

## **MEDICARE ADVANTAGE/PRESCRIPTION DRUG BENEFIT**

### **2008 Application Instructions for MA Organizations to Offer New Employer/Union-Only Group Waiver Plans (EGWPs)**

**January 16, 2007**

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 **(0.5 hours) or (30 minutes)** 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 comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

## **BACKGROUND:**

The Medicare Modernization Act (MMA) provides employers and unions with a number of options for providing coverage to their Medicare-eligible members. Under the MMA, those options include purchasing benefits from sponsors of prescription drug-only plans (PDPs), making special arrangements with Medicare Advantage Organizations (MAOs) and Section 1876 Cost Plans to purchase customized benefits, including drug benefits, for their members; and directly contracting with CMS to become Part D or MAO plan sponsors themselves. 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. CMS may exercise its waiver authority for PDPs, MAOs and Cost Plan Sponsors that offer employer/union-only group waiver plans (EGWPs). EGWPs are also known as “800 series” plans because of the way they are enumerated in CMS systems.

This application is to be used by MAOs seeking to offer the following new “800 series” EGWPs: Private Fee-For-Service (PFFS) Plans, Local Coordinated Care Plans (CCPs), Regional Preferred Provider Organization Plans (RPPOs), Regular Medical Savings Accounts (MSAs) and Demonstration MSAs. CMS issues separate contract numbers for each type of offering and thus a separate application is required for each corresponding contract. However, MAO Applicants may submit one application to be eligible to offer new MA-only and new MA-PD EGWPs under the same contract number. Please follow the application instructions below and submit the required material in support of your application to offer “800 series” EGWPs. (Please note that in addition to this application, all new MAO Applicants are also required to complete and submit the appropriate *2008 MA Initial Application*.)

For Contract Years 2006 and 2007, CMS employer group waiver policy required all MAOs to offer plans to individual Medicare beneficiaries as a condition of being able to offer “800 series” EGWPs to employers and unions. Beginning in 2008, this requirement will be eliminated for MAOs offering Non-Network PFFS plans, Regular MSAs or Demonstration MSAs. Pursuant to CMS employer group waiver policy, MAOs will be permitted to offer Non-Network PFFS, Regular MSA or Demonstration MSA “800 series” plans to employer and union group beneficiaries without being required to offer plans to individual Medicare beneficiaries. This waiver policy was not extended to MAOs offering Network PFFS plans, RPPOs or Local CCPs; therefore these MAOs are required to offer plans to individual beneficiaries in order to offer “800 series” plans to employer or union group beneficiaries.

**Please note that if you are a new MAO Applicant and only intend to offer “800 series” Non-Network PFFS plans, Regular MSAs or Demonstration MSAs (i.e., no plans will be offered to individual Medicare beneficiaries under your contract number), in addition to completing this application in accordance with the instructions below, you must send an email to [employerwaivers@cms.hhs.gov](mailto:employerwaivers@cms.hhs.gov) to**

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**ensure the proper processing of your application by CMS. You must do so even if you submitted a notice of intent (NOI) to apply on or before December 1, 2006. The email must include your contract number, the type of product (Non-Network PFFS, Regular MSA or Demonstration MSA) you are applying for and a statement that you intend to only offer “800 series” MA plans associated with this particular contract.**

**APPLICATION INSTRUCTIONS:**

This application is to be completed in the following manner by the following entities applying to offer new MA-only and/or MA-PD Employer/Union-Only Group Waiver Plans (“800 series” EGWPs):

- New MA Organization applicants seeking to offer new “800 series” EGWPs will be required to submit their application materials electronically through the Health Plan Management System (HPMS). New MAO Organizations include Applicants that have not previously applied to offer “800 series” plans or plans to individual beneficiaries. In order to complete and submit an application, please log on to HPMS and follow the instructions. To complete the application, please access the following link in HPMS:

**Contract Management > Contract Management > Select Contract Number > Online Applications/EGWP Attestation**

(Note: All new MA Organization applicants must complete the appropriate *2008 MA Initial Application* in addition to this application. All new MA Organizations intending to offer Part D EGWPs (i.e., MA-PDs) must also complete the *2008 Solicitation for Applications for New Medicare Advantage Prescription Drug Plan (MA-PD) Sponsors*. The *2008 Solicitation for Applications for New Medicare Advantage Prescription Drug Plan (MA-PD) Sponsors* is also required to be submitted electronically through HPMS. These requirements are also applicable to any new MA Organizations applying to offer “800 series” Non-Network PFFS, Regular MSA or Demonstration MSA plans and that do not intend to offer plans to individual beneficiaries in 2008. Together these documents will comprise a completed application for new MA Organizations. Failure to complete the appropriate *2008 MA Initial Application* or, if applicable, the *2008 Solicitation for Applications for New Medicare Advantage Prescription Drug Plan (MA-PD) Sponsors*, will result in a denial of the EGWP application.)

- Existing MA Organizations that have not previously applied to offer EGWPs (MA-only or MA-PD) will be required to submit their EGWP application materials electronically through HPMS. In order to complete and submit an application, please log on to HPMS and follow the instructions. To complete the application, please access the following link in HPMS:

**Contract Management > Contract Management > Select Contract Number > Online Applications/EGWP Attestation**

For All Applications Required To Be Submitted Electronically Through HPMS, Before Clicking “Submit” At The Bottom Of The Screen, Be Sure To **Print** The Application From Your Browser So That You Have A Printed Copy Of The Application For Your Records.

**A separate application must be completed for each contract number under which the MAO Applicant is applying to offer new “800 series” EGWPs.**

### **EGWP SERVICE AREA REQUIREMENTS:**

New MAO Applicants and existing MAOs adding or expanding EGWP service areas will be able to enter their service areas directly into HPMS during the application process.

For Regular MSA or Demonstration MSA Applicants: Applicants offering Regular MSA or Demonstration MSA EGWPs may provide coverage to employer group members nationwide. These Applicants are not required to offer corresponding individual plans.

For Non-Network PFFS Applicants: Applicants offering Non-Network PFFS EGWPs may provide coverage to employer group members nationwide. Applicants offering Non-Network PFFS EGWPs are not required to offer corresponding individual plans.

For Network PFFS Applicants: Applicants offering individual plans in any part of a state may provide coverage to employer group members residing throughout the entire state.

For Local CCP Applicants: Applicants offering individual plans in any part of a state may provide coverage to employer group members residing throughout the entire state.

However, to enable employers and unions to offer coordinated care plans to all their Medicare eligible retirees wherever they reside, beginning in 2008, a MAO offering a local coordinated care plan in a given service area (i.e., state) can extend coverage to an employer or union sponsor’s beneficiaries residing outside of that service area when the MAO, either itself or through partnerships with other MAOs, is able to meet CMS provider network adequacy requirements and provide consistent benefits to those beneficiaries. Applicants who are eligible for this waiver at the time of application or who may be eligible at any time during the contract year are strongly encouraged to designate their service area as broadly as anticipated (e.g., multiple states, national) to allow for the possibility for enrolling members during the contract year if adequate networks are in place (**mid-year service area expansions will not be allowed**). Applicant will not initially be required to have networks in place for those designated EGWP service areas outside of their individual plan service areas. However, access sufficient to meet the needs of enrollees must be in place once Applicant enrolls members of an employer or union group residing in particular geographic locations outside of its individual plan service area.

For RPPO Applicants: Applicants offering individual plans in any region may provide coverage to employer group members residing throughout the entire region (i.e., RPPOs must have the same service area for their EGWPs as for their individual plans).

**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 Additional Waiver Request (Contract #: HXXXX or RXXXX)  
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, regulatory, and/or CMS policy requirement(s) the entity is requesting to be waived/modified (please identify the specific requirement (e.g., “42 CFR 422.66,” or “Section 40.4 of Chapter 2 of the Medicare Managed Care Manual (MMCM)”) 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.

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**ASSISTANCE:**

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

Marye Isaacs by email at [Marye.Isaacs@cms.hhs.gov](mailto:Marye.Isaacs@cms.hhs.gov) or by phone at 410-786-3276 or  
Julian Nadolny by email at [Julian.Nadolny@cms.hhs.gov](mailto:Julian.Nadolny@cms.hhs.gov) or by phone at 410-786-2274.