



Centers for Beneficiary Choices
Health Plan Policy Group

Date: September 29, 2003
To: Medicare + Choice Organizations
From: Robert Donnelly, Director, Health Plan Policy Group
Subject: Approval of New Employer and Union Group Waiver

CMS has approved a request for a Medicare + Choice (M+C) employer/union group waiver under our authority at section 617 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA), which is now incorporated into the M+C regulations at 42 CFR 422.106(c).

Effective immediately, M+C organizations may choose to accept enrollees with End Stage Renal Disease (ESRD) who are enrolling in an M+C plan through an employer or union group under the following circumstances:

1. If an employer or union group offers an M+C plan as a new option to its employees and retirees, ESRD retirees may select this new M+C plan option (regardless of whether it has been an option in the past) as the employer or union's open enrollment rules allow.
2. If an employer or union group that has been offering a variety of coverage options consolidates its employee/retiree offerings (i.e., it drops one or more plans), current enrollees of the dropped plans may be accepted into an M+C plan that is offered by the group.
3. If an employer or union group has contracted locally with an M+C organization in more than one geographic area (for example, in two or more states), an ESRD retiree who relocates permanently from one geographic location to another may remain with the M+C organization in the local employer or union M+C plan.

In order to accommodate these three scenarios, we are waiving the regulations at 42 CFR 422.50(a)(2). This optional waiver will be incorporated into the Medicare Managed Care Manual in a future update.

M+C organizations that choose to apply this waiver must agree to apply it consistently and for the remainder of the year (CY2003). Each year, M+C organizations may choose whether or not to apply this waiver at the time of their renewal.

To ensure successful enrollment transactions for individuals enrolled under this waiver, please follow the information in section 30.3.2 of Chapter 19 of the Medicare Managed Care Manual regarding the “prior commercial months” transaction field.

If you have any questions about this waiver, please contact your Regional Office plan manager or Randy Brauer of my staff at (410) 786-1618. Thank you.