



MEDICARE ENROLLMENT & APPEALS GROUP

DATE: February 4, 2014

TO: Medicare Advantage Organizations, Prescription Drug Plan Sponsors, Section
1876 Cost Organizations and Medicare-Medicaid Plans

FROM: Arrah Tabe-Bedward
Director, Medicare Enrollment & Appeals Group

SUBJECT: Clarification of Allowable Online Enrollment Mechanisms

In response to inquiries regarding updated 2014 guidance issued on August 30, 2013 for electronic enrollment mechanisms and the role of contractors, subcontractors, first-tier and downstream entities in the online enrollment process, we are providing the following clarifying guidance.

Current guidance for electronic enrollment mechanisms, which includes enrollment via the Internet, conveys CMS' expectation that online enrollment requests be processed and submitted in a manner consistent with CMS' data security requirements. In other words, if at any point in the process of completing or submitting the enrollment request the applicant is directed or transferred away from the organization's secure website, we emphasize that the organization retains complete responsibility for the appropriate handling of any sensitive beneficiary information provided as part of the online enrollment.

For plans utilizing contractors, subcontractors, first-tier or downstream entities, such as a broker or third party website, as a means of online promotion or of facilitating enrollment requests, from the point at which an individual selects the plan of his/her choice on the third-party website and begins the online enrollment process, CMS holds the organization responsible for the security and privacy of the information provided by the applicant and for the timely disclosure of any breaches.

This is in line with our guidance and overall interest in ensuring that personal information is handled consistent with CMS data security requirements, to which the organization is bound via its contract with CMS. That said, we emphasize that the enrollment guidance should not be interpreted as preventing or limiting an organization from obtaining technical and related services from outside entities in support of its online enrollment mechanism (e.g. licensed software).

Detailed information regarding the organization's responsibility for all services provided by contracted and other downstream entities can be found in Section 110 of Chapter 11 of the Medicare Managed Care Manual ("MA Organization Relationship with Related Entities, Contractors, Subcontractors, First-Tier and Downstream Entities), Article II, item O, in the Medicare Prescription Drug Plan sponsor contract and Article IV, item J, in the Section 1876 Cost Organization contract.

It is expected that organizations are already compliant with the requirements for use of electronic enrollment mechanisms. For questions regarding current compliance status or whether there is a need for any corrective action to achieve full compliance, please contact your CMS Account Manager for assistance.