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**DATE:** August 31, 2018

**TO:** Medicare Advantage Organizations

**FROM:** Jerry Mulcahy, Director  
Medicare Enrollment & Appeals Group, Center for Medicare

Sharon Donovan, Director  
Program Alignment Group, Medicare-Medicaid Coordination Office

**SUBJECT:** Default Enrollment Option for Newly Medicare Advantage Eligible Medicaid Managed Care Plan Enrollees (formerly known as “Seamless Conversion Enrollment”)

The purpose of this memorandum is to provide guidance to Medicare Advantage Organizations (MAOs) on the new default enrollment process established in CMS-4182-F (83 FR 16495 through 16502, April 16, 2018). Under the revised authority for default enrollment at 42 C.F.R. § 422.66(c), CMS will permit automatic enrollment of Medicaid managed care plan enrollees into an integrated dual eligible MA special needs plan (D-SNP) offered by the same organization.

### **Permitting New Proposals**

Starting October 1, 2018 CMS will accept new proposals for default enrollment. Default enrollment with effective dates of January 1, 2019 and later will be limited to Medicaid managed care plan enrollees into an integrated MA D-SNP. MAOs that wish to request CMS approval to conduct default enrollment will submit their proposal and supporting documentation to CMS via the Contract Management module in the Health Plan Management System (HPMS) that will be available in October 2018, where instructions on how to manage and submit default enrollment proposals can be found. For information regarding this enrollment mechanism, see § 40.1.4 of Chapter 2 of the Medicare Managed Care Manual.

### **Transition of MAOs Already Approved to Enroll Beneficiaries from Medicaid Managed Care Plans into Integrated D-SNPs**

CMS is contacting MAOs previously approved to conduct seamless conversion enrollment of Medicaid managed care plan enrollees into an integrated D-SNP to determine whether the MAO meets the criteria outlined in 42 C.F.R § 422.66(c) and has a process that is consistent with the guidance in § 40.1.4 of Chapter 2 of the Medicare Managed Care Manual. MAOs will be asked

to provide documentation confirming state approval of their use of the new default enrollment process and of the state's commitment to provide monthly data to identify those in the organization's Medicaid managed care plan who are approaching Medicare eligibility. Transitioning MAOs should review their previously submitted materials, available in HPMS, to ensure they accurately reflect current outreach and enrollment processes.

CMS will also conduct outreach to states that have MAOs offering D-SNPs (who were previously approved to conduct seamless conversion) to identify whether those organizations have an affiliated Medicaid managed care plan and to inform them of the requirement that states approve an MAO's use of default enrollment and provide Medicare eligibility data to the MAO.

### **Discontinuation of Approvals for All MAOs Not Meeting New Requirements**

MAOs previously approved to conduct seamless conversion enrollment that will not meet the new requirements must discontinue use of this mechanism for any enrollment with an effective date of January 1, 2019 or later. The last permissible enrollment effective dates for these MAOs is December 1, 2018. This means that the last date for these MAOs to submit enrollment transactions to CMS is October 1, 2018. All MAOs have the option to use the simplified enrollment mechanism outlined in § 40.1.9 of Chapter 2 of the Medicare Managed Care Manual.

Please direct questions regarding default enrollment policy and the submission of proposals for default enrollment to [MMCO\\_DSNPOperations@cms.hhs.gov](mailto:MMCO_DSNPOperations@cms.hhs.gov) and copy your CMS Account Manager.