

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

MEMORANDUM

DATE: June 17, 2011

TO: All Medicare Advantage Organizations Seeking to Offer a D-SNP in Contract Year 2012

FROM: Danielle R. Moon, J.D., M.P.A.
Director

SUBJECT: Guidance for Submitting State Medicaid Agency Contracts

The purpose of this memorandum is to remind Medicare Advantage Organizations (MAOs) seeking to offer a Dual Eligible Special Needs Plan (D-SNP) during Medicare Advantage (MA) contract year 2012 (CY 2012) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) State Medicaid Agency Contract requirements and submission deadlines. D-SNPs must submit their signed and executed State Medicaid Agency Contracts to their Account Managers by no later than July 1, 2011. Applicants that have not yet been assigned an Account Manager should submit their executed State Medicaid Agency Contracts to the SNP Mailbox at SNP_Mail@cms.hhs.gov.

As required by the Medicare Improvements for Patients and Providers Act of 2008 and the Affordable Care Act of 2010, starting in contract year 2013 (CY 2013), all D-SNPs will be required to have a contract with the state Medicaid agencies in each state in which they seek to operate. However, for CY 2012, D-SNPs are only required to have a signed State Medicaid Agency Contract if they: (1) are offering a new D-SNP-type in CY 2012 (including those existing D-SNPs that are converting from a different D-SNP type in 2012); (2) are expanding the service area of an existing D-SNP type in CY 2012; or (3) offered a new D-SNP type in CY 2010 or CY 2011, or expanded the service area of an existing dual eligible SNP during either of these two contract years. D-SNPs falling into any of these three categories must have a signed State Medicaid Agency Contract from each state in their D-SNP service areas to operate in CY 2012.

Organizations required to have a State Medicaid Agency Contract for CY 2012 must submit electronically to their Account Managers by July 1, 2011: (1) a signed State Medicaid Agency Contract(s); and (2) a completed 2012 D-SNP state Medicaid Agency Contract Matrix Upload Document(s) (Attachment 1). Applicants that have not yet been assigned an Account Manager should submit their contracts and other required documents to the SNP Mailbox at

SNP_Mail@cms.hhs.gov. These Applicants can be expected to be contacted by the CMS Regional Office that will be responsible for reviewing their contract(s).

Please submit the 2012 D-SNP state Medicaid Agency Contract Matrix Upload Document in Microsoft Word format (not in PDF). Applicants who have already submitted their executed 2012 State Medicaid Agency Contract(s) and 2012 D-SNP state Medicaid Agency Contract Matrix Upload Document(s) in HPMS through their SNP proposals are not required to submit these documents again.

The contracts must document, at minimum, the following, as specified in 42 CFR 422.107 and in Chapter 16b of the *Medicare Managed Care Manual*, available at <http://www.cms.hhs.gov/Manuals/IOM>:

1. The MAO's responsibility, including financial obligations to provide or arrange for Medicaid benefits;
2. The eligibility category(ies) of the SNP;
3. The Medicaid benefits covered under the SNP;
4. The cost-sharing protections covered under the SNP;
5. The identification and sharing of information on Medicaid provider participation;
6. The verification process of an enrollee's eligibility for both Medicare and Medicaid;
7. The service area covered by the SNP; and
8. The contracting period.

CMS understands that plans may have difficulty meeting this July 1, 2011 deadline for CY 2012 due to State procurement and contracting timelines. If you anticipate having a problem meeting the July 1, 2011 deadline, or if you have any questions, please contact Susan Radke immediately. She may be reached at (410)769-4450 or Susan.Radke@cms.hhs.gov. If your State Medicaid Agency needs technical assistance in meeting these requirements, please refer them to the CMS State Resource Center mailbox and website: State_Resource_Center@cms.hhs.gov and http://www.cms.gov/specialneedsplans/05_stateresourcecenter.asp.

We remain committed to assisting D-SNPs and States as they engage in this contracting process, and limiting the administrative burdens on D-SNPs and States. CMS is in the process of developing operational policy that both reflects State budgetary and contracting timelines, and aligns this D-SNP contract submission deadline with the MA contracting process for CY 2013. In the meantime, we thank you for your patience and diligent work to meet our 2012 deadlines.