DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Drug and Health Plan Choice
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CMS/
CENTERS for MEDICARE & MEDICAID SERVICES

CENTER FOR DRUG & HEALTH CHOICE

DATE: November 20, 2009

TO: All Medicare Advantage (MA) Health Maintenance Organization (HMO), local
             Preferred Provider Organizations (PPO), Regional Preferred Provider Organization
             (RPPO), Network Private Fee-For-Service (PFFS) Initial and Service Area
             Expansion (SAE) Applicants and Transitioning Incumbent PFFS Plans

FROM: Danielle R. Moon, J.D.,M.P.A./s/
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SUBJECT: Release of Health Services Delivery Network Criteria Reference Tables and
             Exceptions Guidance

As a part of the Medicare Advantage (MA) application process, applicants who apply to offer
Coordinated Care plans (CCPs) and network Private Fee-For-Service (PFFS) plans must
demonstrate that they have an adequate contracted provider network that is sufficient to provide
access to covered services, as required by 42 CFR 422.112(a)(1). CMS has developed
quantitative criteria and automated the network review process to simplify Health Service
Delivery (HSD) submissions and reviews and increase transparency of CMS standards. An
overview of the development of these criteria is now available on the CMS website at
http://www.cms.hhs.gov/MedicareAdvantageApps/ .

Applicants will have two opportunities to submit their network data for evaluation against the
standardized criteria prior to the final application submission date. This pre-submission process
will enable applicants to identify those areas in which their networks fall short of the set criteria.
CMS will release additional instructions regarding this assessment tool in January 2010.

Applicants whose fail to meet these new criteria must request and be approved for an exception
in accordance with the HSD Criteria Exceptions Guidance in order to have their application
approved. The HSD Criteria Reference Tables and HSD Criteria Exceptions Guidance are also
available on the CMS website at http://www.cms.hhs.gov/MedicareAdvantageApps/. Please
send any questions to MA_Applications@cms.hhs.gov.
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