



Medicare-Medicaid Coordination Office

DATE: August 5, 2015

TO: States Participating in the Capitated Model of the Financial Alignment Initiative

FROM: Sharon Donovan
Director, Program Alignment Group, Medicare-Medicaid Coordination Office

SUBJECT: Additional Guidance on Ongoing Opportunities for Passive Enrollment

The purpose of this memorandum is to provide additional guidance on opportunities for passive enrollment for individuals eligible to enroll in a Medicaid-Medicare Plan (MMP). It expands on the initial memorandum of February 21, 2014, entitled “Passively Enrolling Individuals Who Become Newly Dually Eligible into a Medicare-Medicaid Plan,”¹ as well as the memorandum of February 10, 2015, entitled “Outreach to Demonstration Eligible Individuals.”² This memorandum presents states with options to consider for enrollment of individuals who newly become dually eligible. States should consider these options with input from advocates, MMPs, and other stakeholders as appropriate.

In this memorandum we:

- Update instructions for monthly passive enrollment of those who are newly dually eligible and had Medicaid first;
- Provide new instructions for monthly passive enrollment of those newly dually eligible who had Medicare first;
- Reiterate the opportunity for monthly passive enrollment of others who have been dually eligible, but are newly eligible or re-eligible for passive enrollment; and

¹ <http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/DailyMMPPassiveVsPartDAutoEnrollMedicaidFirstGuidance.pdf>

² <http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/Downloads/OutreachDemonstrationEligibleIndividuals021015.pdf>

- Clarify that passive enrollment of some or all of these groups may be conducted annually rather than monthly.

As with all passive enrollment, states must have beneficiary protections in place when enrolling individuals who newly become dually eligible including carving out those who have opted out or meet state-specific exclusion criteria; providing advance notification (i.e., the 60-day notice and 30-day reminder notice); and ensuring the right to opt out before or after the effective date.

Monthly Passive Enrollment Opportunities

Monthly passive enrollment connects individuals who are newly demonstration eligible with integrated care on an ongoing basis. This includes those who are newly dually eligible, as well as those who have been dually eligible but are newly demonstration eligible.

Newly Dually Eligible Individuals Who Had Medicaid First

As noted in the February 21, 2014 memorandum, when a Medicaid eligible individual becomes Medicare eligible, the state may passively enroll the beneficiary into a MMP. The passive enrollment transactions from the state must be submitted to CMS between 63 and 90 days in advance of the MMP enrollment effective date, but no later than the 63rd day before the MMP enrollment effective date. The beneficiary must receive a passive enrollment notice at least 60 days in advance.

In this memorandum, we update the technical instruction for populating the field for the application date on the MARx enrollment transactions. The new instruction is to calculate the application date for monthly passive enrollments using the same methodology as other passive enrollments, i.e., that it should be the same as the date the transaction is submitted to CMS' MARx enrollment system. This replaces the initial instruction that it be artificially early, i.e., December 1, 2002.

Newly Dually Eligible Individuals Who Had Medicare First

States may also passively enroll those who are newly dually eligible and who had Medicare prior to gaining Medicaid eligibility (Medicare-first). There are two important considerations:

- First, individuals in the Medicare-first population are eligible for passive enrollment on a monthly basis only if they currently have Part D coverage (i.e. those individuals who enrolled in a stand-alone Prescription Drug Plan (PDP) or Medicare Advantage Prescription Drug Plan (MA-PD) while Medicare-only). For those individuals in the Medicare-first population who do *not* have a Part D plan, there is not enough advance notice for the state to passively enroll them (into an MMP) prior to Medicare's auto-enrollment of these individuals into a PDP (see next section for opportunity to include them in an annual passive enrollment).

- Second, keeping with the principle that CMS and states will coordinate to make an election on behalf of a beneficiary only once per year, states will need to carve out those who have been auto-enrolled during the current calendar year.

The instructions on timing of beneficiary notices (i.e., 60 days and 30 days before effective date) and timing of enrollment transactions to CMS (i.e., 60 days prior to the effective date [with application date equal to transaction submission date]) are the same as for other passive enrollments.

To identify and passively enroll a newly dually eligible beneficiary who had Medicare first, states must:

- Identify those who already have a Part D plan *that they chose*
 - Use MMA Response file or response to TBQ query
 - Select those with enrollment source code = B, D, G, or I
 - Identify those who are demonstration eligible (e.g., service area), and exclude those who need to be carved out of passive enrollment based on other MOU parameters
- Follow standard passive enrollment process of sending passive transaction to CMS no later than 60 days in advance of the effective date
 - The standard instruction for application date applies, i.e., the application date equal should be equal to date transactions is submitted to CMS' MARx system
- Send initial passive enrollment letter to beneficiary no later than 60 days in advance of effective date, and reminder notice no later than 30 days in advance of effective date.

Monthly Passive Enrollment of Newly Demonstration Eligible Individuals

Each month, states may passively enroll existing dually eligible individuals who become newly demonstration eligible. This includes individuals who:

- Move into a demonstration service area, and were not passively enrolled or re-assigned by Medicare effective the current calendar year; or
- Are no longer in an excluded category for passive enrollment (examples vary by state, but can include a change in the Medicaid eligibility category, such as no longer in Medicaid spend-down status).

The standard instructions for submitting transactions to CMS' MARx system and notifications to beneficiaries apply.

Annual Passive Enrollment

As an alternative to monthly passive enrollment, states may conduct an annual passive enrollment of some or all of the categories of individuals discussed in the section above on monthly passive enrollment opportunities. This annual passive enrollment would occur in the fall of a given year for an effective date of January 1 of the following year.

In addition, as discussed in the February 20, 2015 memorandum, an annual passive enrollment process can include the following groups of individuals who become re-eligible for passive enrollment in the new calendar year:

- Those who involuntarily disenrolled from an MMP during the previous calendar year, e.g., due to short term loss of Medicaid;
- Those who were reassigned by CMS to a PDP effective January of the current calendar year and have not otherwise opted out of passive enrollment in prior years; or
- New dually eligible individual auto-enrolled by CMS to a PDP effective any month in current calendar year (reference in section above as needing to be carved out of any monthly passive enrollment for those newly dually eligible who had Medicare first).

Preparing for Additional Passive Enrollment

In addition to consulting with stakeholders on enrollment policy, states should work closely with their enrollment vendors, ADRC/SCHIP, and ombudsman programs to ensure all of the various beneficiary support entities are prepared and have the appropriate scripts in place for any changes in enrollment processes.

Additional Information

MMCO staff are available to meet with states to discuss these different options. In addition, these monthly and annual passive enrollment opportunities were also discussed on an April 15, 2015 webinar. The audio recording as well as PowerPoint of the presentation can be accessed at <http://www.integratedcareresourcecenter.net/technicalassistance.aspx>.

Please submit any questions or requests for further technical assistance to MMCOCapsModel@cms.hhs.gov.