

**Contract Year 2018**  
**Non-Renewal and Service Area Reduction (NR/SAR) Guidance: Enrollee Notification**

Medicare Advantage Organizations (MAOs), Prescription Drug Plans (PDPs), section 1876 Cost Plans, Employer/Union-Only Group Waiver Plans (EGWPs), and Medicare-Medicaid Plans (MMPs) non-renewing contracts or individual plan benefit packages, or reducing their service areas are required to notify their enrollees within a specific timeframe and provide information about alternative enrollment options. (42 C.F.R. §422.506(a)(2)(ii), 42 C.F.R. §423.507(a)(2)(ii), 42 C.F.R. §417.492(a)(1)(ii))

Information about non-renewals or service area reductions may not be released to the public, including current enrollees, until you receive notice from CMS. Any marketing to members of a non-renewing plan, whether the plan's own members or a competitor's, may not take place until October 2, 2017. MAOs may elect to share Non-Renewal and Service Area Reduction (NR/SAR) information only with first tier, downstream, and related entities (FDRs) or anyone that the MAO does business with (i.e., contracted providers). However, plans that share NR/SAR information with these entities in advance of CMS's notice will be held responsible should this information become public before the appropriate time.

***Delivery and Notification Receipt Requirements***

NR/SAR plans and sponsors must send final notices with individual enrollee names and addresses, and ensure timely enrollee receipt as follows:

- MAOs, PDPs, Cost plans that offer a Part D benefit, EGWPs, and MMPs must provide notice to each of its affected enrollees **at least 90 days** before the end of the current contract period. For contracts ending on December 31, 2017, notice must be provided not later than October 2, 2017.
  - Since some EGWPs operate on a non-calendar year basis, the 90-day notice should be calculated based on when its contract year ends.
  - MAOs and Part D sponsors who accept enrollment requests into an employer/union sponsored Medicare Advantage (MA) plan or PDP may send out a single notice to enrollees that is consistent with the group enrollment process requirements. The MAO or Part D sponsor's advance notice must tell enrollees that their current plan is being terminated and they will be moved to new employer coverage if they decide not to opt out of such enrollment. Notice shall be provided to the enrollee no later than 21 calendar days prior to the effective date of the beneficiary's enrollment in the employer/union sponsored MA plan or PDP. (See §40.1.6.1 of the MA enrollment guidance and §40.1.6 of the PDP enrollment guidance.)
- Cost plans that do not offer a Part D benefit must provide notice to each of its affected enrollees **at least 60 days** before the end of the current contract period.

CMS recommends the use of first class postage for these notices. If a plan or Part D sponsor chooses to provide information on other Medicare products, it must do so in accordance with section 40.8.2 of the Medicare Marketing Guidelines (MMG).

Regardless of when the notices are mailed, all plan notices must be dated **October 2, 2017** to ensure national consistency in the application of Medigap Guaranteed Issue (GI) rights to all enrollees, except for those enrollees in MMPs and Special Needs Plans (SNPs). PDP notices can be dated to reflect the date that the notice is printed.

NR/SAR plans and Part D sponsors that are unable to meet the required enrollee receipt date must inform their Account Manager (Contract Management Team for MMPs) and specify why the notices were not sent timely and when they will be sent.

### ***Format Requirements***

The personalized final enrollee notices should be on 8 ½” x 11” sized paper and mailed in a similarly-sized envelope. These notices must also include the individual beneficiary’s name and address to enable affected beneficiaries to prove their special rights to Medigap insurers and other Medicare plans and Part D sponsors.

### ***Non-Renewal Model Notices***

NR/SAR plans and sponsors must use the attached non-renewal notices and submit them (under Non-Renewal Notice (ML) (F&U Cert) (2077)) in the Health Plan Management System (HPMS). NR/SAR plans and Part D sponsors must also input Actual Mail Dates and the number of beneficiaries in HPMS. Please see the HPMS Marketing Review User Guide for Plan Users for detailed submission instructions. MMPs must use the applicable attached non-renewal notices and submit them under their state-specific MMP non-renewal notice codes in HPMS. Unless otherwise specified, the following notices should not be modified:

- Model Notice to Enrollees in PDPs that are Non-Renewing or Reducing their Service Areas (Tab A);
- Model Notice to Enrollees in MA, MA-PD, and Cost Plans that are Non-Renewing or Reducing their Service Areas (Tab B);
- Model Notices to Enrollees in Dual Eligible Special Needs Plans (D-SNPs) that are Non-Renewing or Reducing their Service Areas (Tabs C, D, and J);
- Model Notices to Enrollees in Medicare-Medicaid Plans (Tab K);
- Model Notices to Enrollees in integrated D-SNPs Working with States on the model notice (Tab L); and
- “What You Should Know about Medigap,” including specific notices for the three waiver States: Massachusetts, Minnesota, and Wisconsin (Tabs F-I).

EGWPs are not required to submit non-renewal notices in HPMS, but must make them available to CMS upon request.

CMS and certain contracting states will reach out to integrated D-SNPs to populate the integrated notice (Tab L). All other D-SNPs should use the notice in Tab C.

### *Notification of Alternative Enrollment Options*

NR/SAR plans and sponsors must notify enrollees of alternative enrollment options using one or both of the options below:

- **Written Description.** If a plan or sponsor chooses to provide a written description, the plan or sponsor must provide all plan options to the affected enrollees. The list of available plans must be downloaded from HPMS and included in the final beneficiary notice mailing. To access the list, go to HPMS > Contract Management > Contract Reports > 2018 > Non-Renewal/SAR Reports > Organization Replacement Report > Select Contract Number and State. The table may be downloaded as an Excel file by clicking on “Download to Excel” at the bottom of the page.
- **Outbound Phone Calls.** If a plan or sponsor chooses to place outbound calls, the plan or sponsor must notify the affected enrollees on how they may find out about plan options from available sources, including 1-800-MEDICARE, State Health Insurance Program (SHIP), Medicare.gov, and State Ombudsman as applicable for MMPs. NR/SAR plans and Part D sponsors must adhere to the Outbound Non-Renewal/Service Area Reduction Call Script Requirements (Tab E). The script does not need to be submitted in HPMS. If the plan or sponsor chooses to submit or if CMS requests submission of the script, it should be done so under Non-Renewal Script (F&U Cert) (6007). Similarly, if an MMP chooses to submit or if CMS requests submission of the script, it should be done under the applicable state-specific MMP non-renewal notice code in HPMS.

### *Medigap Policies and State-Specific Notices*

#### Applicable to MA Organizations:

MAOs must inform all enrollees affected by the NR/SAR about their Medigap rights. This includes informing those who are eligible for Medicare due to a disability and individuals with End Stage Renal Disease. Information on this topic is provided in the enclosed document “What You Should Know about Medigap.” (See Tab F.) CMS has prepared State-specific Medigap notices for Massachusetts, Minnesota, and Wisconsin, which are the three original “waiver States.” (See Tabs G-I.) Many other States have Medigap protections that go beyond federal requirements. The State-specific information can be obtained by contacting your local SHIP office or State Department of Insurance. Use of this State-specific language will ensure accurate communication of these provisions. Note that SNPs and MMPs that exclusively enroll dual eligibles should **not** include Medigap information in their communications. This is to avoid confusion for dual eligibles, who may be prohibited from purchasing a Medigap policy, and whose State may pay the dual eligible’s cost-sharing in Original Medicare.

#### Guaranteed Issuance Rights:

Enrollees have guaranteed issue rights to elect a Medigap policy if they are disenrolled from a MAO that is non-renewing or reducing its service area. MAOs that are non-renewing or reducing their service areas must contact the local SHIP Directors to determine whether there are any special state law Medigap protections beyond Federal law requirements. When necessary, CMS will notify Medigap Issuers and State Insurance Departments.

Chapter 2, MA Enrollment and Disenrollment, of the Medicare Managed Care Manual (MMCM) includes additional information on situations in which an individual has GI rights and the role of the MAO in each of the situations.

Medigap is governed by Section 1882 of the Social Security Act. Subsection(s)(3) requires Medigap issuers to sell certain types of Medigap policies to individuals whose MAO elects to non-renew or reduce its service area.

The GI time period begins 60 days before disenrollment and ends 63 days after the last day of coverage with the non-renewing organization. The time period for most individuals subject to NR begins with receipt of the final enrollee notice of NR and ends 63 days after the last day of managed care coverage.

Special rules for affected enrollees in a MA trial period are defined in Section 12, Guaranteed Issue for Eligible Persons, of the NAIC Model Regulations to Implement the NAIC Medicare Supplement Insurance Minimum Standards Model Act and Section 1882(s) of the Social Security Act. These individuals must actively and voluntarily disenroll from their non-renewing MA plans in order to choose from a broader range of Medigap policies available on a GI basis. MAOs must provide these enrollees with written documentation of their voluntary disenrollment, even if the voluntary request is made for a December 31, 2017, effective date. Enrollees may be required to submit this written documentation to a Medigap issuer as proof of their right to purchase certain GI Medigap policies. CMS Model Notices for Voluntary Disenrollment are found in the MMCM, Chapter 2.

For further assistance on NR/SARs, contact your Account Manager (Contract Management Team for MMPs) or submit your question to the “SARs/Non-Renew/Terminations” Mailbox, located at: <https://dmao.lmi.org/>.