**Non-Renewal and Service Area Reduction Guidance**

# Medicare Advantage (MA) Organization, Prescription Drug Plan (PDP) Sponsor, and Cost Contract

Non-Renewal Process for Contract Year (CY) 2014

This document provides detailed guidance on the process for providing notice to beneficiaries in MA organizations, cost contracts, Employer Group Waiver Plans (EGWP), and PDP sponsors who are non-renewing their contracts or individual Plan Benefit Packages (PBPs), or reducing their service areas for CY 2014. In addition, this document clarifies aspects of our non-renewal policies with respect to marketing requirements. Finally, we provide an overview of Medigap policies and state-specific notices for the three Medigap waiver states of Massachusetts, Minnesota and Wisconsin.

Please note that no information about the non-renewal or service area reduction may be released to enrollees, providers, or to the public prior to September 18, 2013. Any marketing to members of a non-renewing plan, whether the plan’s own members or a competitor’s, may not take place until October 2, 2013.

In the fall, CMS will provide a “close-out” letter to plans that are non-renewing or reducing their service area with complete details regarding their obligations after taking either of those actions. These instructions ensure that affected beneficiaries experience a smooth transition to another coverage option and define those tasks that an organization must perform after the last day of its contract.

## Delivery & Notification Receipt Requirements

CMS expects that the personalized final beneficiary notices will be sent on or after September 18, 2013. These notices must be received no later than October 2, 2013. EGWPs

non-renewing or reducing the service area of a non-calendar year plan need to ensure that notices

are received 90 days before the plan year end date. CMS recommends the use of first class postage for these notices. Non-renewing plans must include the “Important Plan Information” mailing statement on the envelope used to mail the final beneficiary notice. If a health plan chooses to provide information on other Medicare products, it must do so in accordance with section 40.8.2 of the Medicare Marketing Guidelines.

Regardless of when the notices are mailed, all health plan notices must be dated October 2, 2013 to ensure national consistency in the application of Medigap Guaranteed Issue (GI) rights to all beneficiaries. PDP notices can be dated to reflect the date that the notice is printed.

If an organization’s or sponsor’s notice will not meet the required receipt date, please inform your Account Manager, including why the notices were not sent as required and when they will be sent.

## Format Requirements

The personalized final beneficiary notices should be on 8 ½” x 11” sized paper and mailed in a similarly-sized envelope. These final beneficiary notices must also include the individual beneficiary’s name and address to enable affected beneficiaries to prove their special rights to Medigap insurers and other Medicare Organizations/Sponsors.

## Non-Renewal Model Notices

Unless otherwise directed by CMS, these models should not be modified.

## Table 1: Model Notices

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| Tab | Type of  Sponsor | Description | CMS Product  Number |
| A | PDP | PDP Plans that are non-renewing or  reducing their service areas | 11517 |
| B | MA, MA-  PD, and Cost | MA, MA-PD and Cost contract plans that  are non-renewing or reducing their service areas | 11518 |
| C | SNP | Special Needs Plans (SNPs) that  exclusively enroll dual eligibles and are non-renewing or reducing service area | 11519 |
| D | SNP | Disenrollment of ineligible enrollees due to consolidation of a renewal dual eligible  SNP (D-SNP) with a D-SNP with a State Contract | 11520 |
| D | SNP | Disenrollment of ineligible enrollees due  to a D-SNP that transitions some current enrollees to a new D-SNP with a different  designation and more restrictive eligibility  requirements | 11520 |

Non-renewal models should be submitted through File and Use Certification using the HPMS code 2077-Non-Renewal Notice. EGWPs may customize the models to more clearly and accurately reflect the benefits available to EGWP enrollees. EGWPs are not required to submit non-renewal notices in HPMS, but must make them available upon CMS request.

## Providing Alternative Enrollment Options

Plan sponsors may meet the requirement to notify beneficiaries of alternative enrollment options by either providing a written description of alternative options or placing outbound calls to all affected enrollees. If a plan sponsor chooses to provide a written description, they must download the list of available plans from HPMS.

To access, go to HPMS > Contract Management > Contract Reports > 2014 > Non-Renewal/SAR Reports > Organization Replacement Report > Select State and contract number.

The table may be downloaded as an Excel file by clicking on “Download to Excel” at the bottom of the page. This information should be included in the final beneficiary notice mailing.

***Medigap Policies and State-Specific Notices***

*1) Applicable to MA Organizations:*

MAOs must inform all beneficiaries affected by the non-renewal or service area reduction about their Medigap rights. This includes informing those who are eligible for Medicare due to a disability and individuals with End Stage Renal Disease (ESRD). Information on this topic is provided in the enclosed document “What You Should Know about Medigap.” CMS has prepared state-specific Medigap notices for Massachusetts, Minnesota, and Wisconsin, the three original “waiver states.” Many other states have Medigap protections that go beyond federal requirements. The state-specific information can be obtained by contacting your local State Health Insurance Program (SHIP) office or State Department of Insurance. Use of this state-specific language will ensure accurate communication of these provisions. Note that SNPs that exclusively enroll dual eligibles should not include Medigap information in their communications. This is to avoid confusion for dual eligibles, who may be prohibited from purchasing a Medigap policy, and whose State may pay the dual eligible’s cost-sharing in Original Medicare.

*2) Trial period for beneficiaries enrolled in an MA or MAPD plan:*

Special rules apply for affected beneficiaries in a managed care trial period. These individuals must actively and voluntarily disenroll from their non-renewing MA plans in order to choose from a broader range of Medigap policies available on a GI basis. MA organizations must provide these beneficiaries with written documentation of their voluntary disenrollment, even if the voluntary request is made for a December 31, 2013 effective date. Beneficiaries may be required to submit this written documentation to a Medigap issuer as proof of their right to purchase certain GI Medigap policies. CMS Model Notices for Voluntary Disenrollment are found in the Medicare Managed Care Manual, Chapter 2.

If you have questions about any of these instructions, please contact your Account Manager or e-mail [nonrenewals@cms.hhs.gov](mailto:nonrenewals@cms.hhs.gov).