



OFFICE OF THE ACTUARY

To: Medicare Advantage (MA) Organizations Offering Exclusive ESRD SNPs in Contract Year (CY) 2012

From: Paul Spitalnic, Director, Parts C & D Actuarial Group

Date: April 8, 2011

Subject: Bid Tool and Instructions for Exclusive ESRD SNPs in CY 2012

This memorandum provides direction to MA organizations intending to submit CY 2012 bids for chronic care Special Need Plans (SNPs) exclusively enrolling beneficiaries with End Stage Renal Disease (ESRD). In this memo, we refer to an exclusive ESRD SNP as an “ESRD-only” SNP.

ESRD-only Bidding Tool for Part C Benefits

Consistent with the policy for CY 2011, ESRD enrollee costs are not included in the CY 2012 plan A/B bid. Because ESRD enrollee costs will not be represented in the CY 2012 plan A/B bids or benchmarks, MA organizations offering ESRD-only SNPs cannot use the standard MA bid pricing tool.

Instead, for ESRD-only SNP bids, MA organizations must submit ESRD-specific actuarial pricing forms. The instructions and the pricing forms for the CY 2012 ESRD-specific pricing tools are attached. The submission deadline using the ESRD-specific forms is the same as for other MA plans – **June 6, 2011**.

Operational Instructions for Bid Submission

By June 6th, MA organizations offering ESRD-only SNPs must upload the CY 2012 PBP and standard Part D BPT, but not the standard MA BPT, via the “Bid Submission” link in the HPMS Bid Submission Module. In addition, MA organizations must upload the Excel file containing the ESRD-specific actuarial pricing forms (and supporting documentation) via the “Substantiation” link in the HPMS Bid Submission Module.

In the CY 2012 plan creation module in HPMS, when an organization defines a plan in HPMS as an exclusive chronic care SNP that only covers the ESRD condition, HPMS will automatically convert the plan type to “HMOPOS” in the CY 2012 PBP software. The PBP software will permit users to select the option of “No” to offering POS benefits and plans will not be permitted to submit an MA BPT. Upon upload to HPMS, the system will automatically convert the plan type back to the appropriate MA plan type as defined in HPMS.

For questions on the bid instructions or the ESRD-specific actuarial pricing tool, please contact Michael Rapport in OACT at 410-786-4195. For questions or problems with submission of bids to HPMS, please contact Sara Silver at 410-786-3330.

Attachments