MA) Private Fee-for-Service (PFFS) plans titled “Ensuring Beneficiary Understanding of Private Fee-for-Service Plans, Actions and Best Practices”. This document outlined a new requirement that PFFS plans must submit lists of planned PFFS marketing and sales events to their Regional Office Plan Manager each month.

CMS is aware that PFFS plans have already scheduled a large number of sales events for the 2008 marketing plan year. However, there may be some instances where an advertised scheduled sales event needs to be canceled, and CMS is concerned that beneficiaries are not being notified of the cancellation.

Consequently, CMS has established the following requirements on how PFFS plans should notify beneficiaries when the advertised scheduled sales events have been cancelled. The method used to notify beneficiaries of the cancellation may vary depending on the individual Plan’s circumstances.

1. If a sales event is cancelled within 48 hours of its originally scheduled date and time, the PFFS plan must:
 - Notify its Regional Office Plan Manager of the cancellation.
 - A representative of the plan must be present at the site of the cancelled sales event, at the time that the event was scheduled to occur, to inform attendees of the cancellation and distribute information about the plan.
2. If a sales event is cancelled more than 48 hours of its originally scheduled date and time, the PFFS plan must notify its Regional Office Plan Manager and beneficiaries of the cancellation by the same means the plan used to advertise the event. Examples of reasonable notification are:
 - If an announcement of the sales event was made in the newspaper, then the cancellation of the event must also be announced through the same newspaper.

- If beneficiaries were identified through personal calls, then a representative of the plan must call the beneficiaries to inform them of the cancellation.
- If beneficiaries RSVP'd for the sales event, then a representative of the plan must call the beneficiaries to inform them of the cancellation.
- If an announcement of the sales event was sent through a mass mailing, then the plan should consult with the Regional Office to decide upon the most reasonable way to notify beneficiaries about the event cancellation in a short amount of time instead of a sending another mass mailing.

Notification of cancelled sales events should be made, whenever possible, more than 48 hours prior to the originally scheduled date and time of the event. If beneficiaries are notified of a cancellation more than 48 hours before the event, then there is no expectation that a representative of the PFFS plan should be present at the site of the event.

We appreciate your cooperation in this matter. You may direct any questions regarding this matter to your Regional Office Plan Manager.