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TO: Current Medicare Advantage Organizations with a Contract Year 2024 Dual Eligible Special Needs Plan “Look-Alikes”

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SUBJECT: Dual Eligible Special Needs Plan “Look-Alike” Transitions for Contract Year 2025

This memorandum provides information and procedural directions to current Medicare Advantage (MA) organizations with a contract year (CY) 2024 dual eligible special needs plan (D-SNP) “look-alike” regarding the opportunity to transition enrollees for CY 2025. In addition to providing guidance on the substantive requirements applicable to transitioning enrollees out of D-SNP look-alike, this memorandum includes procedural rules regarding that process.

In the CY 2021 MA and Part D Final Rule ([CMS-4190-F1](#)),¹ CMS finalized contracting limitations for D-SNP look-alikes at 42 CFR 422.514(d) and (e). In the CY 2024 MA and Part D Final Rule ([CMS-4201-F](#)),² CMS finalized changes related to D-SNP look-alikes at 42 CFR 422.503(e), 422.504(a), 422.510(a), 422.514(d) and (g). In the CY 2025 MA and Part D Final Rule ([CMS-4201-F3 and CMS-4205-F](#)),³ CMS finalized changes related to D-SNP look-alikes at 42 CFR 422.514(d) and (e).

CMS has identified that your MA organization has at least one D-SNP look-alike based on January 2024 enrollment. Specifically, CMS reviewed the February 2024 Monthly Membership Report data, which represents the number of enrollees in a MA plan effective in January 2024.

The CY 2025 MA and Part D Final Rule amended the regulation at 42 CFR 422.514(d)(2) to provide that, for contract year 2025, CMS will not renew a contract for a MA plan – other than a

¹ <https://www.govinfo.gov/content/pkg/FR-2020-06-02/pdf/2020-11342.pdf>

² <https://www.govinfo.gov/content/pkg/FR-2023-04-12/pdf/2023-07115.pdf>

³ <https://www.federalregister.gov/public-inspection/2024-07105/medicare-program-medicare-advantage-and-the-medicare-prescription-drug-benefit-program-for-contract>

SNP – that has actual enrollment in the January of the prior contract year of *70 percent* or more of enrollees who are entitled to Medicaid (i.e., dually eligible), unless the MA plan has been active for less than one year and has enrollment of 200 or fewer individuals at the time of such determination. The CY 2025 MA and Part D Final Rule (CMS-4201-F3 and CMS-4205-F) finalized the 70-percent threshold and noted that CMS will use the January 2024 enrollment data to identify non-SNP MA plans that exceed the 70-percent threshold. A similar amendment lowers the threshold in § 422.514(d)(1) applied to bid projections for contract year 2025 to 70 percent or more of MA plans projected enrollment in its bid for 2025.

When an MA organization has multiple plans under one contract, CMS may sever the D-SNP look-alike from the rest of the contract, in effect allowing CMS to renew only the portion of the contract that does not include the D-SNP look-alike (42 CFR 422.503(e) and 422.514(d)). CMS will not renew the D-SNP look-alike plan benefit package (PBP). Such determination is subject to the termination appeal rights at 42 CFR 422.510(d).

D-SNP Look-Alike Enrollment Transition Options

Your MA organization has the opportunity to transition D-SNP look-alike enrollment effective January 1, 2025.

There are two approaches for transitioning D-SNP look-alike enrollment:

1. Use the D-SNP look-alike transition process under the authority outlined in 42 CFR 422.514(e) (see summary below). This process involves submitting one or more Plan Submitted Rollover (POVER) special batch files in October per the process that will be outlined in the forthcoming End-of-Year 2024 Enrollment and Payment Systems Processing Information Memo. MA organizations must use this mechanism to transition the following from the D-SNP look-alike:
 - (1) less than the entire enrollment;
 - (2) the entire enrollment to a SNP; or
 - (3) the entire enrollment to more than one MA-PD. MA organizations must abide by the anti-discrimination provision (based on health status) in section 1852 of the Act and 42 CFR 422.110 and other applicable laws (for example, civil rights law) when exercising the transition authority at 42 CFR 422.514(e).

With the exception of transitioning an individual into a chronic condition special needs plan (C-SNP), an MA organization must not choose a particular plan for an enrollee to transition into based on health status, if the enrollee were eligible for more than one plan offered by the MA organization or its parent organization to receive transitioning enrollees. For example, it would be a violation of the anti-discrimination provision if an MA organization transitioned most dually eligible enrollees from a D-SNP look-alike to a D-SNP, but transitioned dually eligible enrollees with diabetes to a different qualifying non-SNP MA plan. As necessary, we will monitor use of the transition authority at 42 CFR 422.514(e) to ensure compliance with the applicable anti-discrimination provisions and 42 CFR 422.514(e). Also, any enrollees remaining in the D-SNP look-alike (i.e., who

are not transitioned to another MA-PD) will be enrolled by default into Medicare fee-for-service at the end of CY 2024, and CMS will reassign beneficiaries eligible for the Part D low-income subsidy (LIS) into a stand-alone Part D plan.

2. An MA organization can utilize the CMS crosswalk process if it is transitioning the full D-SNP look-alike enrollment to one non-SNP plan PBP of the same type offered by the same MA organization under the same contract, and the requirements at 42 CFR 422.530 for a crosswalk are met. An MA organization moving the entire enrollment of the D-SNP look-alike to another PBP of the same type under the same contract may structure this action as a consolidation of PBPs and use the crosswalk for consolidated renewal process, under 42 CFR 422.530(b)(1)(ii).

For CY 2025, an MA organization may use either the transition process under 42 CFR 422.514(e) or the crosswalk process under 42 CFR 422.530 provided that the applicable requirements and limitations are met. The crosswalk process is described at 42 CFR 422.530, and CMS will issue a Health Plan Management System (HPMS) memo with due dates for crosswalk exceptions.

If an MA organization does not transition all current enrollees, the MA organization must send a written notice to enrollees who are not transitioned, consistent with 42 CFR 422.506(a)(2) and 422.514(e). If the D-SNP look-alike PBP is not renewed (that is, terminated) by CMS, the MA organization must comply with the notice requirements in 42 CFR 422.510(b)(1).

Conditions Required for D-SNP Look-Alike Enrollment Transition Under 42 CFR 422.514(e)

Under 42 CFR 422.514(e), an MA organization may transition its CY 2024 D-SNP look-alike enrollment into another CY 2025 MA plan or plans (including into a D-SNP for eligible enrollees) offered by the same MA organization, or another MA organization under the same parent organization, for which the individual is eligible if:

- As of January 2024, the ***D-SNP look-alike plan***:
 - Is not a SNP; and
 - Had enrollment in which at least 70 percent of enrollees were in Medicaid, has been active for more than 1 year and has enrollment of more than 200 enrollees; and
- The ***MA plan or plans receiving the enrollment***:
 - Is an MA-PD;
 - With the addition of the D-SNP look-alike enrollees identified for transition to the receiving plan's actual April 2024 enrollment, has total projected enrollment of less than 70 percent dually eligible individuals (unless the receiving plan is a SNP);

- Has a combined Part C and D premium of \$0.00 for individuals eligible for the premium subsidy for full subsidy eligible individuals described in 42 CFR 423.780(a); and
- Is of the same plan type (for example, HMO or PPO) as the D-SNP look-alike.

If the MA organization elects to use an available crosswalk under 42 CFR 422.530, all requirements for the crosswalk must be satisfied, including the limitations on the MA plan that receives the enrollment.

Process to Initiate D-SNP Look-Alike Enrollment Transition Under 42 CFR 422.514(e)

If your MA organization intends to use the authority in 42 CFR 422.514(e) to transition the enrollment in a D-SNP look-alike into another MA-PD plan or plans, please send an email indicating this request to your Account Manager and the CMS Medicare-Medicaid Coordination Office (MMCO) at MMCO_DSNPOperations@cms.hhs.gov by **11:59 PM Pacific Time on May 3, 2024**. Please note that this email is for planning purposes and does not bind the MA organization to the transition process for CY 2025.

Please include the following information in the provided Excel spreadsheet template emailed to CMS MMCO at MMCO_DSNPOperations@cms.hhs.gov:

- CY 2024 contract and PBP number(s) of the D-SNP look-alike(s) and related geographic service area (i.e., counties);
- Expected CY 2025 contract and PBP number(s) into which the MA organization plans to transition its D-SNP look-alike enrollees and related geographic service area (i.e., counties);
- Approximate number of enrollees to be transitioned from the D-SNP look-alike PBP;
- If the MA organization anticipates transitioning its enrollment into more than one MA plan, a general description of which D-SNP look-alike enrollees will be transitioned into which contract and PBP number (e.g., full-benefit dually eligible individuals transitioning into HXXXX-001 and partial benefit dually eligible individuals transitioning into HYYYY-001);
- Approximate number of enrollees not transitioned to an MA plan; and
- If the MA organization anticipates not transitioning all or part of the enrollment of the D-SNP look-alike(s) to one or more other MA plans of the MA organization, a general description of this enrollment and why it would not transition to an MA plan.

In addition to sending an email with the completed Excel spreadsheet to CMS MMCO at MMCO_DSNPOperations@cms.hhs.gov by **11:59 PM Pacific Time on May 3, 2024**, MA organizations must complete the steps in HPMS described below.

In early June, CMS will release HPMS instructions for MA organizations related to using the D-SNP look-alike transition process under the authority outlined in 42 CFR 422.514(e). The crosswalk functionality in HPMS will be available to MA organizations when they submit their CY 2025 bids. CMS will use the crosswalk functionality in HPMS for transitions conducted pursuant to 42 CFR 422.514(e); MA organizations must select the applicable D-SNP look-alike transition category when submitting their bids. MA organizations must complete the actions as outlined in the forthcoming crosswalk and crosswalk exceptions process instructions.

CMS will review requests received from MA organizations and determine whether they meet the requirements outlined in 42 CFR 422.514(e). CMS will issue a preliminary determination to MA organizations in June 2024 and a final determination in August 2024. In September 2024, CMS will notify and provide technical assistance to MA organizations that need to utilize the POVER transaction process to effectuate their member movements. The POVER process is scheduled for October 2024.

CY 2024 D-SNP Look-Alike That Do Not Transition Enrollment

In the event that the MA organization offering a D-SNP look-alike does not transition enrollees using one of the two options described earlier in this memorandum, the enrollees in the terminated D-SNP look-alike PBP will be enrolled by default into Medicare fee-for-service at the end of CY 2024 and CMS will reassign beneficiaries eligible for the Part D LIS into a stand-alone Part D plan. See section 1851(c)(3) of the Act and 42 CFR 422.74 and section 1860D-1(b)(1)(C). Per 42 CFR 422.514(e)(4), in cases where an MA organization does not transition current enrollees consistent with 42 CFR 422.514(e)(1), the MA organization must send a written notice to enrollees who are not transitioned, consistent with 42 CFR 422.506(a)(2).

Additional Actions

Please email MMCO at MMCO_DSNPOperations@cms.hhs.gov and your CMS Account Manager with any questions.