
CMS Manual System

Pub. 100-16 Medicare Managed Care

**Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)**

Transmittal 59

Date: AUGUST 20, 2004

I. SUMMARY OF CHANGES:

NEW/REVISED MATERIAL - EFFECTIVE DATE: August 20, 2004

Section 20.3.1 - State and County Code (SCC) Corrections - Added a new section to provide additional information regarding state and county code corrections and retroactive plan payment adjustments.

Section 20.4.2 - Passive Elections - Added new section describing M+C passive elections.

CLARIFICATION – EFFECTIVE: Not Applicable.

Table of Contents - Added line items for two new sections, §§20.3.1 and 20.4.2, and changed titles for §§30.3.1 - 30.3.5.

Section 20.4 - Completion of Enrollment Form - Changed the words “fill out” to “complete” to clarify that an individual must make an election to enroll in an M+C plan. Added link to Exhibit 3a in second to the last paragraph that will work in Internet-Only version of this chapter.

Section 20.10 - Eligibility Requirements for Medicare MSA Plans - Deleted first bulleted item regarding the number of individuals enrolled in Medicare MSA plans. Deleted the third bulleted item regarding enrollment on January 1, 2003. This results from the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA).

Section 30.1 - Annual Elective Period (AEP) - Revision of the Annual Election Period (AEP) to November 15, 2005 through May 15, 2006, as required by the MMA.

Section 30.3 - Open Enrollment Period (OEP) - Deleted the words “or change an election” in the first paragraph.

Section 30.3.1 - OEP Through 2005 - Updated the section title from “OEP Through 2004.” In last paragraph, updated the year an individual can make an unlimited number of OEP elections to be through 2005 as required by the MMA. (This change delays “enrollment lock-in” until 2006.)

Section 30.3.2 - OEP in 2006 - Updated the section title from “OEP Through 2005.” Deleted the text from this section because CMS is developing guidance based on the MMA.

Section 30.3.3 - OEP in 2007 and Beyond - Updated the section title from “OEP in 2006 and Beyond.” Deleted the text from this section because CMS is developing guidance based on the MMA.

Section 30.3.4 - Open Enrollment for Newly Eligible Individuals (OEPNEW) in 2006 and Beyond - Updated the section title from “Open Enrollment for Newly Eligible Individuals (OEPNEW) in 2005 and Beyond.” Deleted the text from this section because CMS is developing guidance based on the MMA.

Section 30.3.5 - Open Enrollment Period for Institutionalized Individuals (OEPI) in 2006 and Beyond - Updated the section title from “Open Enrollment Period for Institutionalized Individuals (OEPI) in 2005 and Beyond .” Deleted the text from this section because CMS is developing guidance based on the MMA.

Section 30.4.5 - SEPs for Beneficiaries Age 65 (SEP65) - The Special Election Period (SEP) for Beneficiaries Age 65 is revised to January 1, 2006, from January 1, 2005, as required by the MMA.

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will only receive the new/revised information and not the entire table of contents.

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)
(R = REVISED, N = NEW, D = DELETED – (Only One Per Row.)**

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	Table of Contents
N	2/20/20.3.1/State and County Code (SCC) Corrections
R	2 20/20.4/Completion of Enrollment Form
N	2/20/20.4.2/Passive Elections
R	2/20/20.10/Eligibility Requirements for Medicare MSA Plans
R	2/30/30.1/Annual Elective Period (AEP)
R	2/30/30.3/Open Enrollment Period (OEP)
R	2/30/30.3.1/OEP Through 2005
R	2/30/30.3.2/OEP in 2006
R	2/30/30.3.3/OEP in 2007 and Beyond
R	2/30/30.3.4/Open Enrollment for Newly Eligible Individuals (OEPNEW) in 2006 and Beyond
R	2/30/30.3.5/Open Enrollment Period for Institutionalized Individuals (OEPI) in 2006 and Beyond
R	2/30/30.4.5/SEPs for Beneficiaries Age 65 (SEP65)

III. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Special Notification

Medicare Managed Care Manual

Chapter 2 - Medicare + Choice Enrollment and Disenrollment

Last Updated - Rev. 59, 08-20-04

NOTE: This chapter replaces policy outlined in OPL 100, OPL 104, OPL 105, OPL 109, OPL 111, OPL 113, OPL 122, and OPL 123.

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20.3.1 – State and County Code (SCC) Corrections

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

In order to validate a request for a retroactive payment adjustment, the M+C organization is required to provide evidence that establishes an individual's place of permanent residence for that specific period of time. This is different from the process outlined in §20.3 above that provides instructions for establishing current residence for the purposes of eligibility to enroll, or remain enrolled, in an M+C plan.

Some evidence items that are acceptable for establishing current residence may not be acceptable for establishing residence for a past period of time. For example, a driver's license generally does not specify a period of time in which the address presented on it is or was valid, and there are variances among the states regarding updating their records when a change of address occurs. Since a driver's license may not provide adequate verification of residence for a specific past period of time in all states, it is not considered acceptable documentation for retroactive payment adjustment requests. In contrast, a signed statement from the beneficiary, or his or her representative, that confirms the residence for the specific period, or a tax record covering the period in question are examples of documents that do address the specific period of time associated with a retroactive payment adjustment for SCC discrepancies and as such, constitute acceptable documentation.

Information on SCC discrepancies and payment corrections, including evidence requirements for retroactive payment adjustments, is provided in Chapter 19 of this manual.

20.4 - Completion of Enrollment Form

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

An eligible individual or authorized individual must *complete* an election to enroll in an M+C plan, **even if that individual is electing an M+C plan in the same M+C organization in which he/she is enrolled.** Unless otherwise specified by CMS, an eligible individual can elect an M+C plan only if he/she completes and signs an enrollment form, provides required information to the M+C organization within required time frames, and submits the properly completed form to the M+C organization for enrollment. Model enrollment forms are included in [Exhibits 1, 2, and 3](#).

An individual who is a member of an M+C plan, and who wishes to elect another M+C plan offered by the same M+C organization, must complete a new enrollment form to enroll in the new M+C plan; however, that individual may use a short enrollment form (refer to [Exhibit 3](#) for a model short enrollment form or [Exhibit 3a](#) for a model selection form) to make the election in place of the comprehensive individual enrollment form.

An M+C organization must deny enrollment to any individual who does not properly complete the enrollment form within required time frames. Procedures for completing the enrollment form are provided in [§40.2](#) and [Appendix 2](#). Refer to [§10](#) for a definition of “completed election form.”

20.4.2 – Passive Elections

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

Under Medicare laws and regulations, Medicare beneficiaries must make an election to enroll in an M+C plan, and CMS specifies the form and manner in which such elections are made. CMS has determined that it is legally permissible to provide for enrollment in an M+C plan under a passive election process in specific, limited circumstances generally associated with the M+C plan renewal process. A passive election is defined as a process by which a beneficiary is informed that he or she may make an election of a new M+C plan by taking no action.

M+C Plan Renewal and Non-Renewal

When a passive election is used in connection with a Service Area Reduction (SAR) or plan termination, the M+C Organization must send a modified Annual Notice Of Change (ANOC) to the enrollees setting forth the available options, including Medigap rights. Although the ANOC information ordinarily may not be due until a later date, the MA organization must provide the ANOC information for the new M+C Plan by October 2 of the current calendar year for the following year’s plan(s). This will satisfy the M+C Plan termination notification requirements and give the enrollees time to decide whether to elect the new plan by taking no action.

*When a passive election is used in an M+C plan renewal that **does not** include a termination or SAR, there are no Medigap rights. The M+C Organization should use the regular ANOC and include passive enrollment language to inform enrollees about their respective plans and other choices for the upcoming year.*

20.10 - Eligibility Requirements for Medicare MSA Plans

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

Although an individual may meet all the requirements to elect an M+C plan, there are additional requirements and limitations on the individuals who may wish to elect to enroll in a Medicare Medical Savings Account (MSA) plan, should such a plan become available (currently, no such plans are offered). An individual is not eligible to elect a Medicare MSA plan if any one of the following applies:

- The individual will reside in the United States for fewer than 183 calendar days during the year in which the election is effective;
- The individual is enrolled in a Federal Employees Health Benefits program, or is eligible for health care benefits through the Department of Veterans Affairs or the Department of Defense;
- The individual is entitled to coverage of Medicare cost-sharing under a Medicaid State plan;
- The individual is receiving hospice benefits under the Medicare benefit prior to completing the enrollment form; or
- The individual receives health benefits that cover all or part of the annual Medicare MSA deductible such as through insurance primary to Medicare, supplemental insurance policies not specifically permitted under [42 CFR 422.104](#), or retirement health benefits.

30.1 - Annual Election Period (AEP)

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

The AEP occurs November 15 through December 31 of every year.

In 2005, the AEP will be extended and run from November 15, 2005 through May 15, 2006.

30.3 - Open Enrollment Period (OEP)

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

Individuals have an opportunity to make an election during an OEP, in addition to their opportunities during the AEP, SEP, or ICEP. M+C organizations are not required to open their plans for enrollment during an OEP. However, M+C organizations must accept requests for disenrollment from M+C plans during the OEP since Original Medicare is always open during an OEP. In addition, if an M+C organization has more than one M+C plan, the M+C organization is not required to open each plan for enrollment during the same time frames.

If an M+C organization opens a plan during part of an OEP, it is not required to open the plan for the entire month – it may choose to open the plan for only part of the month.

30.3.1 - OEP Through 2005

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

The OEP is continuous through 2005. If an M+C organization has a plan that is open for enrollment at any time during the OEP, then it must accept all OEP elections into that plan made during the plan's open enrollment period. If an M+C organization has a plan that is not open for enrollment outside of the AEP, then it cannot accept any OEP elections into that plan.

NOTE: M+C organizations must accept requests for disenrollment from M+C plans during the OEP since Original Medicare is open continuously through 2005.

An M+C eligible individual can make an unlimited number of *OEP* elections *through 2005*.

30.3.2 - OEP in 2006

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

This section is being revised. Complete information will be provided in a future update to this chapter.

30.3.3 - OEP in 2007 and Beyond

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

This section is being revised. Complete information will be provided in a future update to this chapter.

30.3.4 - Open Enrollment for Newly Eligible Individuals (OEPNEW) in 2006 and Beyond

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

This section is being revised. Complete information will be provided in a future update to this chapter.

30.3.5 - Open Enrollment Period for Institutionalized Individuals (OEPI) in 2006 and Beyond

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

This section is being revised. Complete information will be provided in a future update to this chapter.

30.4.5 - SEPs for Beneficiaries Age 65 (SEP65)

(Rev. 59, Issued 08-20-04, Effective: August 20, 2004/Implementation: N/A)

Beginning January 1, 2006, M+C eligible individuals who elect an M+C plan during the initial enrollment period (IEP) surrounding their 65th birthday have an SEP. This “SEP65” allows the individual to disenroll from the M+C plan and elect the Original Medicare plan any time during the 12-month period that begins on the effective date of coverage in the M+C plan.

The IEP is **not** the same as the ICEP and relates to Medicare, not M+C, enrollment. The IEP is established by Medicare and begins 3 months before and ends 3 months after the month of the individual’s 65th birthday.
