Medicare Advantage (MA)
Plan Split Based on Provider Group
(Provider-Specific Plan)
Proposal
For CY 2007

(Name of Organization)
(Contract Number)
(Address)
(Contact Person)
(Telephone Number)
(Date)

Note: This provider-specific plan proposal may only be submitted during the renewal process but no later than May 6th .

Current MA Organizations that want to offer a new MA plan type, e.g. Private Fee-for-Service plan or PPO plan, must submit a full MA application to CMS.

I. General Information

Recognizing that Medicare Advantage Organizations (MAOs) may incur higher costs by maintaining provider contracts with certain provider groups, CMS will continue to allow MAOs to establish provider-specific MA plans. For purposes of these instructions, CMS defines a provider-specific plan as a MA plan that limits plan members to a subset of the contracted providers located within the plan's service area.

Also referred to as the MA *plan split based on provider group*, two or more CY 2 plans may be created from one CY 1 plan with membership determined by provider choice. Examples of such arrangements include, but are not limited to:

Scenario: An MAO contracts with medical groups A, B, and C and offers MA Plan X.

• MA Plan X is split into MA Plan X (renewal plan) and MA Plan Y (new plan) based on provider choice. Members of Plan X may access care from Medical Groups A, B, and C. Members of Plan Y may only access care from Medical Group A. *In this scenario, Plan Y is a provider-specific plan.*

• MA Plan X is split into MA Plan X (renewal plan) and MA Plan Y (new plan) based on provider choice. Members of Plan X may access care from Medical Groups A, B, and C. Members of Plan Y may only access care from Medical Groups A and B. *In this scenario, Plan Y is a provider-specific plan.*

• MA Plan X is split into MA Plan X (renewal plan) and MA Plan Y (new plan) based on provider choice. Members of Plan X may only access care from Medical Groups A and B. Members of Plan Y may only access care from Medical Group C. *In this example, both Plan X and Plan Y are provider-specific plans.*

II. Enrollment Procedures

(During the Renewal Process)

The MA organization must offer beneficiaries not in the renewal plan passive elections into the new plan offered by the organization. Beneficiaries who wish to decline the passive election offer must complete the short election form. The MA organization must submit transactions to enroll beneficiaries associated with the new provider specific plan.

III. Beneficiary Notification

(During the Renewal Process)

Beneficiaries continuing in the renewal plan receive the regular Annual Notice of Change (ANOC). Beneficiaries offered passive election into the new plan are sent the regular ANOC with passive enrollment language.

Note: *The MAO is responsible for notifying CMS of significant changes to plan networks (e.g. a provider group continues to offer services to the current plan members but now also provides services to another plan; a provider group no longer contracts with the MAO; a provider group switches exclusively from one network to another).*

IV. Format Requirements
MAOs that wish to offer provider-specific plans should submit the following information as part of its proposal:

1 Narrative that Includes:
a) Description of the proposed plans

b) Explanation of how the limited provider networks will meet CMS access and availability standards

c) Explanation of how the organization will administer the provider network limitations

d) Explanation of what types of providers and facilities will serve enrollees in multiple plans (e.g. Home Health)

e) Intentions to passively enroll members from current plan to the provider-specific plan and the resulting member impact

f) Reasoning/justification for the passive enrollment proposal (if applicable)

2 Exhibit A – Listings of providers (PCPs, Specialists, Hospitals, and SNFs), specialty, location, hospital privileges, group association, plan assignments; and breakdown of current plan membership and proposed plan membership

3 Exhibit B – Maps showing the geographic service areas of the proposed provider specific plans as well as the organization's other plans that overlap or are in close proximity to the provider-specific service area

4 Exhibit C – Maps showing the location of each provider who participates in each plan's provider network

MAOs that wish to offer **new mid-year plans** must meet the requirements for a new mid-year plan specified on pages 23-24 in the April 4, 2006, Medicare Advantage, Medicare Advantage-Prescription Drug Plans CY 2007 Instructions ("Call Letter). For a plan that fulfills these requirements, the MAO must include the following in its narrative description of the proposed plan:

(1) the number of enrollees assigned to providers in the current plan who will not lose their PCP; (2) the number of enrollees who will lose their PCP due to the new mid-year provider-specific plan (providers will no longer be available to current plan enrollees); and (3) a description of how enrollees in (2) will be reassigned to new PCPs.

V. Submission Requirements
MAOs must submit their requests to the appropriate CMS Regional Office with a copy to the CMS Central Office no later than May 6th. CMS will review these requests on a case-

by-case basis and make a determination based upon the information submitted as part of the proposal.

Provider specific plan proposals received on or before the May 6th deadline and approved by CMS will have a January 1 effective date.

Provider -specific plans may begin to submit CY2007 marketing materials on June 6, 2006. Marketing materials must be submitted via HPMS for review and approval. Organizations that do not have a final contract approval with CMS will receive a "conditional approval" on marketing materials submitted for review. Conditionally approved materials may not be used for marketing purposes until the contract has been approved.

For further information regarding the submission of CY 2007 marketing materials, plans may refer to the 2007 Call Letter instructions at http://www.cms.hhs.gov/HealthPlansGenInfo/08_LettersandAnnouncements.asp#TopOfPage.