

**Required Contract Elements**

Section 42 CFR 422.107 requires eight components which are discussed in more detail below:

**1. The MAO's responsibilities to provide or arrange for Medicaid benefits.**

Meeting this contracting element requires that the process by which the State Medicaid agency provides and arranges for Medicaid benefits must be clearly outlined in the contract by and between the State Medicaid agency and the entity. All contracts must specify how the Medicare and Medicaid benefits are integrated and/or coordinated.

**2. The eligibility category(ies) of the SNP.**

This contracting element requires that the contract clearly identify the dual population eligible to enroll in the DE SNP. Any enrollment limitations for Medicare beneficiaries under this SNP must parallel any enrollment limitations under the Medicaid program. For example, if a State Medicaid agency contracts with a plan for a Medicaid wraparound package for certain dual-eligibles (such as those aged 65 and above), an MA organization may establish a SNP that limits enrollment to that same subset of dual-eligibles. For those organizations whose contract with the State is for Medicaid managed care, enrollment in the DE SNP must be limited to Medicaid dual-eligibles permitted to enroll in that organization's Medicaid managed care contract.

**3. The Medicaid benefits covered under the SNP.**

This contractual element requires that information be included on benefit design and administration as well as assigning plan responsibility to provide or arrange for this benefit. Meeting this contracting element requires that the information provided in the contract include the benefit design, how it will be administered and that it is the plan's responsibility to provide or arrange for this benefit. The contract should specify the benefits offered in the State plan as well as benefits that go beyond Original Medicare parameters that the MA SNP will offer. If the list of services is an attachment it must be referenced in the body of the contract.

**4. The cost-sharing protections covered under the SNP.**

MIPPA requires that MAOs offering DE SNPs must enforce limits on the out-of-pocket costs for dual-eligibles. Meeting this contracting element requires that DE SNPs not impose cost-sharing requirements on specified dual-eligible individuals (full benefit dual-eligibles and qualified Medicare beneficiaries (QMB), or any other population designated by the State) that would exceed the amounts permitted under the State Medicaid plan if the individual were not enrolled in the dual-eligible SNP.

This section should also clearly detail how pharmacies will be made whole by Medicaid for Part B covered medicines and supplies. If the amount of the Medicaid responsibility is lower than the 20% match and this is agreed upon by the pharmacy, such agreements should be included in the contract. Further, the contract should include a statement that the DE SNP enrollee will not be held liable, i.e., billed for any portion for which either Medicare or Medicaid is responsible.

**5. The identification and sharing of information on Medicaid provider participation.**

Meeting this contracting element requires that the information provided include a process for the State to identify and share information on providers contracted with the State Medicaid agency for inclusion in the SNP provider directory. The Medicare and Medicaid networks should meet the needs of the dual-eligible population served.

**6. The verification process of an enrollee's eligibility for both Medicare and Medicaid.**

Meeting this contracting element requires the State Medicaid agency to provide MAOs with access to real time information verifying eligibility of enrolled dual-eligible members. The agreed upon eligibility verification process must be described in detail.

**7. The service area covered under the SNP.**

Meeting this contracting element requires that the contract clearly identify the covered service area in which the State has agreed the MAO may market and enroll.

**8. The contracting period.**

Meeting this contracting element requires a period of performance between the State Medicaid agency and the DE SNP of at least January 1 through December 31 of the year following the due date of the contract. If not met, the plan may indicate the evergreen clause within the contract and provide an explanation of when the state issues an update.