



CENTER FOR MEDICARE

DATE: June 17, 2011

TO: All Medicare Advantage (MA) Organizations

FROM: Anthony Culotta, Director
Medicare Enrollment and Appeals Group

SUBJECT: Transition Guidance for Non-Special Needs Enrollees in MA Special Needs Plans Under the “Disproportionate Share” Policy

As provided under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), Special Needs Plans (SNPs) may enroll only individuals who meet the plan’s specific eligibility criteria; they may no longer enroll and serve a “disproportionate share” of individuals who do not meet the targeted criteria or condition. Similarly, MIPPA limits enrollment in chronic care SNPs (C-SNPs) to individuals with certain chronic conditions, as specified by CMS.

In September 2010, CMS instructed Medicare Advantage organizations (MAOs) to allow these individuals to remain enrolled through 2011, in order to avoid care disruptions and provide plans with ample time to implement disenrollment procedures. Additional guidance on this policy was included in the 2012 Call Letter, issued April 4, 2011.

As indicated in the Call Letter, MAOs offering SNPs that currently include members under either of the following two conditions must disenroll those individuals effective January 1, 2012: (1) individuals who enrolled prior to January 1, 2010 under the “disproportionate share” policy (i.e., the members did not meet the special needs criteria at the time of enrollment); or (2) other individuals who were enrolled in a C-SNP as of January 1, 2010, but no longer met the revised special needs criteria as of that date. In preparation for this disenrollment process, these MAOs must notify their CMS account manager by no later than June 30, 2011, of the total number of individuals enrolled in these SNPs as of January 1, 2010. Subsequently, MAOs must notify each individual on or before September 30, 2011, that he/she will be disenrolled effective January 1, 2012, and will need to enroll in another plan no later than December 31 if he/she wants MA coverage starting January 1, 2012. Due to this unique situation, CMS will establish a one-time special enrollment period from December 8, 2011 through February 29, 2012, to permit these individuals to enroll in a different MA plan or Prescription Drug Plan.

Enclosed is a model beneficiary disenrollment notice which, if used in model form, may be submitted to CMS as File & Use material. MAOs will not be permitted to transition these current enrollees into other MA plans offered by the organization, but are permitted to market other

plans to these individuals, consistent with Medicare Marketing Guidelines. MAOs must retain any of these enrollees whose circumstances have changed and who thus attain appropriate special needs status prior to CY 2012.

We recognize that there are other individuals, enrolled after January 1, 2010, who may have since lost their special needs status. In these situations, MAOs are to follow existing policies and procedures in situations when an individual loses special needs status, as outlined in §50.2.5 of Chapter 2 of the Medicare Managed Care Manual. The SEP described above does not apply to individuals who enrolled in the SNP after January 1, 2010, and there is no need to report on the number of such individuals that have been disenrolled (nor on individuals who may eventually be subject to disenrollment but are now within the normal period of deemed continued eligibility).

Thank you for your cooperation in reporting the aggregate impact of this unique disenrollment process on your plan to your account managers, and carrying out the required notification and disenrollment procedures. This accounting will assist CMS with assessing the impact of this disenrollment process, and will help ensure that MAOs are successful in carrying out the necessary notification and disenrollment process in advance of the 2012 plan benefit year.

For Assistance

If you have specific policy questions about any of these instructions, please contact Jeff Maready at (415) 744-3523 or Jeffrey.Maready@cms.hhs.gov.

**Model Notice for Disenrollment of Non-Special Needs Enrollees in SNPs for
January 1, 2012**

<Insert Date>

IMPORTANT NOTICE: Your Medicare Coverage Is Changing

Dear <Name of Member>:

<Plan name> is a special needs plan that is designed for people who *<describe special needs status that individual does not have>*. **This letter is to inform you that your enrollment in <plan name> will end on December 31, 2011.** Our records show that you don't [*insert one: <have [insert chronic condition]>, <have the required level of Medicaid assistance>, <live in a residential skilled nursing facility>*]. Thus, <Plan name> will continue to cover your Medicare benefits through December 31, 2011.

You need to make some decisions about your Medicare coverage. If you do not act by December 31, 2011, you'll have only Original Medicare coverage starting January 1, 2012.

If this information is wrong, and you believe you are eligible for <plan name> and you want to stay a member of our plan, please contact us immediately at the number below.

Take action by December 31 to avoid losing coverage

If you want to join a new Medicare Advantage or Medicare Prescription Drug Plan, you should join by December 31, 2011. **Your coverage with <Plan Name> will end on December 31.**

Because your coverage is ending, you have a special right to join a new Medicare plan. You can choose another Medicare Advantage Plan, or change to Original Medicare and a Medicare Prescription Drug Plan, anytime between October 15 and February 29, 2012. However, **if you do not act by December 31, you will have only Original Medicare coverage starting January 1, 2012.**

If you qualify for Extra Help (the low-income subsidy) or are eligible for Medicaid, you have the right to change plans at any time during the year. However, if you don't take action before December 31, you'll have Original Medicare coverage starting January 1, 2012, and Medicare will enroll you in a Medicare Prescription Drug Plan. Medicare will send you a letter letting you know what Medicare drug plan you'll be enrolled in.

Here are your options for Medicare coverage:

Option 1: You can join another Medicare Advantage Plan or other Medicare health plan, including a plan that offers prescription drug coverage.

Not all plans may cover your doctors or prescription drugs, so be sure to compare plans to find one that meets your needs. For help comparing plans, visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can also call <Name of SHIP> for free personalized counseling at <SHIP Phone>. TTY users should call <SHIP TTY>.

Option 2: You can change to Original Medicare. If you decide you want Original Medicare coverage, you may want to join a Medicare Prescription Drug Plan.

Medicare Prescription Drug Plan – Original Medicare doesn't cover the cost of most prescription drugs. If you now have drug coverage through your Medicare Advantage Plan, you'll need to join a Medicare Prescription Drug Plan to continue your drug coverage if you switch to Original Medicare. Remember, if you don't join a Medicare Prescription Drug Plan and don't have other drug coverage as good as Medicare's, you may pay a late enrollment penalty to join a Medicare Prescription Drug Plan later.

Medigap (Medicare Supplement Insurance) Policy – You may be able to buy a Medigap policy to help pay health care costs that Original Medicare doesn't cover. If you're 65 or older, you may have a special right to buy a Medigap policy because your coverage with your plan is ending. You may have special rights to buy a Medigap policy for 63 days after your coverage with our plan ends on December 31, 2011. If you leave our plan before December 31, 2011, you may have 63 days from the day your coverage ends to apply for a Medigap policy. If you're under 65, you may not be able to buy a Medigap policy until you turn 65.

Medigap policies no longer offer prescription drug coverage, so you must also join a Medicare Prescription Drug Plan if you want Medicare drug coverage.

Extra Help/Medicaid – If you qualify for Extra Help (the low income subsidy) or are eligible for Medicaid, Medicare will enroll you in a Medicare Prescription Drug Plan if you don't join a plan yourself by December 31. Also, if you are eligible for Medicaid, your State may pay your cost-sharing if you are in Original Medicare. Check with your State's Medicaid agency or local SHIP to see if Medicaid will pay any of your Medicare expenses and if you have the right to buy a Medigap policy.

Get help and more information about your options

If you need more information, please call us at <phone number>. TTY users should call <TTY number>. We are open <insert days/hours of operation and, if different, TTY hours of operation>. Tell the customer service representative you got this letter.

For help comparing Medicare plans, visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can also call <Name of SHIP> for free personalized counseling at <SHIP Phone>. TTY users should call <SHIP TTY>.

Keep this letter. It's proof that you have a special right to buy a Medigap policy or join a new Medicare Advantage Plan or Medicare Prescription Drug Plan.
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To see if your state has a program for people with limited income and resources, call your <State Medical Assistance Office> at <State Medical Assistance Office Phone >. You may be able to get help paying Medicare premiums, deductibles and coinsurance. TTY users should call <State Medical Assistance Office TTY >.

For questions about the Medigap policies available in your area, call the <State Insurance Commissioner's Office> at <State CO phone number>. TTY users should call <State CO TTY>.

To receive this notice in an alternate language or format, call our <Customer Service, Member Services> Department at <phone number> <days and hours of operation>. TTY users should call <TTY number>.

We apologize for any inconvenience.

Sincerely,

<MAO representative signature>