



BETTER BENEFITS – MORE CHOICES

*Good News about the Medicare Prescription Drug, Improvement
and Modernization Act of 2003!*

Administrative Improvements Within the Centers for Medicare & Medicaid Services

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) mandated several changes for the Centers for Medicare & Medicaid Services (CMS) for the administration of MMA.

- The Secretary of Health and Human Services must ensure that no later than January 1, 2008, CMS will have a Center administering the Medicare Advantage (Part C) and Voluntary Prescription Drug Benefit (Part D) programs. The Center's director will report to the Administrator of CMS.
- The Secretary may employ for the purposes of administering Parts C and D, such management staff as appropriate and these individuals should have private sector expertise in negotiations with health benefits plans. The management staff should have education and either public or private sector experience that demonstrates superior expertise in at least one of the following areas:
 - Review, negotiation, and administration of health care contracts;
 - Design of health care benefit plans;
 - Actuarial sciences;
 - Compliance with health plan contracts;
 - Consumer education and decision making; and,
 - Other areas to be specified by the Secretary.
- The management staff should be paid based on their expertise, experience and performance but in no case will the rate of compensation exceed the highest rate of basic pay for the Senior Executive Service under section 5382 (b) of title 5, United States Code.
- The Chief Actuary's office should have an actuary dedicated to Parts C and D.
- The grade level of the Administrator of CMS will increase to an Executive Level III January 1, 2004.