CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub. 100-16 Medicare Managed Care	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal: 53	**Date: May 21, 2004**

I. SUMMARY OF CHANGES:

CORRECTION – EFFECTIVE DATE: Not Applicable.

Section 100.4 - Provider and Supplier Contract Requirements - In the line pertaining to §422.111(e) in the table, changed "**15 days of notice of termination**" to "**30 calendar days before the........**" to be consistent with regulations. This is not a new **requirement.**

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.

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/TITLE
R	11/100.4 / Provider and Supplier Contract Requirements

III. ATTACHMENTS:

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

100.4 - Provider and Supplier Contract Requirements

(Rev. 53, 05-21-04)

Contracts or other written agreements between M+C organizations and providers and suppliers of health care or health care-related services must contain the following provisions:

- Contracting providers agree to safeguard beneficiary privacy and confidentiality and assure accuracy of beneficiary health records;
- Contracts must specify a prompt payment requirement, the terms and conditions of which are developed and agreed-to by the M+C organization and its contracted providers and suppliers;
- Contracts must hold Medicare members harmless for payment of fees that are the legal obligation of the M+C organization to fulfill. Such provision will apply, but will not be limited to insolvency of the M+C organization, contract breach, and provider billing;
- Contracts must contain accountability provisions specifying:
    - That first tier and downstream entities must comply with Medicare laws, regulations, and CMS instructions (422.502(i)(4)(v)), and agree to audits and inspection by CMS and/or its designees and to cooperate, assist, and provide information as requested, and maintain records a minimum of six years;
    - That the M+C organization oversees and is accountable to CMS for any functions and responsibilities described in the M+C regulations (422.502(i)(3)(ii)(A)); and
    - That M+C organizations that choose to delegate functions must adhere to the delegation requirements - including all provider contract requirements in these delegation requirements - described in the M+C regulations (422.502(i)(3)(iii); 422.502(i)(4));
- Contracts must specify that providers agree to comply with the M+C organization's policies and procedures;

In addition to the provisions mentioned above, M+C organizations must include certain M+C-related provisions in the policies and procedures that are distributed to providers and suppliers that constitute the organizations' health services delivery network. The following table summarizes these provisions:

CONTRACT REQUIREMENTS THROUGH POLICIES, STANDARDS & MANUALS	**Link to CFR422**
Safeguard privacy and maintain records accurately and timely	422.118
Permanent "out of area" members to receive benefits in continuation area	422.54(b)
Prohibition against discrimination based on health status	422.110(a)
Pay for emergency and urgently needed services	422.100(b)
Pay for renal dialysis for those temporarily out of a service area	422.100(b)(1)(iii)
Direct access to mammography and influenza vaccinations	422.100(h)(1)
No copay for influenza and pneumococcal vaccines	422.100(h)(2)
Agreements with providers to demonstrate "adequate" access	422.112(a)(1)
Direct access to women's specialists for routine and preventive services	422.112(a)(3)
Approved procedures to identify, assess and establish treatment plans for serious and complex conditions	422.112(a)(4)
Services available 24 hrs/day, 7 days/week	422.112(a)(8)
Adhere to CMS marketing provisions	422.80(a), (b), (c)
Ensure services are provided in a culturally competent manner	422.112(a)(9)
Maintain procedures to inform members of follow-up care or provide training in selfcare as necessary	422.112(b)(5)

CONTRACT REQUIREMENTS THROUGH POLICIES, STANDARDS & MANUALS	**Link to CFR422**
Document in a prominent place in medial record if individual has executed Advance directive	422.128(b)(1)(ii)(E)
Provide services in a manner consistent with professionally recognized standards of care	422.502(a)(3)(iii)
Continuation of benefits provisions (may be met in several ways, including contract provision)	422.502(g)(2)(i); 422.502(g)(2)(ii); 422.502(g)(3)
Payment and incentive arrangements specified	422.208
Subject to laws applicable to Federal funds	422.502(h)(2)
Disclose to CMS all information necessary to (1) Administer & evaluate the program (2) Establish and facilitate a process for current and prospective beneficiaries to exercise choice in obtaining Medicare services	422.64(a): 422.502(a)(4): 422.502(f)(2)
Must make good faith effort to notify all affected members of the termination of a provider contract *30 calendar days before the* termination by plan or provider	422.111(e)
Submission of encounter data, medical records and certify completeness and truthfulness	422.502(a)(8); 422.502(1)(2) & (3)
Cooperate with quality review and improvement organization (review organization)	422.154(a)
Comply with medical policy, QM and MM	422.202(b); 422.502(a)(5)
Disclose to CMS quality & performance indicators for plan benefits re: disenrollment rates for beneficiaries enrolled in the plan for the previous two years	422.502(f)(2)(iv)(A)

CONTRACT REQUIREMENTS THROUGH POLICIES, STANDARDS & MANUALS	Link to CFR422
Disclose to CMS quality & performance indicators for the benefits under the plan regarding enrollee satisfaction	422.502(f)(2)(iv)(B)
Disclose to CMS quality & performance indicators for the benefits under the plan regarding health outcomes	422.502(f)(2)(iv)(C)
Notify providers in writing for reason for denial, suspension & termination	422.204(c)(1)
Provide 60 days notice (terminating contract without cause)	422.204(c)(4)
Comply with Civil Rights Act, ADA, Age Discrimination Act, Federal funds laws	422.502(h)(1)
Prohibition of use of excluded practitioners	422.752(a)(8)
Adhere to appeals/grievance procedures	422.562(a)