

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: December 7, 2010

TO: Medicare Advantage Organizations and Medicare Advantage Employer/Union-Sponsored Group Health Plans

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

SUBJECT: Issuance of Update to Chapter 4 of the Medicare Managed Care Manual

Included with this memorandum is a revision of Chapter 4 of the Medicare Managed Care Manual, “Benefits and Beneficiary Protections.” This revision to Chapter 4 reflects new regulatory requirements and guidance for contract year 2011 for Medicare Advantage (MA) organizations and MA employer/union-sponsored group health plans that have been released since the last update to Chapter 4 in December 2009. We will update Chapter 4 again in the future with guidance for contract year 2012. Chapter 4 may also be accessed online with the other chapters of the Medicare Managed Care Manual, Publication 100-16, at <http://www.cms.hhs.gov/Manuals/IOM>. Changes from the previous version of Chapter 4 are indicated in red italic text and significant differences include the following:

- Revised and new guidance regarding MA cost-sharing standards (section 50.1);
- Revised guidance concerning the visitor/travel (V/T) program (section 100.7);
- Revised guidance concerning the foreign travel benefit (section 100.8);
- Revised guidance on renewal/non-renewal options and the HPMS crosswalk (section 140);
- New guidance on meaningful plan differences (section 160);
- New guidance on non-renewal of MA plans based on low enrollment (section 170);
- New guidance concerning prior notification rules for enrollees in local PPO, RPPO, PFFS and MSA plans, as well as guidance concerning advance coverage determinations (Section 10.9);
- Revised guidance concerning tiered cost-sharing of medical benefits based on provider group (section 10.10);

- Clarification of preventive benefits policies, especially regarding charging separate office visit or facility fee cost sharing (sections 10.18 and 10.24); and
- New guidance on clinical trials for enrollees in an MA plan.

If you have any questions about the policies in Chapter 4, please contact your Regional Office account manager.