



DATE: September 12, 2014

TO: Medicare Advantage Organizations and Prescription Drug Plan Sponsors

FROM: Kathryn A. Coleman
Acting Director, Medicare Drug & Health Plan Contract Administration Group
Center for Medicare

Sharon Donovan
Director, Program Alignment Group
Medicare-Medicaid Coordination Group

Tim Engelhardt
Director, Models, Demonstrations, and Analysis Group
Medicare-Medicaid Coordination Group

SUBJECT: Marketing in Medicare-Medicaid Plan Service Areas

The purpose of this memorandum is to remind Medicare Advantage organizations (MAOs) and Prescription Drug Plans (PDPs) about the need to follow all relevant marketing regulations and guidance during the Contract Year (CY) 2015 Annual Election Period (AEP) and in any year-round marketing activities to Medicare-Medicaid enrollees. Under the Financial Alignment Initiative, CMS has worked in partnership with states and Medicare-Medicaid Plans (MMPs) to implement capitated financial alignment demonstrations in California, Illinois, Massachusetts, Ohio, and Virginia. We expect to implement additional demonstrations in Michigan, New York, Rhode Island (pending completion of an MOU with the State), South Carolina, Texas, and Washington in 2015. As a result, we expect that a number of MAOs and PDPs will be marketing to Medicare beneficiaries, their caregivers, and family members in a number of service areas where MMPs are currently – or will soon be – operating.

MAOs and PDPs operating in current or prospective demonstration service areas should ensure that their agents, brokers, contracted providers, and/or plan representatives do not provide information or distribute marketing materials that are materially inaccurate, misleading, or otherwise make material misrepresentations about MMPs or the possible impacts of the demonstration on MA and PDP enrollees. In partnership with states, CMS has developed marketing surveillance plans for each state implementing a capitated financial alignment demonstration to ensure that health plans and others are complying with all applicable regulations and guidance. CMS may issue compliance notices for inappropriate marketing, which may include statements made by or actions taken by agents. It is a CMS priority to ensure that beneficiaries are not misled regarding the demonstrations or Medicare Advantage and PDP

products. Therefore, CMS may issue compliance notices based on inappropriate marketing at a single event.

Please visit the CMS website at: <http://cms.gov/Medicare/Health-Plans/ManagedCareMarketing/FinalPartCMarketingGuidelines.html> for a copy of CMS' Medicare Marketing Guidelines and at: <http://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/Part-C-and-Part-D-Compliance-Actions.html> for a copy of CMS' report of its surveillance activities during last year's AEP.