

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: December 14, 2023

TO: Medicare Advantage Organizations

FROM: Kathryn A. Coleman
Director

SUBJECT: Contract Year 2025 Medicare Advantage Applicant Training and Updated Letter of Intent Submission Instructions

CMS is releasing the following guidance regarding the Letter of Intent (LOI) submission process for Contract Year (CY) 2025 Medicare Advantage (MA) applications. Please refer to the memo titled “Updated 2024 Medicare Advantage Network Adequacy Criteria and Guidance” released December 7, 2023, for updates related to network adequacy criteria.

42 CFR § 422.116(d)(7) permits applicants to use a LOI, signed by both the applicant and the provider or facility with which the applicant has started or intends to negotiate, in lieu of a signed contract to meet network standards at the time of application and for the duration of the application review.

LOI Submission Operational Instructions

Applicants must provide a one-page LOI in PDF format. A compliant LOI must be on the MA organization’s letterhead and include signatures from the MA organization and the provider or facility. CMS will review LOI submissions to ensure they comply with the content requirements in § 422.116(d)(7).

Applicants will be directed to submit their provider networks in the Network Management Module (NMM) in Health Plan Management System (HPMS) as part of the CY 2025 application process. CMS encourages applicants to prepare and submit Health Service Delivery (HSD) tables before the application deadline to help them determine whether there are any upload related errors to correct before hitting final submit. This will help applicants determine whether to prepare Exception Requests (ERs) in response to network deficiencies.

Initial Submission

For the first submission, applicants must submit HSD tables that contain only contracted providers. The “*Letter of Intent? (Y/N) Only applicable for MA Applicants*” column on the HSD table must be blank.

After this initial submission, the results of the automated network review will be available in the Automated Criteria Check (ACC) report. Network failures will be noted in the deficiency notices issued to applicants post-CMS review.

Response to Deficiency Notice

When responding to the deficiency notice, applicants using LOIs must resubmit their HSD tables, and may include providers for which they have valid LOIs, and notify CMS about their LOI usage as follows:

- Applicants must mark “Y” in the indicated column on the HSD table to denote LOI use (note: If an applicant marks “Y” in the HSD table as part of the initial submission, they will receive an error and will be unable to unload HSD tables for submission).

Individual Provider LOIs

- If applicants will utilize LOIs for individual providers to meet network standards, the applicant must submit valid LOIs for each individual provider National Provider Identifier (NPI) marked on the HSD table.

Group Practice LOIs (NEW)

- If applicants will utilize group practice LOIs to meet network standards, applicants must upload **one** LOI for the group practice and identify the individual providers that are included under the group practice. Applicants must use the “MA LOI Group-to-NPI Matrix Template” to identify the individual providers under the group practice LOI. Applicants should only submit **one** MA LOI Group-to-NPI Matrix Template.
 - The MA LOI Group-to-NPI Matrix Template must include the following information: Medical Group Practice Names, Individual National Provider Identifiers (NPI), and all Group Level LOI File Names included in the submission.
 - The individual provider NPIs listed in the MA LOI Group-to-NPI Matrix Template must also match the NPIs indicated in the appropriate column on the HSD table.
 - The group level LOI file name must include the group level provider or facility name. For example: H0001_Sample Health System.pdf
 - The MA LOI Group-to-NPI Matrix Template should contain the filenames of all group level LOIs in the upload. Files that are too large may not be able to be uploaded with your submission in HPMS.

Please review the forthcoming Network Management Plan User Guide in the NMM for additional upload instructions.

Response to Notice of Intent to Deny

If a network fails to meet the standards of § 422.116 due to non-compliant LOIs or other network deficiencies, CMS will notify applicants of its intention to deny the application with a Notice of

Intent to Deny (NOID), as outlined in § 422.502(c)(2). This notice may also identify additional application deficiencies.

Applicants will have a chance to cure the issues specified in the NOID. To rectify LOI deficiencies, new or revised LOIs must be submitted in HPMS, following the previously outlined procedure. These submissions must:

- Include only new or corrected LOI(s), as per § 422.116(d)(7), in a single ZIP file. This file should also include the MA LOI Group-to-NPI Matrix Template for those using group practice LOIs.
- Be uploaded in a ZIP file in the NMM in HPMS.

Per § 422.502(c)(2)(ii), the applicant will have 10 days from receiving the NOID to provide a written response addressing the deficiencies in the application.

- CMS will not consider any provider with an LOI that does not comply with § 422.116(d)(7). Applicants must exclude providers with non-compliant LOIs from their network submission in response to the NOID. This enables CMS to accurately evaluate if the provider network meets § 422.116 standards.
- **Therefore, if an applicant needs to exclude a provider with a non-compliant LOI, they must also resubmit the HSD tables,**
 - **If the applicant is now contracted with the provider, the “Y” indicator must be removed from the LOI column; or**
 - **Applicants must remove any non-contracted providers from the HSD table.**
- If an applicant includes a non-compliant LOI (as part of the network submission) in response to the NOID, the application may be denied. CMS will not take into account providers with non-compliant LOIs when evaluating the applicant’s network.
- LOIs submitted through the exception request process will not be considered as that is a separate review.

Questions regarding these updates or content related to network adequacy may be submitted to the [Medicare Advantage Operations Mailbox](#). Select Network Adequacy from the Category drop-down on the question submission page.

Questions about the general MA Plan application process may be submitted to the MA/SNP Application Mailbox, both mailboxes are located at <https://dmao.lmi.org>.

CMS is conducting a training session on the CY2025 Medicare Advantage Plan (including Employer/Union Only Group Waiver and Special Needs Plans) application process, including updates on the LOI submission process during the Part C & D User Group Call on **January 3, 2024, at 3:30pm EST**. Individuals must register in advance to attend the call at the following link: <https://www.msccinc.com/cmsspartcd>

For technical questions, please contact the HPMS Help Desk at either hpms@cms.hhs.gov or 1- 800-220-2028.