



## **MEDICARE ENROLLMENT & APPEALS GROUP**

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**DATE:** December 30, 2015

**TO:** Medicare Advantage Organizations, Prescription Drug Plan Sponsors, Section 1876 Cost Organizations

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

**SUBJECT:** Good Cause Policy Clarifications for Contract Year 2016

The purpose of this memorandum is to provide Prescription Drug Plan (PDP) sponsors, Medicare Advantage (MA) organizations and §1876 cost plans policy clarifications related to reinstatement of enrollment for good cause for the contract year 2016.

### **Background:**

On August 19, 2015, CMS issued a Health Plan Management System (HPMS) memo that revised the MA, PDP and Cost Plan Enrollment and Disenrollment Guidance for contract year 2016. These revisions amended current reinstatement policies and processes for good cause to permit an entity (i.e., the plan) to act on behalf of CMS to effectuate reinstatements when good cause criteria are met. CMS will transfer this responsibility to plans starting January 1, 2016, such that plans will be responsible for the intake and processing of good cause reinstatement requests for individuals disenrolled effective January 1, 2016, and later, due to nonpayment of plan premiums. CMS will continue to process good cause reinstatement requests from individuals disenrolled by CMS for failure to pay Part D-IRMAA.

To help plans prepare and independently process these requests, CMS hosted a Plan User Call on November 18, 2015, during which we discussed and clarified the previously released good cause policy and related operational changes. CMS also shared best practices from our experience in processing good cause requests (i.e., triaging incoming requests and obtaining sufficient information to make a determination within the allotted timeframe) to assist plans as they finalize preparations for processing good cause reinstatement requests. As a result of the information discussed during that forum, CMS made a few clarifications in the guidance.

Specifically, CMS clarified the following:

- An individual may make only one request for good cause during the 60-day period following the involuntary disenrollment. Should an individual not be eligible to make a request for good cause due to their indication that he or she did not have an unexpected or uncontrollable circumstance that prevented their ability to make timely payment or is unable to pay the owed amounts within three months following the disenrollment, the individual may not make a second request during that timeframe. He or she will remain

disenrolled and will need a valid enrollment period in order to submit a new enrollment request.

- There may be other situations in addition to the list of circumstances provided in guidance that may result in favorable good cause determinations. Such situations must meet the regulatory standards of being outside of the member's control or unexpected such that the member could not have reasonably foreseen its occurrence, and this circumstance had to be the cause for the non-payment of plan premiums.
- Initial requests whether via telephone, mail or fax are considered received by the plan at the time the request first arrives. If the individual meets the eligibility criteria to make a good cause request, the initial receipt by the plan is considered Day zero, and the five business day clock begins.
- Plans have a total of five business days to review the request and make a determination; no additional time will be provided if the plan does not have sufficient details to make an informed determination. In situations where the plan needs more information to make the determination, it should make a good faith effort to gather the information within that five-day timeframe. If attempts are unsuccessful, the plan must use the information provided with the initial request to make its determination.
- Plans may add their contact information to the model notices related to good cause and CMS will consider it a model without modification, as long as it is the only addition. CMS has updated the model notice language to include this information.

In response to the items discussed during the Plan User Call on December 16, 2015, CMS released two additional resources for plans related to the good cause policies and process. These resources, a Frequently Asked Questions document and a Good Cause Triage Flow Chart, capture the highlights of the discussion and provide tips for plans. These new resources are available on both the MA/cost plan enrollment webpage and the PDP enrollment webpage on cms.gov.

**Guidance:**

Clarifying text is incorporated into the MA, PDP and cost plan enrollment guidance materials posted at the links below:

- MA and Cost Plan enrollment guidance: <http://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/index.html>
- PDP enrollment guidance: <http://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicarePresDrugEligEnrol/index.html>

It is expected that organizations have developed the internal processes and procedures necessary to assume responsibility for the receipt, review and effectuation of the good cause reinstatement requests for individuals disenrolled for nonpayment of plan premium effective January 1, 2016, and later. However, plans should implement any operational changes to meet the policy clarifications as soon as possible, but not later than 90 days from the date of this memorandum.

Please direct questions regarding the submission and/or review of member materials to your CMS Account Manager. For enrollment policy questions, please submit your inquiry to PDPENROLLMENT@cms.hhs.gov and copy your CMS Account Manager.