

**MEDICARE ADVANTAGE/PRESCRIPTION DRUG
BENEFIT**

**2008 Application for Cost Plan Sponsors to Offer New
Employer/Union-Only Group Waiver Plans (EGWPs)**

January ??, 2007

PUBLIC REPORTING BURDEN: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0936. The time required to complete this information collection is estimated to average 9 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS/EPOG, 7500 Security Boulevard, C1-22-06, Baltimore, Maryland 21244-1850.

(These instructions to appear as a separate pop-up page in HPMS)

BACKGROUND:

The Medicare Modernization Act (MMA) provides employers and unions with a number of options for providing prescription drug coverage to their Medicare-eligible retirees. Under Part D of the MMA, those options include making special arrangements with Medicare Advantage Organizations (MAOs) and Section 1876 Cost Plans to purchase customized benefits, including drug benefits, for their retirees; purchasing benefits from sponsors of prescription drug-only plans (PDPs); and directly contracting with CMS to become Part D or MAO plan sponsors themselves (direct contract arrangements). Each of these approaches involves the use of CMS waivers authorized under Sections 1857(i) or 1860D-22(b) of the Social Security Act (SSA). Under this authority, CMS may waive or modify requirements that “hinder the design of, the offering of, or the enrollment in” employer-sponsored group plans.

This application is to be used for Cost Plan Sponsors seeking to offer new Part D employer/union-only group waiver plans (EGWPs) for the first time. **Please note that CMS’ employer group waiver authority only applies to the Part D portion of the coverage, not to Parts A and B. Thus, Cost Plans may only offer Part D Employer/Union-Only Group Waiver Plans as an optional supplemental benefit.** Please follow the application instructions below and submit the required material in support of your application to offer EGWPs.

APPLICATION INSTRUCTIONS:

This application is to be completed by the following entities applying to offer new EGWPs:

- **Existing Cost Plan Sponsors that currently offer individual plans but that have not previously applied to offer any Part D EGWPs.**

This application must be completed for *each contract number* under which the Cost Plan Sponsor Applicant is applying to offer Part D EGWPs.

ASSISTANCE:

If you have any questions about this application, please contact:

Marye Isaacs by email at Marye.Isaacs@cms.hhs.gov or by phone at 410-786-3276 or Julian Nadolny by email at Julian.Nadolny@cms.hhs.gov or by phone at 410-786-2274.

REQUEST FOR ADDITIONAL WAIVER/MODIFICATION OF REQUIREMENTS (OPTIONAL):

As a part of the application process, Applicants may submit individual waiver/modification requests to CMS. The Applicant should submit these additional waiver/modification requests via hard copy to:

Centers for Medicare & Medicaid Services (CMS)
Mail Stop: C1-22-06
Attn: 2008 Case-by Case Waiver Request (Contract #: HXXXX)
7500 Security Blvd.
Baltimore, MD 21244-1850

These requests must be identified as requests for additional waivers/modifications and must fully address the following items:

- Specific provisions of existing statutory and/or regulatory requirement(s) the entity is requesting to be waived/modified (please identify and cite the specific requirement (e.g., “Section 30.4 of the Part D Enrollment Manual”) and whether you are requesting a waiver or a modification of these requirements);
- How the particular requirements hinder the design of, the offering of, or the enrollment in, the employer-sponsored group plan;
- Detailed description of the waiver/modification requested including how the waiver/modification will remedy the impediment (i.e., hindrance) to the design of, the offering of, or the enrollment in, the employer-sponsored group plan;
- Other details specific to the particular waiver/modification that would assist CMS in the evaluation of the request; and
- Contact information (contract number, name, position, phone, fax and email address) of the person who is available to answer inquiries about the waiver/modification request.

Applicant will complete the below information in HPMS:**COST EGWP SERVICE AREA:**

Cost Plan applicant understands that as a Cost plan with Optional Supplemental Part D, it can provide coverage to beneficiaries eligible for the EGWP throughout the service area where the applicant also offers individual plans.

NOTE: {Cost plan sponsors must have the same service area for its Part D EGWPs as its individual plan service area}.

I certify that I am an authorized representative, officer, chief executive officer, or general partner of the business organization that is applying for qualification to enter into a Part D contract with CMS. I have read, understand, and agree to comply with the above statement about service areas. If I need further information, I will contact one of the individuals listed in the instructions for this application.

{Entity MUST check box for a complete application}

(Next Screen)

CERTIFICATION:**I certify to the following:**

- 1) In order to be eligible to offer EGWPs, Applicant attests that it will only offer these employer/union-only group waiver plans in those areas where it is licensed and satisfies the requirement to offer individual plans.
- 2) Applicant attests that it will restrict enrollment in these plans to those Medicare eligible individuals eligible for the employer's/union's employment-based group coverage.
- 3) In order to be eligible for the CMS retail pharmacy access waiver, Applicant agrees that its retail pharmacy network is sufficient to meet the needs of its enrollees throughout the employer/union-only group service area, including situations involving emergency access, as determined by CMS. CMS may periodically review the adequacy of the employer/union-only group pharmacy network and require the employer/union-only group to expand access if CMS determines that such expansion is necessary in order to ensure that the employer/union-only group's network is sufficient to meet the needs of its enrollees.

- 4) Applicant must submit GeoAccess reports for its EGWP Part D plans only in areas where its prospective employer/union-only group waiver plan Part D enrollees reside at the time of application.
- 4) Applicant understands that its employer/union-only group waiver plans will not be subject to the requirement to submit information to be publicly reported on www.medicare.gov.
- 5) Applicant understands that its employer/union-only group waiver plans will not be subject to the requirement of 42 CFR §423.48 to submit information to be published in Medicare Prescription Drug Plan Finder.
- 6) Applicant understands that its employer/union-only group waiver plan materials are not subject to the requirement of 42 CFR §423.50(a) to be submitted for review and approval by CMS prior to use. However, they must be submitted to CMS as informational copies at the time of use in accordance with the procedures outlined in Chapter 13 of the Medicare Marketing Guidelines. CMS reserves the right to review these materials in the event of beneficiary complaints or for any other reason it determines to ensure the information accurately and adequately informs Medicare beneficiaries about their rights and obligations under the plan.
- 7) Applicant understands that the dissemination requirements set forth in 42 CFR §423.128 will not apply with respect to any employer/union-only group Part D plan when the employer/union is subject to alternative disclosure requirements (e.g., the Employee Retirement Income Security Act of 1974 (“ERISA”)) and fully complies with such alternative requirements. Applicant agrees to comply with the requirements for this waiver contained in employer/union-only group waiver guidance, including those requirements contained in Chapter 13 of the “Medicare Marketing Materials Guidelines for Medicare Advantage Plans (MAs), Medicare Advantage Prescription Drug Plans (MA-PDs), Prescription Drug Plans (PDPs), and 1876 Cost Plans.”
- 7) Applicant understands that its employer/union-only group waiver Cost Plans will not be subject to the requirements regarding the timing for issuance of the Annual Notice of Change (ANOC), Summary of Benefits (SB), Formulary, and Evidence of Coverage (EOC) when an employer or union’s open enrollment period does not correspond to the annual coordinated Medicare open enrollment period. For these employers and unions, the timing for issuance of marketing/dissemination materials should be appropriately based on the employer/union sponsor’s plan year. For example, if an employer or union sponsor’s plan year begins on July 1, 2007 and ends on June 30, 2008, the Annual Notice of Change (ANOC) must be issued no later than April 30, 2007 (two months before the beginning of the plan year).
- 8) I have read the contents of the completed employer/union-only group waiver application materials and the information contained herein is true, correct, and complete. If I become aware that any information in these application materials is not true, correct, or complete, I agree to notify CMS immediately and in writing.

9) I authorize CMS to verify the information contained herein. I agree to notify CMS in writing of any changes that may jeopardize my ability to meet the requirements stated in these employer/union group waiver application materials prior to such change or within 30 days of the effective date of such change. I understand that such a change may result in termination of the approval.

10) I understand that in accordance with 18 U.S.C. § 1001, any omission, misrepresentation or falsification of any information contained in this application or contained in any communication supplying information to CMS to complete or clarify this application may be punishable by criminal, civil, or other administrative actions including revocation of approval, fines, and/or imprisonment under Federal law.

I certify that I am an authorized representative, officer, chief executive officer, or general partner of the business organization that is applying for employer/union group waivers with CMS. I have read and agree to comply with the above certifications.

{Entity MUST check box for a complete application}
{An entity MUST complete to create 800-series bids during plan creation.}