

Stamer's Health Plan-E Alert

Medicare Advantage/Part D Plans Face August 1 Deadline To Comply With New Creditable Coverage & Eligibility Operational Rules

Changes to enforcement & oversight also proposed

June 15, 2007

The Centers for Medicare & Medicaid Services (CMS) this week released operational guidance that all Part D Plan Sponsors, Medicare Advantage Organizations and Cost Plans ("Plans") must follow when administering creditable coverage period determinations, the late enrollment penalty, and late enrollment penalty reconsiderations under the Medicare Advantage and Medicare Prescription Drug (Part D) program. Plans, including employer sponsored, commercial and other Medicare Part D and Medicare Advantage Organizations, will be required to comply with this operational guidance for new enrollments received on or after August 1, 2007. Reporting on applicable current enrollees should be completed by October 1, 2007. However, plans are permitted to implement any/all of the guidance changes prior to these deadlines. You can view a copy of this new operational guidance and other Medicare Advantage Program guidance under the law link at CynthiaStamer.com.

The release of the new operational guidance this week follows the publication by CMS in late May of proposed rules intended to strengthen its oversight requirements and clarify penalties for Medicare Advantage organizations and Medicare Part D prescription drug plan sponsors. Many of the proposed changes could significantly impact the rights and obligations of Medicare Advantage Organizations and Part D sponsors and subcontractors. Medicare Advantage Organizations, Part D sponsors, and other interested persons will have 60-days after the proposed rules appear in the Federal Register to comment on the proposed rule changes. If your organization wants to get a head start evaluating these proposed rule changes and formulating your comments pending their publication in the Federal Register, you can review the proposed rules on the CMS website at: www.cms.hhs.gov/Rulings/downloads/CMS4124.pdf and www.cms.hhs.gov/Rulings/downloads/CMS4130.pdf. The proposed rules announced May 21, 2007 propose to tighten and clarify existing CMS contracting rules applicable to Medicare Advantage Organizations and Part D prescription drug plan sponsors.

CMS' announced plans to tighten oversight further emphasize the need for Medicare Advantage Organizations and Part D plans to keep abreast of and in compliance with existing rules and enforcement positions. Staying current on the latest Medicare Advantage and Part D program guidance is a critical, but often frustrating process, for Medicare Advantage and Part D organizations and the providers and subcontractors contracting with them.

CMS recently has announced a great resource to help Medicare Advantage Organizations. All the current 2007 Medicare Advantage (MA) fact sheets, state press releases and other background materials are available on the CMS at: <http://www.cms.hhs.gov> under the "CMS Highlights Medicare Advantage In 2007 link." Be warned, however, that the materials are quite voluminous. As a result, you will need the capacity to open a zip file to use the materials.

We hope this information is helpful to you. If you need assistance in reviewing or updating your existing creditable coverage and enrollment practices or other advice about or assistance with Medicare Advantage, Medicare Part D, or other health plan or health insurance related questions or concerns, please contact: Cynthia Marcotte Stamer, P.C., Member, Glast, Phillips & Murray, P.C., 2200 One Galleria Tower, 13355 Noel Road, LB 48, and Dallas, Texas 75240. Telephone (972) 419-7188. E-mail cstamer@gpm-law.com. For other helpful resources and information, go to CynthiaStamer.com or contact Ms. Stamer. If you or someone else you know would like to receive future Alerts or announcements about other developments, publications or programs, please be sure that we have your current contact information – including your preferred e-mail – by registering on our website at cynthiastamer.com or by providing that information to us via telephone, fax or e-mail using the above contact information.

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