

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850



## **CENTER FOR BENEFICIARY CHOICES**

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**DATE:** February 7, 2007

**TO:** All Medicare Advantage Organizations

**FROM:** Anthony Culotta, Director  
Medicare Enrollment and Appeals Group

**SUBJECT:** New Medicare Advantage Enrollment Period for MA-Only Plans

On December 20, 2006, the Tax Relief and Health Care Act of 2006 (Public Law 109-432) was enacted. Section 206 of this law amends section 1851(e)(2) of the Social Security Act (the Act) to allow beneficiaries enrolled in Original Medicare a limited opportunity in 2007 and 2008 to enroll in a Medicare Advantage (MA) plan that does not include Medicare prescription drug coverage (MA-only plan). CMS will refer to this MA enrollment election period as the Limited Open Enrollment Period (L-OEP). The L-OEP does not apply to enrollment into Medicare Medical Savings Account (MSA) plans, MA-PD plans or stand-alone PDPs.

The L-OEP for MA-only plans is available through 2008 to all beneficiaries enrolled in Original Medicare during any period when individuals would not otherwise have an enrollment opportunity to elect an MA plan. This group includes beneficiaries in Original Medicare who are also enrolled in a stand-alone PDP. However, consistent with section 1860D-1(a)(1)(B)(ii) and (iii) of the Act, these beneficiaries may remain enrolled in the PDP only if they enroll in a PFFS MA-only plan that does not offer Part D. Thus, if an individual in Original Medicare and a stand-alone PDP elects to enroll in an MA-only coordinated care plan, such as an HMO, PPO or Regional PPO, his or her enrollment in the PDP will be automatically cancelled as of the effective date of enrollment in the MA-only plan.

MA organizations offering an MA-only plan may accept an enrollment request made during the L-OEP from individuals enrolled in Original Medicare who do not have another MA enrollment period available to them. The existing MA enrollment periods include:

- the Annual Enrollment Period (AEP) from November 15 – December 31;
- the MA Open Enrollment Period (MA OEP) from January 1 – March 31;
- applicable Special Election Periods (SEPs); and
- the Initial Enrollment Period (IEP) for individuals new to Medicare.

The new L-OEP will provide beneficiaries who are still in Original Medicare one additional opportunity to choose an MA-only plan when the election periods listed above are not available

to the individual (including if the beneficiary has already used a one-time opportunity to make a change such as the MA OEP or an SEP).

**Instructions for Processing MA L-OEP Enrollment Requests:**

MA organizations offering an MA-only plan must follow the steps below to accept and process an enrollment request made during the L-OEP. Note that this process does not apply to L-OEP requests for enrollment into PFFS MA-only plans. MA organizations offering a PFFS MA-only plan may accept a valid L-OEP enrollment request and process it as outlined in Chapter 2; for all other L-OEP enrollment requests, the following steps must be followed:

1. MA organizations must determine the enrollment period for all incoming enrollment requests. When the organization identifies an L-OEP enrollment election, it must submit a Batch Eligibility Query (BEQ) transaction or access the BEQ information on-line to determine whether the beneficiary has other prescription drug coverage (i.e., is currently enrolled in a PDP or RDS plan).
2. If the beneficiary does not have other drug coverage, the MA organization must proceed with processing the enrollment request as outlined in Chapter 2 of the Medicare Managed Care Manual. The effective date of enrollment is the first of the month following the month in which the complete enrollment request was received. Until further notice, MA organizations should submit these enrollment transactions using the “S” transaction code.
3. If the beneficiary currently has other drug coverage, the MA organization must contact the beneficiary to confirm the beneficiary’s intent to enroll in the MA-only plan. The MA organization must ensure that s/he understands that enrolling in the MA-only plan at this time will automatically cancel his or her PDP enrollment and may impact other drug coverage provided by an employer or union group. The MA organization must also advise the beneficiary that, absent a change in circumstances, s/he will not be able to re-enroll in a Part D plan until the start of the Annual Election Period on November 15, with coverage effective the following January 1, and that s/he may be subject to a late enrollment penalty at that time. This contact may be made by telephone, written notice, or both (see model contact notice attached).
4. The individual will have 30 calendar days from the date he or she is contacted by the MA organization to respond to the request for enrollment confirmation. The MA organization must document this contact and retain it with the record of the individual’s enrollment request. If the individual indicates that s/he is fully aware of any consequence to his/her PDP enrollment or other drug coverage brought about by enrolling in the MA-only plan, and confirms s/he still wants to enroll, the MA organization must process the enrollment as outlined in Chapter 2. The effective date of enrollment is the first of the month following the month the individual confirmed his or her intent to enroll via the process outlined above. If the individual does not respond within 30 days, the enrollment must be denied because the individual failed to provide the additional information requested. The organization must provide the appropriate denial notice (see Exhibit 7 of Chapter 2).

If you have questions about this process, please contact Randy Brauer at 410-786-1618 or by e-mail at: [randy.brauer@cms.hhs.gov](mailto:randy.brauer@cms.hhs.gov)

**Model Notice for L-OEP Enrollment Requests Into MA-Only Plans (other than PFFS)**

Dear <Name of applicant>:

Thank you for applying with <MA Plan Name>. Before we can process your enrollment, we need you to confirm that you want to be enrolled in <MA plan name>.

Medicare has informed us that you are either a member of a Medicare Prescription Drug plan or you are a member of an employer group health plan that includes prescription drug coverage. It is important that you consider your decision to enroll <MA Plan Name> carefully. If you are currently enrolled in a Medicare prescription drug plan, enrollment in <MA plan name> will automatically cancel your enrollment in that plan. This means you will not have Medicare prescription drug coverage. If you enroll in Medicare prescription drug coverage at a later date, you may have to pay a penalty. If you are a member of an employer or union group health plan that includes prescription drug coverage, enrollment in <MA Plan Name> may change how your current coverage works.

**Please contact us by calling our [member services/customer service] department at <phone number>.** TTY users should call <TTY number>. Your enrollment will not be complete until you call and tell us (1) that you want to enroll in <MA plan name> and (2) that you understand that your Medicare prescription drug plan will be automatically cancelled.

We must hear from you to complete your enrollment in <MA plan name>. If we do not hear from you within 30 days from the date of this notice, we will deny your enrollment request.

If you have any questions, please feel free to contact us at < number>. We are open {insert days/hours of operation and, if different, TTY hours of operation}.

Thank you.