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

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TO: Medicare Advantage Organizations

FROM: Arrah Tabe-Bedward
Director, Medicare Enrollment & Appeals Group

Kathryn A. Coleman
Director, Medicare Drug & Health Plan Contract Administration Group

SUBJECT: Enrollment Opportunities for Individuals Affected by a Significant Provider
Network Change

The purpose of this memorandum is to provide guidance about enrollment opportunities for
Medicare Advantage (MA) plan enrollees following CMS' determination of a significant
provider network change with substantial beneficiary impact.[1]

Provider network standards and guidance for significant mid-year changes to networks are
outlined in Section 110 of Chapter 4 of the Medicare Managed Care Manual (MMCM). MA
organizations (MAOs) are required to notify CMS no less than 90 days prior to the effective date
of a significant no-cause mid-year network change. CMS will review the information provided
by the MAO regarding the network change and will determine whether the change is significant
with a substantial effect, or potential effect, on enrollees. When CMS determines that a network
change is significant with substantial enrollee impact, CMS will find that the enrollees affected
by the change meet the exceptional conditions outlined in 42 CFR 422.62(b)(4), supporting
eligibility for a special election period (SEP). CMS views the SEP as an important beneficiary
protection and not as a punitive measure triggered by the MAO's decision to effectuate a
significant no-cause mid-year network change.

The SEP that may result from a significant change in provider network with substantial enrollee
impact is described in Section 30.4.6 of Chapter 2 of the MMCM. CMS will determine the
group(s) of enrollees eligible for the SEP based on the enrollee's current or recent use of services
from a provider being terminated without cause from the MAO's network. In all instances, the
SEP will be effective immediately upon notification to the enrollee of his or her eligibility for the
SEP and will continue for an additional two full calendar months.

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[1] Please refer to the CY2015 Call Letter (CY2015 Rate Announcement Attachment IV), in which CMS discusses
how it will determine whether a mid-year involuntary change in provider network is substantial and subject to
triggering an SEP.

MAOs will notify enrollees identified by CMS as substantially affected by the mid-year significant change in provider network of their opportunity to change plans and will include this information in their 30-day advance notification regarding the network change under 42 CFR 422.111(e). The notice will direct enrollees to call 1-800-MEDICARE for information and, if they wish, to request enrollment in a different plan. The 1-800-MEDICARE representatives will process these enrollment requests through the Medicare Online Enrollment Center (OEC) using the "OTH" election period code and will include text in the "CMS Use Only" field that says "Significant Provider Network Change." MAOs will receive these enrollments in the usual OEC downloads and, upon determination of the individual's eligibility for the plan, submit the enrollment transaction to CMS using the data in the enrollment request, as they would any other enrollment request received through the OEC. In this case, because the "OTH" code indicates an SEP, the MAO would use the "S" election type code in the enrollment transaction to CMS.

For policy questions regarding provider terminations or mid-year network changes, please contact Marty Abeln at Marty.Abeln@cms.hhs.gov. For policy questions regarding the SEP for a significant change in provider network, please contact Jeff Maready at Jeffrey.Maready@cms.hhs.gov. Please copy your CMS Account Manager on any questions submitted to CMS.

For information regarding provider network standards, please refer to the network criteria guidance for MA applications, located at the following link:
https://www.cms.gov/Medicare/Medicare-Advantage/MedicareAdvantageApps/index.html?redirect=/MedicareAdvantageApps/.