DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid
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MEDICARE ENROLLMENT & APPEALS GROUP

DATE: June 15, 2017

TO: All Medicare Advantage, Prescription Drug Plan, §1876 Cost, PACE, and Demonstration Sponsors

FROM: Jerry Mulcahy
Director

SUBJECT: Enrollment Guidance Changes for Contract Year 2018

On June 15, 2017, the Centers for Medicare & Medicaid Services (CMS) released a Health Plan Management System (HPMS) memorandum titled "Model Enrollment Form Changes for Contract Year 2018." This memorandum provided updates that sponsors need to make to the enrollment form no later than April 2018 in order to be prepared for the new Medicare Beneficiary Identifier (MBI). As outlined in that guidance, sponsors may implement the changes sooner, including having them in place for enrollments received during the next Annual Election Period beginning on October 15, 2017. The purpose of this memorandum is to provide enrollment processing changes to Chapters 2 and 17D of the Medicare Managed Care Manual and Chapter 3 of the Medicare Prescription Drug Benefit Manual for contract year 2018.

To help sponsors more efficiently process enrollment requests, we changed the guidance requirements for processing enrollment requests:

Paper Enrollment Requests
Sponsors have provided feedback that providing a copy of the completed paper enrollment request was burdensome. In light of this feedback, we are revising the manual guidance to remove the requirement to provide a copy of the completed paper enrollment form to individuals. CMS believes that through the existing enrollment guidance to process requests and notify individuals of the result within 10 days, individuals are receiving timely notification of receipt of their enrollment request. Should a beneficiary have a question about their enrollment, they will have the information necessary to contact the organization about their issue. We note that organizations are expected to keep a copy of the paper enrollment form and provide a copy to the beneficiary upon request.

Telephonic and Electronic Enrollment Requests
Through the Request for Information in the 2018 Call Letter, sponsors requested permission to collect financial information during telephonic enrollments to lessen the burden of having to gather the information separately after the enrollment request is made. We acknowledge that telephonic enrollments must be initiated by the beneficiary and, in order to be processed expeditiously, need to include all information necessary to process the person's preferred premium payment method. Further, permitting the collection of the financial information

during the telephonic enrollment will reduce the need for follow up calls to applicants and will help to curb against unsolicited and fraudulent calls during the Annual Election Period. Therefore, we are modifying the guidance to provide sponsors with the ability to collect financial information at the time the telephonic enrollment request occurs for the purpose of obtaining the beneficiary's preferred method to pay their premiums. We further note that guidance for §1876 cost plans also prohibited the collection of financial information in electronic enrollments, whereas this practice was permissible for enrollments into Medicare Advantage and Part D plans. As a result, we are also modifying the guidance so that this policy is consistent among all sponsors.

These changes are in effect for the start of contract year 2018. Sponsors may, at their option, implement any aspect of this guidance prior to the required implementation date. CMS will not require resubmission of previously approved/accepted enrollment mechanisms to collect financial information, provided that it matches the financial information collected via already-approved electronic and paper enrollment mechanisms. Any changes other than those outlined in this memorandum must be submitted to HPMS, per current Medicare Marketing Guidelines.

These changes are attached and will be incorporated into the Chapter 2 and Chapter 17D of the Medicare Managed Care Manual and Chapter 3 of the Medicare Prescription Drug Benefit Manual. These chapters will be posted at the links below within 10 business days of this memorandum.

- MA and Cost Plan enrollment guidance: http://www.cms.gov/Medicare/Eligibility-and- Enrollment/MedicareMangCareEligEnrol/index.html
- PDP enrollment guidance: http://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicarePresDrugEligEnrol/index.html

CMS does not anticipate making any additional enrollment guidance updates that would be in effect as of the start of the 2018 contract year.

Please direct questions regarding the submission or review of member materials to your CMS Account Manager. For enrollment policy questions, please submit your inquiry to PDPENROLLMENT@cms.hhs.gov and copy your CMS Account Manager.

When an adjustment is being made to Chapters 2, 3, and 17-D and the language in the chapters is identical, it will be listed below only once and will reflect the language for Chapter 2. Minor revisions, such as replacing "MA organization" with "PDP sponsor," will be reflected in the updated enrollment guidance posted to the enrollment webpage.

Chapter 17D, §40.1.2:
We modified the last bullet and added a new bullet to read as follows:

40.1.2 – Enrollment via Telephone

42 CFR 417.430(a)

Organizations may accept telephonic requests for enrollment into their cost plans only via an incoming (in-bound) telephone call to a plan representative or agent. CMS prohibits conducting outbound telephonic enrollment. Organizations that choose to offer a telephonic enrollment mechanism must follow the requirements below in addition to all other applicable program requirements:

- The cost plan may not market other lines of business at any time during the enrollment call.
- *Optionally, cost plans may request or collect premium payment or other payment information needed, such as a bank account number or credit card numbers, to process the form of premium payment requested by the individual.*

Chapters 2 and 3, §40.1.3:
We modified the sixth bullet to read as follows:

40.1.3 - Enrollment via Telephone

MA organizations may accept requests for enrollment into their MA plans via an incoming (in-bound) telephone call to a plan representative or agent. The following guidelines must be followed, in addition to all other applicable program requirements:

- *Optionally, organizations may request or collect premium payment or other payment information needed, such as a bank account number or credit card numbers, to process the form of premium payment requested by the individual.*

Chapter 17D, §40.1.3:
We modified the last bullet and added a new bullet to read as follows:

40.1.3 – Electronic Enrollment

Organizations may develop and offer electronic enrollment mechanisms made available via an electronic device or secure internet website. Plans have the option of obtaining technical and related services from outside entities in support of the cost organization's electronic enrollment mechanism, (e.g. licensed software). Organizations may use downstream entities, such as a broker or third party website, as a means of facilitating and capturing the electronic enrollment request. However, cost organizations retain complete responsibility for ensuring enrollment policies in this guidance are followed, and for ensuring the appropriate handling of any sensitive

beneficiary information provided as part of the online enrollment, including those facilitated by downstream entities. From the point at which an individual selects the plan of his or her choice on the third-party website and begins the online enrollment process, CMS holds the organization responsible for the security and privacy of the information provided by the applicant and for the timely disclosure of any breaches.

Organizations that choose to offer an electronic enrollment mechanism must follow the requirements below, in addition to all other applicable program requirements:

- The cost plan may not market to or enroll beneficiaries in other lines of business or products as part of the electronic enrollment process.
- *Optionally, cost plans may request or collect premium payment or other payment information needed, such as a bank account number or credit card numbers, to process the form of premium payment requested by the individual.*

Chapters 2 and 3, §40.4.1:
We deleted the first and third bullets and modified the second bullet to read as follows:

40.4.1 - Prior to the Effective Date of Coverage

Prior to the effective date of coverage the MA organization must provide the member with all the necessary information about being a Medicare member of the MA organization, the MA organization rules, and the member's rights and responsibilities (an exception to this requirement is described in §40.4.2). The MA organization must also provide the following to the individual:

- *F*or enrollment requests submitted via *electronic enrollment or telephonic enrollment mechanisms*, evidence that the enrollment request was received (e.g., a confirmation number). *For paper enrollment requests, organizations are not required to provide evidence of receipt outside of the acknowledgement or combination notice outlined below. Organizations may choose to provide a confirmation number or other tracking mechanism indicating receipt of the paper enrollment request. However, organizations are expected to keep a copy of the paper enrollment form and provide a copy upon request by the beneficiary.*

Chapter 17D, §40.4.1:
We deleted the third bullet.

40.4.1 – Information Provided to the Beneficiary

During the enrollment process, the cost plan must provide the enrollee with all the necessary information about being a member of the cost plan, including the plan rules and the member's rights and responsibilities. The cost plan must ensure that the enrollee is provided with the following:

- ~~A copy of the signed and dated enrollment form, if the individual does not already have a copy of the form.~~