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

CENTER FOR MEDICARE

DATE: July 27, 2017

TO: Medicare Advantage Organizations, Prescription Drug Plans, and Section 1876 Cost Plans

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SUBJECT: Model Notice Corrections/Policy Updates

This memorandum provides Medicare Advantage Organizations, Section 1876 Cost Plans and Prescription Drug Plans with corrections to the Contract Year (CY) 2018 Annual Notice of Change/Evidence of Coverage (ANOC/EOC).

On May 16, 2017, CMS issued a memorandum announcing the issuance of certain CY 2018 model marketing materials, which included the CY 2018 ANOC/EOC standardized models for all plan types. This memorandum clarifies and corrects standardized language that MAOs and Part D Sponsors should use for their CY 2018 ANOCs/EOCs. Below is a brief summary of each issue, a description of where in the models the issue is located, and the required updates:

1. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, and PPO MA

Summary of issue: The cervical and vaginal cancer screening benefit does not reflect the current policy.

Issue location: Chapter 4, Medical Benefits Chart, Section 2.1 – Cervical and vaginal cancer screening

Action required: Update the language as shown below (changes are noted in red text).

- If you are at high risk of cervical or vaginal cancer or you are of ~~have had an abnormal Pap test and are of~~ childbearing age and have had an abnormal Pap test within the past 3 years: one Pap test every 12 months

2. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, and PPO MA

Summary of issue: Plans should update language to include a location outside the pattern of care for transplants in the community.

Issue location: Chapter 4, Section 2.1

Action required: Update the language as shown below (changes are noted in red text).

Inpatient hospital care (continued)

- Under certain conditions, the following types of transplants are covered: corneal, kidney, kidney-pancreatic, heart, liver, lung, heart/lung, bone marrow, stem cell, and intestinal/multivisceral. If you need a transplant, we will arrange to have your case reviewed by a Medicare-approved transplant center that will decide whether you are a candidate for a transplant. [*Plans with a provider network insert:* Transplant providers may be local or outside of the service area. If our in-network transplant services are ~~at a distant location~~ outside the community pattern of care, you may choose to go locally ~~or distant~~ as long as the local transplant providers are willing to accept the Original Medicare rate. If *[insert 2018 plan name]* provides transplant services at a ~~distant~~ location outside the pattern of care for transplants in your community ~~(outside of the service area)~~ and you choose to obtain transplants at this distant location, we will arrange or pay for appropriate lodging and transportation costs for you and a companion.] *[Plans may further define the specifics of transplant travel coverage.]*

[*If cost-sharing is **not** based on the Original Medicare or plan-defined benefit period, explain here when the cost-sharing will be applied. If it is charged on a per admission basis, include as applicable:* A deductible and/or other cost-sharing is charged for each inpatient stay.]

[If inpatient cost-sharing varies based on hospital tier, enter that cost-sharing in the data entry fields.]

If you get [*insert if applicable:* authorized] inpatient care at an out-of-

3. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, and PPO MA

Summary of issue: Plan instructions about copayments, coinsurance, and deductibles is not included in the Medicare Part B prescription drugs benefit.

Issue location: Chapter 4, Section 2.1

Action required: Update the language as shown below (changes are noted in red text).

Medicare Part B prescription drugs

These drugs are covered under Part B of Original Medicare. Members of our plan receive coverage for these drugs through our plan. Covered drugs include:

[List copays / coinsurance / deductible]

- Drugs that usually aren't self-administered by the patient and are injected or infused while you are getting physician, hospital outpatient, or ambulatory surgical center services
- Drugs you take using durable medical equipment (such as nebulizers) that were authorized by the plan
- Clotting factors you give yourself by injection if you have hemophilia

4. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, and PPO MA

Summary of issue: An apple icon (indicating a preventive service) is not in front of the Medicare Diabetes Prevention Program (MDPP) benefit.

Issue location: Chapter 4, Section 2.1

Action required: Update this section to include the apple icon in front of the bold benefit name, as shown below.

 **Medicare Diabetes Prevention Program (MDPP)**

5. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, and PPO MA

Summary of issue: The Medicare Diabetes Prevention Program and Medicare Part B prescription drugs benefits are not listed in separate boxes in the Medical Benefits Chart.

Issue location: Chapter 4, Section 2.1

Action required: Update the models to include a line to separate the Medicare Diabetes Prevention Program (MDPP) section and the Medicare Part B prescription drugs section.

6. ANOC models for HMO MA-PD, PPO MA-PD, Cost Plan, PFFS, and PDP

Summary of issue: The language implies all members are enrolled in "Extra Help," when they may not be. Updating this language eliminates any confusion related to members who do and don't receive "Extra Help."

Issue location: Section 2

Action required: Update language to replace the word "Because" with "If" (changes are noted in red text).

Note: If you are in a program that helps pay for your drugs ("Extra Help"), **the information about costs for Part D prescription drugs** [*insert as applicable:* **may** *OR* **does**] **not apply to you.** *[If not applicable, omit information about the LIS Rider.]* We [*insert as appropriate:* have included *OR* sent you] a separate insert, called the "Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs" (also called the "Low Income Subsidy Rider" or the "LIS Rider"), which tells you about your drug costs. ~~Because~~ If you receive "Extra Help" and

7. ANOC models for HMO MA-PD, PPO MA-PD, Cost Plan, PFFS, MSA, HMO MA, PPO MA, and PDP

Summary of issue: With respect to Extra Help from Medicare, the language in the model assumes that the member has Medicaid coverage, when they may not. The language in the 2018 model differs from 2017 model documents that make this distinction.

Issue location: Section 7

Action required: Update the language, as shown below (changes noted in red text).

SECTION 7 Programs That Help Pay for Prescription Drugs

You may qualify for help paying for prescription drugs. *[Plans in states without SPAPs, delete the next sentence.]* Below we list different kinds of help:

- ~~*[Plans with Qualified Working and Disabled Individual (QDWI) members should modify this section as needed.]*~~ **"Extra Help" from Medicare.** ~~Because you have Medicaid, you are already enrolled in 'Extra Help,' also called the Low Income Subsidy. Extra Help pays some of your prescription drug premiums, annual deductibles and coinsurance. Because you qualify, you do not have a coverage gap or late enrollment penalty. If you have questions about Extra Help, call:~~ People with limited incomes may qualify for "Extra Help" to pay for their prescription drug costs. If you qualify, Medicare could pay up to 75% or more of your drug costs including monthly prescription drug premiums, annual deductibles, and coinsurance. Additionally, those who qualify will not have a coverage gap or late enrollment penalty. Many people are eligible and don't even know it. To see if you qualify, call:

8. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, and PDP

Summary of issue: The coverage gap value was not updated with the 2018 value for brand drugs.

Issue location: Chapter 2, Section 7 (three instances in this section in all models, but two instances in the D-SNP)

Action required: Update the "amount paid by the plan" in the coverage gap to reflect the 2018 amount of 15% (changes are noted in red text).

If you are enrolled in a State Pharmaceutical Assistance Program (SPAP), or any other program that provides coverage for Part D drugs (other than "Extra Help"), you still get the 50% discount on covered brand name drugs. Also, the plan pays ~~10%~~15% of the costs of brand drugs in the coverage gap. The 50% discount and the ~~10%~~15% paid by the plan are both applied to the price of the drug before any SPAP or other coverage.

If you reach the coverage gap, we will automatically apply the discount when your pharmacy bills you for your prescription and your Part D Explanation of Benefits (Part D EOB) will show any discount provided. Both the amount you pay and the amount discounted by the manufacturer count toward your out-of-pocket costs as if you had paid them and move you through the coverage gap. The amount paid by the plan (~~10%~~15%) does not count toward your out-of-pocket costs.

9. ANOC models for HMO MA, PPO MA, and PDP

Summary of issue: The ANOC checklist language related to doctors and other providers in network does not apply to a PDP only plan.

Issue location: Page 1, 'What to do now' Section

Action required: Remove the language as shown below:

~~Check to see if your doctors and other providers will be in our network next year.~~

- ~~Are your doctors in our network?~~
- ~~What about the hospitals or other providers you use?~~
- ~~Look in Section *[insert section number]* for information about our Provider Directory.~~

10. ANOC models for HMO MA and PPO MA

Summary of issue: ANOC checklist language related to Part D should be removed.

Issue location: Page 1, 'What to do now' Section

Action required: Remove the language, as shown below:

~~Check the changes in the booklet to our prescription drug coverage to see if they affect you.~~

- ~~Will your drugs be covered?~~
- ~~Are your drugs in a different tier, with different cost-sharing?~~
- ~~Do any of your drugs have new restrictions, such as needing approval from us before you fill your prescription?~~
- ~~Can you keep using the same pharmacies? Are there changes to the cost of using this pharmacy?~~
- ~~Review the 2018 Drug List and look in Section *[insert section number]* for information about changes to our drug coverage.~~

11. ANOC model for Cost Plan

Summary of issue: Some plans may or may not offer Part D, so text should be made optional for plans to include as appropriate.

Issue location: Page 1, 'What to do now' Section

Action required: Update the bullet to show optional blue text for plans that offer Part D, as shown below:

[Plans that offer Part D, insert as applicable:

☐ Check the changes in the booklet to our prescription drug coverage to see if they affect you.

- Will your drugs be covered?
- Are your drugs in a different tier, with different cost sharing?
- Do any of your drugs have new restrictions, such as needing approval from us before you fill your prescription?
- Can you keep using the same pharmacies? Are there changes to the cost of using this pharmacy?
- Review the 2018 Drug List and look in Section *[insert section number]* for information about changes to our drug coverage.]

12. ANOC models for HMO MA-PD, PPO MA-PD, Cost Plan, PFFS, and PDP

Summary of issue: The bullets discussing LEP, Part D IRMAA, and LIS are included in the 2017 documents, but not in the 2018 documents.

Issue location: Section 2.1

Action required: Add the text shown below (changes are noted in red text).

- Your monthly plan premium will be more if you are required to pay a lifetime Part D late enrollment penalty for going without other drug coverage that is at least as good as Medicare drug coverage (also referred to as "creditable coverage") for 63 days or more, if you enroll in Medicare prescription drug coverage in the future.

- If you have a higher income, you may have to pay an additional amount each month directly to the government for your Medicare prescription drug coverage.

- Your monthly premium will be less if you are receiving "Extra Help" with your prescription drug costs.

13. EOC models for HMO MA-PD, PPO MA-PD, Cost Plan, PFFS, MSA, HMO MA, PPO MA, and PDP

Summary of issue: CMS is adding "if applicable" at the end of "You should also show the provider your Medicaid card" to clarify that not all plan members will have a Medicaid card.

Issue location: Chapter 1, Section 3.1

Action required: Update the language as shown below (changes are noted in red text).

While you are a member of our plan, you must use your membership card for our plan whenever you get any services covered by this plan and for prescription drugs you get at network pharmacies. You should also show the provider your Medicaid card, if applicable. Here's a sample membership card to show you what yours will look like:

14. EOC models for HMO MA-PD, PPO MA-PD, Cost Plan, PFFS, HMO MA, and PPO MA

Summary of issue: CMS is adding language to clarify that not all plan members will have proof of Medicaid or QMB eligibility.

Issue location: Chapter 4, Section 1.1

Action required: Update the language as shown below (changes are noted in red text).

> Most people who qualify for Medicaid or for the Qualified Medicare Beneficiary (QMB) program should never pay deductibles, copayments or coinsurance. Be sure to show your proof of Medicaid or QMB eligibility to your provider, if applicable. If you think that you are being asked to pay improperly, contact Member Services.

15. ANOC/EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, PPO MA, and PDP

Summary of issue: Some State Health Insurance Assistance Program (SHIP) dates/hours are subject to volunteer availability or vary by location.

Issue location: HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS: Chapter 2, Section 3 and Chapter 12, back cover
MSA, HMO MA, PPO MA, and PDP: Chapter 2, Section 3 and Chapter 10, back cover

Action required: Remove references to days/hours of operation in the SHIP sections (changes are noted in red text).

CALL	*[Insert phone number(s) ~~and days and hours of operation~~]*

16. EOC model for D-SNP

Summary of issue: The State Medicaid Agency (not CMS) determines which types of D-SNP beneficiaries they would like to target for enrollment in the D-SNP via the State Medicaid Agency Contract (SMAC).

Issue location: Chapter 1, Sections 1.1, 4.1, 4.3, and 5.4; Chapter 2, Section 7; Chapter 6, Section 5.2

Action required: Update the language as shown below (changes are noted in red text). Please note that there are six instances of "CMS has approved" that need to be changed to "per the State Medicaid Agency Contract,"

Medicare. [*Plans ~~CMS has approved to~~, per the State Medicaid Agency Contract, exclusively enroll QMBs, SLMBs, QIs, or dual eligible individuals with full Medicaid benefits insert:* You will also receive "Extra Help" from Medicare to pay for the costs of your Medicare prescription drugs.][*Other plans insert:* You may also receive "Extra Help" from Medicare to pay for the costs of your Medicare prescription drugs.] *[Insert 2018 plan name]* will help manage all of

17. EOC models for HMO MA-PD and PPO MA-PD

Summary of issue: The Chapter 7 cover page in the HMO MA-PD heading lists Chapter 6 header information, which should be removed. The Chapter 1 cover page in the PPO MA-PD includes a header, which should be removed.

Issue location: HMO MA-PD: Chapter 7, Cover page heading
PPO MA-PD: Chapter 1, Cover page heading

Action required: Update models to remove headers from Chapter cover pages.

18. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, PPO MA, and PDP

Summary of issue: Plans should update the language in the PRA Disclosure Statement.

Issue location: HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS: Chapter 12, back cover
MSA, HMO MA, PPO MA, and PDP: Chapter 10, back cover

Action required: Replace the existing PRA Disclosure Statement with the statement below.

> **PRA Disclosure Statement** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1051. If you have comments or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

19. EOC model for PDP

Summary of issue: Section header and Table of Contents numbering is off by one and should be changed from 7.3 to 7.2.

Issue location: Chapter 1 Table of Contents and Chapter 1, Section 7.3 header

Action required: Update the numbering of the Table of Contents and Section header as shown below (changes are noted in red text).

SECTION 7 More information about your monthly premium 16
Section 7.1 There are several ways you can pay your plan premium 17
Section ~~7.3~~7.2 Can we change your monthly plan premium during the year? 19

Section ~~7.3~~ 7.2 Can we change your monthly plan premium during the year?

20. EOC models for Cost Plan and PFFS

Summary of issue: Optional text should be included for plans that do not offer a Part D benefit.

Issue location: Cost Plan and PFFS: Table of Contents and Chapter 1, Sections 5 and 6

Action required: Update models to include blue optional text for plans that do not offer Part D (changes are noted in red text).

Cost Plan Models:

SECTION 5 [Cost plans that do not offer Part D: omit Section 5.] Do you have to pay the Part D "late enrollment penalty"?.....14

SECTION 6 [Cost plans that do not offer Part D: omit Section 6.] Do you have to pay an extra Part D amount because of your income?.....16

SECTION 5 Do you have to pay the Part D "late enrollment penalty"?

[Cost plans that do not offer Part D: omit Section 5, renumber remaining sections in Chapter 1, and change cross-references to section numbers.]

SECTION 6 Do you have to pay an extra Part D amount because of your income?

[Cost plans that do not offer Part D: omit Section 6, renumber remaining sections in Chapter 1, and change cross-references to section numbers.]

PFFS Models:

SECTION 5 [PPFS plans that do not offer Part D: omit Section 5.] Do you have to pay the Part D "late enrollment penalty"? 15

SECTION 6 [PPFS plans that do not offer Part D: omit Section 6.] Do you have to pay an extra Part D amount because of your income?.....17

SECTION 5 Do you have to pay the Part D "late enrollment penalty"?

[PFFS plans that do not offer Part D: omit Section 5, re-number remaining sections in Chapter 1, and change cross-references to section numbers.]

SECTION 6 Do you have to pay an extra Part D amount because of your income?

[PFFS plans that do not offer Part D: omit Section 6, re-number remaining sections in Chapter 1, and change cross-references to section numbers.]

21. EOC models for HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, PFFS, MSA, HMO MA, PPO MA, PDP

Summary of issue: Additional text should be added about filing a complaint with Medicare.

Issue location: HMO MA-PD, PPO MA-PD, D-SNP, Cost Plan, and PFFS: Chapter 8, Section 1
MSA, HMO MA, PPO MA, and PDP: Chapter 6, Section 1

Action required: Update the language as shown below (changes are noted in red text).

Our plan has people and free ~~language~~ interpreter services available to answer questions from disabled and non-English speaking members. *[If applicable, plans may insert information about the availability of written materials in languages other than English.]* We can also give you information in Braille, in large print, or other alternate formats at no cost if you need it. ~~If you are eligible for Medicare because of a disability, w~~We are required to give you information about the plan's benefits in a format that is accessible and appropriate for you. To get information from us in a way that works for you, please call Member Services (phone numbers are printed on the back cover of this booklet) or contact *[Name of Civil Rights Coordinator]*.

If you have any trouble getting information from our plan in a format that is accessible and appropriate for you, please call to file a grievance with *[insert plan contact information]*. You may also file a complaint with Medicare by calling ~~because of problems related to language or a disability, please call Medicare at~~ 1-800-MEDICARE (1-800-633-4227) or directly with the Office for Civil Rights. Contact information is included in this Evidence of Coverage or with this mailing, or you may contact *[plan customer service]* for additional information. ~~24 hours a day, 7 days a week, and tell them that you want to file a complaint. TTY users call 1-877-486-2048.~~

Plans and Part D Sponsors should direct questions regarding this memorandum to their CMS Account Manager.