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DATE: September 9, 2010

TO: All Medicare Advantage Organizations

FROM: Michael Crochunis, Acting Director
Medicare Enrollment and Appeals Group

SUBJECT: Updated -- Transition Guidance for Non-Special Needs Enrollees in MA Special Needs Plans (SNPs) beyond January 1, 2010

As provided under the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), Special Needs Plans (SNPs) may only enroll 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 the Centers for Medicare & Medicaid Services (CMS).

In August 2009, CMS provided initial instructions on the transition of SNP enrollees who are no longer eligible to remain in the plan due to the changes in eligibility requirements. We issued further guidance on this policy in the April 16, 2010 Renewal/Non-Renewal Options memorandum.

Section 3205(c) of the Patient Protection and Affordable Care Act (ACA) requires the Secretary of the Department of Health and Human Services to develop a transition process for those SNP enrollees ineligible to remain enrolled in SNPs as of January 1, 2010. In addition, §3205(c) provides that an exception to this transition be made "for a limited period of time" for SNP enrollees who have lost Medicaid eligibility. To ensure equal treatment of all SNP enrollees affected by the changes in SNP eligibility criteria, and to allow beneficiaries additional time to review other plan options and take action to ensure continued MA enrollment, **CMS is extending the transition for all SNP enrollees who are no longer eligible to remain in their plan (as of January 2010) until December 31, 2011.** Additional guidance on this transition will be provided at a later date.

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.