



# Medicare: Today's Issue

February 12, 2004

## *BETTER BENEFITS – MORE CHOICES*

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

### Specialized Medicare Advantage Plans for Special Needs Beneficiaries:

#### ❖ Background:

Under the new Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), certain specialized Medicare Advantage (MA) plans can limit enrollment to special needs subgroups of the Medicare population in order to focus on ensuring their needs are met as effectively as possible. This provision will encourage greater access to MA plans for special needs subgroups.

#### ❖ Provision:

To support greater access to coverage, the MMA establishes a new specialized Medicare Advantage option for private plans that exclusively or disproportionately enroll these special needs individuals. Two groups of special needs Medicare individuals are specified--the institutionalized and those who also have Medicaid coverage. This new provision helps to afford special needs beneficiaries coverage options designed to best serve them. This Medicare Advantage contracting option is available for these two population subgroups upon enactment; therefore such plans can submit an application immediately.

- ❖ Requirements may be established for other “special needs” groups, such as those with severe or disabling chronic conditions that would benefit from enrollment in a specialized Medicare Advantage plan. For example, requirements may be established to include End Stage Renal Disease (ESRD) beneficiaries as special needs individuals.
- ❖ Under the Medicare Modernization Act, these MA plans will be paid on the same basis as other non-specialized MA plans.
- ❖ This MA option is available for periods before January 1, 2009.