

1. Module 1: Overview: Medicare Program Basics
2. Navigation Instructions
3. Terms and Conditions

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4. Learning Objectives

After reviewing "Module 1: Medicare Program Basics" you will be able to explain:

- The different ways to get Medicare benefits
- Eligibility for Part A and Part B
- What is covered under Part A and Part B
- Original Medicare premiums
- Help for beneficiaries with limited income
- Original Medicare beneficiary protections
- Combining Original Medicare and Part D
- Medigap coverage
- When Medicare is the secondary payor to an employer group plan

5. Training Roadmap: Module I

- Medicare Program Basics
- Medicare: Eligibility, Enrollment, Entitlement, and Premiums
- Help for Individuals with Limited Income
- Original Medicare Cost-Sharing
- Original Medicare Beneficiary Protections
- Medigap Coverage
- Medicare Coordination with Employer Group Plans (GHPs)

6. Title Page – Medicare Program Basics

7. Medicare Basics

- Medicare is the Federal health insurance program for individuals who are aged (65 and over) and younger individuals who have certain serious health conditions or are disabled.
- Medicare eligibility does not take into consideration an individual's income. However,
 - individuals may pay higher premiums based on income, and
 - low-income individuals may be eligible for additional assistance.
- Individuals can receive their Medicare medical coverage:
 - directly from the Federal Government, which pays for services on a fee-for-service basis (this program is known as "Original Medicare" or "Fee-for-Service Medicare"); or
 - through a private health plan.
- Individuals must receive their Medicare Part D outpatient drug benefits through a private health plan (even if they get their medical coverage through Original Medicare).

8. Overview of Medicare Benefits and Coverage

Medicare coverage is often known by the part of Medicare law under which it is authorized or regulated. Parts A and B define the basic Medicare benefits. These benefits are covered regardless of how an individual chooses to receive their Medicare benefits.

- Part A is referred to as "Hospital Insurance Benefits" but also covers other inpatient benefits and home health services.
- Part A provides coverage for:
 - Inpatient hospital care (including care provided by acute care hospitals, critical access hospitals, inpatient rehabilitation facilities, and long-term care hospitals)
 - Skilled nursing and rehabilitation care up to 100 days, but only after a three-day hospital stay (most Medicare Advantage plans may waive the 3-day stay requirement)
 - Blood
 - Hospice care
 - Up to 100 days of home health care after an individual is in a hospital or skilled nursing facility (SNF) (Note that Part B covers home health care without the prior hospital or SNF stay if Part B conditions are met)
 - Inpatient psychiatric care (up to 190 lifetime days)

9. Overview of Medicare Benefits and Coverage- Part B

Part B is referred to as "Supplementary Medical Insurance Benefits." It covers a broad range of outpatient services.

Part B generally covers:

- Physician and other health care professional services
- Outpatient hospital services and emergency department services
- Clinical lab and diagnostic tests, such as X-rays, MRIs, CT scans
- Durable medical equipment
- Home health care that is not covered under Part A (because the individual was not in a hospital or SNF or has exceeded 100 days)
- Physical, occupational, and speech therapy
- Ambulatory surgical center services
- Chemotherapy provided on an outpatient basis

10. Other Part B Items and Services

- Ambulance services
- Chiropractic services and acupuncture – for very limited situations
- Certain preventive health services, such as flu shots, mammograms, and bone mass measurement (there is no cost-sharing for many services)
- Diabetic supplies
- Kidney dialysis
- Outpatient mental health and substance abuse care (limits apply)
- E-visits

11. Advanced Primary Care Management (APCM) Services Under Part B

Beneficiaries should ask their primary care provider if they offer Advanced Primary Care Management (APCM) services. Providers that offer these services must provide:

- 24/7 access to the beneficiary's care team or provider through the phone, an online portal, email, and virtual check-ins
- Chronic care management
- A personalized care plan that lists current conditions and treatments
- Comprehensive care coordination
- Transitional care between health care settings (like follow-up care after you are discharged from a hospital)
- Medication management

Note that APCM services under Original Medicare are similar to some of the care coordination features offered under Medicare Advantage plans.

12. Overview of Medicare Benefits and Coverage- Part C

Part C regulates and authorizes Medicare Advantage plans. Medicare Advantage plans are private health plans that contract with the government to provide and administer Medicare benefits. Medicare Advantage plans must cover Part A (except for hospice) and Part B benefits. Medicare Advantage plans may also cover items and services not covered by Original Medicare, such as hearing aids or dental care.

- Individuals enrolled in a Part C plan still get hospice benefits, but Original Medicare pays for them.

13. Overview of Medicare Benefits and Coverage - Part D

Part D covers prescription drug benefits (for self-administered drugs, such as those picked up at a pharmacy and taken at home) and regulates Medicare prescription drug plans.

- Part D benefits are only offered through private health plans, including certain Medicare Advantage Plans, some Medicare Cost Plans, PACE plans, and stand-alone Medicare Prescription Drug Plans.

14. Overview of Medicare Benefits and Coverage – Part E

There is also a lesser-known Part E of Medicare law that regulates other miscellaneous programs including:

- Medicare cost plans (which also cover Part A and Part B benefits)
 - Medicare cost plans are only offered in a limited number of states and are most frequently found in rural areas.
- Medicare supplemental insurance (Medigap Plans)
- The program for all-inclusive care for the elderly (PACE)

15. Different Ways to Get Medicare

There are different ways that beneficiaries can choose to receive their Medicare coverage.

- Original Medicare:
 - Original Medicare covers only Part A and Part B benefits.
 - Under Original Medicare, beneficiaries can receive covered services from any physician or facility that accepts Medicare anywhere in the United States.
 - No referrals are required under Original Medicare.
 - Original Medicare has substantial deductibles and other cost sharing.
 - Beginning in 2026, prior authorization will be required for certain services in 6 states – New Jersey, Ohio, Oklahoma, Texas, Arizona, and Washington – under a Medicare demonstration known as WISR (Wasteful and Inappropriate Service Reduction).
 - Examples of services requiring prior authorization include skin and tissue substitutes, electrical nerve simulator implants, and arthroscopy for knee osteoarthritis.
 - Original Medicare can optionally be combined with a Medicare Supplement Plan (Medigap) and/or a Medicare Prescription Drug Plan.

16. Alternative Medicare Coverage Options

There are different ways that beneficiaries can choose to receive their Medicare coverage.

- Medicare Advantage Plans (Medicare Part C health plans, with or without Part D benefits)
- Medicare Prescription Drug Plans
- Medicare Cost Plans (can be combined with a Medicare Prescription Drug Plan)
- PACE Plans

17. Original Medicare and Part D Prescription Drug Coverage

- A beneficiary in Original Medicare may receive Part D prescription drug coverage through a stand-alone prescription drug plan (PDP)
- Generally, except for those dually eligible for Medicare and Medicaid, Medicare beneficiaries must actively select a Part D plan.
- Beneficiaries who enroll in Part D typically pay a monthly premium, annual deductible, and per prescription cost-sharing.

18. Different Ways to Get Medicare – Brief Overview

WAYS TO GET MEDICARE COVERAGE ¹				
COVERAGE TYPE	BENEFITS			
	Part A and B benefits	Some of the cost-sharing for Part A and B Benefits	Part D Benefits	Other benefits
Original Medicare ³	X			
Part C (Medicare Advantage) ⁴	X	X	May cover depending on plan	X (most offer additional benefits)
Cost Plans ^{2,3}	X	X	May cover depending on plan	X (most offer additional benefits)
Medicare Prescription Drug Plans (PDPs)			X	
Original Medicare with a supplemental plan (Medigap) ³	X (Original Medicare)	X (Medigap)		Some Medigap Plans cover foreign travel emergencies
PACE plans ²	X	X	X	X (Adult day center, some meals, other benefits)

¹ Brief overview. Some ways can be combined and not all beneficiaries are eligible for all types of coverage.

² These types of plans are generally limited to certain geographic areas and are not available everywhere.

³ These plans can be combined with coverage under a PDP.

⁴ A few MA plan types (PFFS and MSAs) can be combined with coverage under a PDP.

19. Title Page –Medicare Eligibility, Enrollment, Entitlement and Premiums

20. Eligibility for Part A and Part B

To be eligible for Medicare Part A and Part B, an individual must:

(1) Be age 65 or older, or be under age 65 with certain disabilities or health conditions, including:

- Individuals who get disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board for 24 months.
- Individuals with Amyotrophic Lateral Sclerosis (ALS), often referred to as Lou Gehrig’s disease, or end-stage renal disease (ESRD).

(2) Be a U.S. resident and:

- Be a U.S. citizen; or
- Be an alien who has been lawfully admitted for permanent residence and has been residing in the United States for 5 continuous years before the month of applying for Medicare, and who falls into one of the following categories:
 - Permanent residents (i.e., green card holders);
 - Cuban or Haitian entrants; or
 - People residing under the Compacts of Free Association.

Non-citizens who do not fall into the bullet-pointed categories (such as official humanitarian protections, including refugees, individuals granted asylum, and trafficking survivors) will be ineligible for Medicare, and current enrollees in that group will lose coverage starting January 2027.

21. Eligibility – Individuals with ESRD

Individuals eligible for Medicare based on end-stage renal disease (ESRD) generally lose eligibility 36 months after the month in which the individual receives a kidney transplant, unless the individual is eligible for Medicare on another basis, such as age or disability. However, such individuals may remain enrolled in Part B only, but solely for coverage of immunosuppressive drugs if they have no other health care coverage that would cover the drugs.

22. Medicare Enrollment – Parts A and B

Some people are automatically enrolled in Parts A and B:

- Subject to the Part B exception below for Puerto Rico:
 - Individuals who are already getting benefits from Social Security or the Railroad Retirement Board (RRB) will automatically be enrolled in Part A and Part B starting the first day of the month they turn 65. (If their birthday is on the first day of the month, Part A and Part B will start the first day of the prior month.) These individuals are also allowed to refuse Part B coverage. (See Medicare Part B for the potential consequences of refusing Part B).
 - Individuals with disabilities who are under age 65 are automatically enrolled in Parts A and B the month after they have received Social Security or Railroad Retirement disability benefits for 24 months. However, they have an opportunity to refuse Part B coverage.
 - Individuals with ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) get Part A and Part B automatically the month their Social Security disability benefits begin.
- Individuals living in Puerto Rico are not automatically enrolled in Part B. They must sign up for it.

23. Medicare Enrollment – Individuals Who Must Sign Up

Other individuals will have to sign up if they want to be enrolled in Parts A and/or B.

- Individuals who are close to 65 but are not getting benefits from Social Security or the Railroad Retirement Board (RRB) may sign up for Parts A and B during their Part A/Part B initial enrollment period, which begins 3 months before their 65th birthday, including the month they turn 65 and ends 3 months after. (See Medicare Part B for the potential consequences of failing to sign up for Part B when first eligible).
- Individuals with end-stage renal disease (ESRD) may sign up for Medicare at any time. However, the date on which their Medicare coverage begins is usually the fourth month after dialysis treatments begin but may be earlier if certain conditions are met.
- Individuals eligible for Premium-free Part A can also sign up for Part A any time after they turn 65. Their Part A coverage starts 6 months prior to when they signed up but cannot start earlier than the month they turned 65. If they have not signed up by the time they apply for Social Security, they will automatically be signed up (and coverage will be retroactive for 6 months).

24. Parts A and B After the Part A/Part B Initial Enrollment Period

- Individuals who do not enroll in Part B (or Part A if they have to buy it) when they are first eligible can enroll during a Part A/Part B General Enrollment Period (GEP) each year from January 1 – March 31.
 - Coverage begins the first day of the month following the month in which the beneficiary enrolls.
- Individuals who have group health plan coverage based on their current employment or the employment of a spouse may enroll in Part A (if they have to buy it) and/or Part B anytime while covered under the group health plan or during a **Part A/Part B Special Enrollment Period** that occurs during the 8-month period immediately following the last month they have group coverage.

- There are also Part A/Part B Special Enrollment periods that allow individuals to enroll after the Part A/Part B IEP due to issues such as emergencies or federally declared disasters in their area, release from incarceration, loss of Medicaid, health plan or employer error that caused them to miss the IEP or other exceptional conditions.

25. Medicare Part A Entitlement and Part B Enrollment

An individual is entitled to Part A if they are eligible for premium-free Part A or if the individual has enrolled in Part A and continues to pay the premium (or have the premium paid on their behalf).

For an individual to enroll and remain enrolled in Part B, the individual must pay the Part B premium (or have the premium paid on their behalf).

26. Other Ways to Get Medicare - Eligibility Overview

To get Medicare benefits other than through Original Medicare, beneficiaries must meet certain eligibility criteria.

Part C ¹	Part D	Cost Plans	PACE Plans
Individuals must: <ul style="list-style-type: none"> ○ be entitled to Part A <u>and</u> enrolled in Part B; and ○ reside in the MA plan’s service area. 	Individuals must: <ul style="list-style-type: none"> ○ be entitled to Part A <u>and/or</u> enrolled in Part B; and ○ reside in the Part D plan’s service area. 	Individuals must: <ul style="list-style-type: none"> ○ be entitled to Part A <u>and/or</u> enrolled in Part B (if they are not entitled to Part A, they will not have coverage of Part A benefits under the cost plan); and ○ reside in the cost plan’s service area. 	Individuals must: <ul style="list-style-type: none"> ○ be age 55 or older ○ be certified as eligible for nursing home care by their state ○ be able to live safely in a community setting at the time of enrollment ○ reside in the PACE organization’s service area ○ meet any additional program-specific eligibility conditions imposed under the plan’s PACE Program Agreement

¹ Note that certain types of Part C plans such as Medical Saving Account plans and Special Needs Plans have additional eligibility requirements.

27. Medicare Premiums– Part A

Most individuals are entitled to Part A without paying a premium.

- For individuals ages 65 or older to be entitled to premium-free Part A, the individual or their spouse must have worked and paid Medicare taxes for at least 10 years; or
- All individuals eligible for Medicare due to a disability, End-Stage Renal Disease (ESRD), or Amyotrophic Lateral Sclerosis (ALS) are eligible for premium-free Part A.

For those individuals who do not automatically qualify for premium-free Part A coverage, the monthly Part A premium in 2026 is:

- \$565, for individuals or their spouses who paid Medicare taxes for less than 30 quarters.
- \$311, for individuals or their spouses who paid Medicare taxes for 30-39 quarters.
- Individuals who are not eligible for premium-free Part A and those who don't buy Part A when they are first eligible may pay a late penalty of up to 10% unless they enroll during a special enrollment period. (They will have to pay the higher premium for twice the number of years they could have had Part A but did not sign up.)

28. Medicare Premiums for Part B

Beneficiaries enrolled in Part B must pay a monthly premium.

- In 2026, the standard monthly premium for Part B is \$202.90. Most people pay the standard monthly premium. However, some people pay more based on their income (as reported to the IRS two years prior in 2024).

29. Medicare Premiums for Part B and the IRMAA

- Individuals with incomes in 2024 over \$109,000 or filing jointly with incomes over \$218,000, pay more in 2026, up to \$689.90 a month, based on the income-related monthly adjustment amount (IRMAA).

Individual tax return	Joint tax return	2026 Part B premium
\$109,000 or less	\$218,000 or less	\$202.90
above \$109,000 up to \$137,000	above \$218,000 up to \$274,000	\$284.10
above \$137,000 up to \$171,000	above \$274,000 up to \$342,000	\$405.80
above \$171,000 up to \$205,000	above \$342,000 up to \$410,000	\$527.50
above \$205,000 and less than \$500,000	above \$410,000 and less than \$750,000	\$649.20
\$500,000 or above	\$750,000 or above	\$689.90

* There are separate standards for beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses.

30. Part B: Payment Mechanisms and Penalties

- Part B premiums may be deducted from Social Security checks, Railroad Retirement checks, or Office of Personnel Management (civil service annuity) checks.
- If an individual does not get these checks, they will get a premium bill from Medicare. Typically, they are billed for Part B every 3 months. But if they pay a Part A premium, a Part D Income Related Monthly Adjustment, or have their payments automatically deducted from their accounts, they will get a monthly bill.
- Employers may pay monthly Part B premiums on behalf of retirees.
- For individuals who do not enroll in Part B when first eligible, the Part B premium is increased by 10% for each full 12-month period the beneficiary could have had Part B but did not enroll. This is known as a “late enrollment penalty.”

Exception from Penalty: Individuals who have group health plan coverage based on their current employment or the employment of a spouse are not subject to the premium increase penalty if they enroll in Part B anytime while covered under the group health plan or during the special enrollment period that occurs during the 8-month period immediately following the last month they have group coverage. In addition, individuals enrolling during any other SEP are not subject to the penalty.

31. Medicare Premiums for Part B – Examples

Example 1: Ms. Welch retired when she was 66. She signed up for premium-free Part A, but she was healthy and did not want to pay a Part B premium. However, when she was 68, she was diagnosed with a condition that requires significant outpatient services. She wishes to sign up for Part B during the next general enrollment period. Ms. Welch will have to pay the monthly Part B premium plus an additional 10 percent for each 12-month period since her initial enrollment period.

Example 2: Mr. Rawlings retired when he was 69. He did not enroll during his initial eligibility period because he had comprehensive employer group coverage. However, that coverage ended with his retirement. If Mr. Rawlings enrolls in Part B during his 8-month special election period, he will not be subject to a Part B penalty.

32. Title Page - Help for Individuals with Limited Income

33. Help for Individuals with Limited Income/Resources

- Certain beneficiaries with lower incomes and assets may qualify for help to pay the Medicare Part A and Part B premiums, the Part A and Part B deductibles and cost-sharing, and/or some Part D prescription drug costs.
- Beneficiaries may apply for the following programs through their State Medicaid office:
 - Medicare Savings Program: This program provides help paying for the Medicare Part A and Part B premiums and, in some cases, deductibles and cost-sharing.
 - The “Qualified Medicare Beneficiary” program is one type of Medicare Savings Program. Qualified Medicare Beneficiaries enrolled in Medicare Advantage plans also get help with their Medicare Advantage cost-sharing amounts.
 - Medicaid: help with health care costs not covered by Medicare, such as custodial/long term care.

- Agents should encourage beneficiaries with limited income and resources to call or visit their Medicaid office and ask for information on Medicare Savings Programs. To get the phone number for the state, visit [Medicare.gov/contacts](https://www.Medicare.gov/contacts) or call 1-800-Medicare (-800-633-4227) or contact the State Health Insurance Assistance Program (SHIP).

34. Title Page – Original Medicare Cost-Sharing

35. Medicare Part A – Original Medicare Cost-Sharing for Inpatient Hospital Care

In 2026, beneficiaries pay the following amounts for inpatient hospital care covered under Original Medicare:

- \$1,736 deductible for each benefit period
 - A benefit period begins the day an individual is admitted to a hospital or skilled nursing facility (SNF) and ends when an individual has not received hospital or SNF care for 60 days in a row.
- Days 1–60: \$0 after you pay your Part A deductible
- Days 61–90: \$434 copayment per day of each benefit period
- Days 91-150: \$868 copayment per "lifetime reserve day" after day 90 for each benefit period
 - Lifetime reserve days are days a beneficiary may use after they have been in an inpatient hospital for 90 days. A beneficiary has 60 such days to use in their lifetime.
- Beyond lifetime reserve days: all costs

36. Medicare Part A – Original Medicare Cost-Sharing for Skilled Nursing and Rehabilitative Care

In 2026, beneficiaries pay the following amounts for skilled nursing and rehabilitative care covered under Original Medicare:

- Days 1-20: \$0 for each benefit period (as defined by Medicare)
- Days 21-100: \$217.00 copayment per day of each benefit period
- Days 101 and beyond: all costs

37. Medicare Part B – Original Medicare Cost-Sharing

In 2026, beneficiaries pay the following amounts for Part B services covered under Original Medicare:

- A \$283 annual deductible.
- After the deductible is satisfied, beneficiaries typically pay 20% of the Medicare-approved cost for Part B covered services.
- Beneficiaries have no cost-sharing for most preventive services.

38. Title Page - Original Medicare – Beneficiary Protections

39. Appeals Related to Original Medicare Coverage and Payment Determinations

Beneficiaries receiving their Part A and/or Part B services through Original Medicare have a right to appeal Medicare coverage and payment decisions.

- Beneficiaries must file an appeal related to Part A or B services within 120 days of the date they get the Medicare Summary Notice (MSN) in the mail detailing their financial responsibility. The MSN will have instructions on where to send the appeal.
- Beneficiaries who believe their hospital, skilled nursing facility, home health agency, comprehensive outpatient rehabilitation facility, or hospice services are ending too soon have a right to a fast appeal. Their provider will give them written notice before the end of their services. The notice tells them how to ask for a fast appeal. Beneficiaries must generally ask for a fast appeal no later than noon of the calendar day following receipt of the provider's notice of termination.
- If a beneficiary disagrees with the appeal decision, they have 180 days after getting the decision notice to request a reconsideration by a Qualified Independent Contractor (QIC).
- Additional levels of appeal may also be available, depending on the amount of controversy. Disputes about amounts above a certain dollar threshold (\$200 in 2026) may be appealed to an administrative law judge and the Medicare appeals council. After exhausting those appeals, a beneficiary may appeal claims in excess of \$1,960 for 2026 in Federal Court.

40. Grievances under Original Medicare

Beneficiaries may also file complaints about their Medicare providers or the quality of care they received. For example, a beneficiary may have a complaint about:

- unprofessional conduct by a provider
- improper care
- unsafe conditions
- rude office staff
- long waiting times
- unclean conditions

Instructions for filing grievances can be found at: <https://www.medicare.gov/claims-appeals/how-to-file-a-complaint-grievance>

41. Additional Beneficiary Protections under Original Medicare

- Medicare operates a 24-hour helpline at 1-800-Medicare. (TTY users should call **1-877-486-2048**.)
 - Beneficiaries can use this number to find out about their claim status, coverage and benefits, premium payments, or to ask other questions about Medicare.
- Beneficiaries can also get assistance with Medicare, including help filing an appeal or grievance, through their local State Health Insurance Assistance Program (SHIP).
 - Contact information for their SHIP can be found at <https://www.shiphelp.org/https://www.shiptacenter.org/>

42. For More Information about Medicare

- Centers for Medicare & Medicaid Services (technical information) www.cms.gov
- Medicare (beneficiary audience) www.medicare.gov
- Medicare & You Handbook <https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>
- Medicare Getting Started <https://www.medicare.gov/publications/11389-Medicare-Getting-Started.pdf>

43. Title Page: Medigap Coverage

44. Medigap (Medicare Supplement Insurance)

Medigap insurance:

- Works only with Original Medicare. It is illegal to sell a Medigap plan to someone already in a Medicare Advantage health plan.
- Is sold by private insurance companies to fill “gaps” in Original Medicare coverage, such as all or part of the deductibles or coinsurance amounts.
- Some Medigap policies cover limited benefits not covered by Part A or Part B of Original Medicare, such as extra days of coverage for inpatient hospital care or foreign travel emergency care. Generally, Medigap doesn’t cover long-term care (like care in a nursing home), vision or dental services, hearing aids, eyeglasses, or private-duty nursing.

45. Further Information on Medigap (Medicare Supplement Insurance)

- Medigap policies are available in standardized benefit plans, identified by certain letters between A and N (however, different non-standardized plans are offered in Massachusetts, Minnesota, and Wisconsin). States determine which standardized benefit plans may be offered in their state.
- Every insurance company that sells Medigap policies must sell Plan A (or its equivalent in states with non-standardized plans). Plan A includes the “core” Medigap coverage only. However, very few beneficiaries buy Plan A.
- Turning age 65 and signing up for Part B triggers a six-month Medigap open enrollment period when Medigap insurers must issue a beneficiary a policy, regardless of any pre-existing conditions. This is called a guaranteed issue right.
- In certain limited instances, leaving a Medicare Advantage plan may trigger a guaranteed issue right.
- Issuance and sales of Medigap plans are regulated by States, which have varying laws. For example, some states have additional guaranteed issue rights, specific requirements around marketing Medigap plans, and requirements concerning commissions. Agents should familiarize themselves with their state’s requirements for Medigap sales.

46. Medigap Coverage

All Medigap plans pay for some or all of the following costs (“core benefits”):

- Part A coinsurance
- Coverage for 365 additional hospital days when Medicare coverage for hospitalization ends
- Part B coinsurance or copayment
- Blood (First 3 pints)
- Hospice care coinsurance or copayment

47. Beneficiaries with Medigap Plans with/without Drug Coverage

- Individuals who are enrolled in Medigap plans may only obtain Medicare drug coverage (Part D) through a stand-alone prescription drug plan.
- Medigap plans sold after 2005 do not include drug coverage. However, some beneficiaries may have decided to keep their H, I, and J policies with the drug coverage they had before January 1, 2026.
- To enroll in Part D, individuals who have Medigap plans H, I, or J may:
 - keep their Medigap coverage with the drug portion removed and enroll in a Part D PDP plan; or
 - drop their Medigap coverage and enroll in an MA-PD or other health plans with a PDP.

If their Medigap policy lacks “creditable prescription drug coverage,” the beneficiary may have to pay a late enrollment penalty. Having creditable coverage means that the Medigap policy’s drug coverage pays, on average, at least as much as Medicare’s standard drug coverage and gives the same value for your prescriptions as Part D.

48. Medigap rules for individuals who became eligible for Medicare after December 31, 2019

- Individuals who attained age 65 on or after January 1, 2020, or first become eligible for Medicare due to age, disability, or end-stage renal disease on or after January 1, 2020, may not purchase a Medigap plan that pays the Part B deductible (generally plans C, F, or high deductible F, but the prohibition also applies in waiver states with non-standard packages).
- Individuals previously enrolled in plans that cover the Part B deductible may remain enrolled in those plans.
- Individuals who became eligible for Medicare before 2020 may enroll in plans that cover the Part B deductible.

49. Medigap Plans: Core Benefits

Plans available to all beneficiaries									Plans available only to beneficiaries eligible before 2020	
Medigap Benefits	A	B	D	G ⁴	K ³	L ³	M	N ²	C	F ¹
Part A Coinsurance and Hospital Benefits	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B Coinsurance or Copayment	100%	100%	100%	100%	50%	75%	100%	100% ²	100%	100%
Blood (First 3 pints)	100%	100%	100%	100%	50%	75%	100%	100%	100%	100%
Part A Hospice Care Coinsurance/ Copayment	100%	100%	100%	100%	50%	75%	100%	100%	100%	100%
Skilled Nursing Facility Care Coinsurance			100%	100%	50%	75%	100%	100%	100%	100%

1. There is a high-deductible version of Plan F offered in some states that is only available to individuals eligible for Medicare before January 1, 2020. In 2026, a policyholder pays \$2,950 before the Medigap policy pays anything.
2. Plan N has a copayment of up to \$20 for physician office visits and up to \$50 for emergency room visits (waived in certain circumstances).
3. Plans K and L pay 100% after out-of-pocket limit is reached. In 2026, the out-of-pocket limits for Plan K and Plan L are \$8,000 and \$4,000, respectively.
4. There is a high deductible version of Plan G offered in some states. The deductible for 2026 is \$2,950.

50. Medigap Plans: Additional Benefits

Plans available to all beneficiaries									Plans available only to beneficiaries eligible before 2020	
Medigap Benefits	A	B	D	G ⁴	K ³	L ³	M	N	C	F ¹
Medicare Part A Deductible		100%	100%	100%	50%	75%	50%	100%	100%	100%
Medicare Part B Deductible									100%	100%
Medicare Part B Excess Charges				100%						100%
Foreign Travel Emergency (up to plan limits) ²			80%	80%			80%	80%	80%	80%

1. Plan F also has a high-deductible option in some states. In 2026, a policyholder pays \$2,950 before the Medigap policy pays anything. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year.

2. The foreign travel benefit pays 80% of charges after a \$250 deductible, up to a \$50,000 lifetime maximum.

3. Plans K and L pay 100% after out-of-pocket limit is reached. In 2026 the out-of-pocket limits for Plan K and Plan L are \$8,000 and \$4,000, respectively.

4. There is a high deductible version of Plan G offered in some states. The deductible for 2026 is \$2,950.

51. For More Information about Medigap

- Centers for Medicare & Medicaid Services:
<http://www.cms.gov/Medigap/>
- 2026 Medicare & You Handbook:
<https://www.medicare.gov/Pubs/pdf/10050-medicare-and-you.pdf>

52. Title Page: Medicare Coordination with Employer Group Health Plans (GHPs)

53. Medicare Coordination with Employer Group Health Plans

The rules for what types of health plans employers may offer to their Medicare-eligible employees and whether Medicare or the group health plan pays primary depend on several factors, including:

- whether the coverage is offered by a large group health plan.
 - A large group health plan (GHP) has 20 or more employees for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.
- whether the individual has coverage under the individual's or the individual's spouse's current employment.

54. Medicare for Individuals Who are Still Working – Large Group Health Plans

Medicare law prohibits large GHPs from considering that an individual (or the individual's spouse) covered under the GHP based on current employment status is entitled to Medicare benefits.

It also requires large GHPs to provide any individual age 65 or older (and the spouse age 65 or older) who has current employment status the same benefits under the same conditions as any such individual (or spouse) under age 65.

55. Medicare for Individuals Who are Still Working – Large GHP prohibitions

It is illegal for a large GHP to encourage a Medicare-eligible employee to decline the employer's GHP and obtain Medicare instead or to offer them a different coverage than offered to individuals who are not Medicare eligible. This would include:

- offering its employees and their spouses a Medicare Advantage Plan.
- offering its employees and their spouses a Medicare Supplemental Plan.

Individuals with large GHP coverage as a result of their or a spouse's current employment may choose not to enroll in Part B when they first become eligible. If they maintain GHP coverage, they will not have to pay a late penalty if they enroll later.

56. Medicare for Individuals Who are Still Working – Small GHPs

Medicare is the primary payor for individuals who have group health coverage as a result of their or their spouse's current employment with a company that is **not** a large GHP. That is, Medicare will pay before the group health plan and the employer does not have to offer an individual who is Medicare eligible coverage under the group health plan.

In addition, small GHPs are not subject to the requirement to offer their age 65 and over employees and their spouses the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.

Such employers can purchase or contribute towards the purchase of a Medicare Advantage plan for their employees and their spouses or offer them Medigap coverage (note that employers may not be limited to the Medigap standard plans).

The individuals in small GHPs should generally enroll in Medicare Part B when they become eligible for Medicare.

57. For More Information about Medicare Secondary Payer

Note that different rules apply concerning employees or their spouses who become eligible for Medicare because of ESRD or Disability status.

Medicare Learning Network: Medicare Secondary Payer <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MSP-Fact-SheetTextOnly.pdf>

Medicare Secondary Payer Manual

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017>

1. Module 2: Part C and Other Medicare Health Plans
2. Navigation Instructions
3. Terms and Conditions

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4. Learning Objectives

- After reviewing "Part 2: Medicare Health Plans" you will be able to:
 - Explain what types of Medicare health plans are available
 - Explain who is eligible for the different types of plans
 - Describe the different types of Special Needs Plans (SNPs)
 - Describe features of different Medicare health plan types
 - Describe the different types of benefits offered by Medicare Advantage plans
 - Explain how Medicare health plans work with prescription drug plans
 - Explain enrollee rights concerning their Medicare health plan

5. Training Roadmap: Module 2

- Medicare Advantage Plans
- MA Plan Types: Coordinated Care Plans
- Special Needs Plans
- MA Plan Types: Private Fee-for-Service (PFFS) Plans
- MA Plan Types: Medical Savings Account (MSA) Plans
- Medicare Advantage Employer/Union Plans
- Medicare Advantage: Eligibility, Costs, and Benefits
- Medicare Advantage and Prescription Drugs
- Other Types of Medicare Health Plans
- Enrollee Protections: Appeals and Grievances

6. Title Page: Medicare Advantage Plans

7. Part C: Medicare Advantage Plans: Overview

Under the Medicare Advantage (MA) program, known as Medicare Part C, private companies offer health plans that cover all Medicare Part A and Part B benefits (known as “basic benefits”).

- Many also cover Part D prescription drug benefits (MA-PD plans).
- All MA plans have a maximum out-of-pocket limit (MOOP) for basic benefits.
- Many MA plans also offer additional benefits that Medicare does not cover, known as supplemental benefits.
- The types of Medicare Advantage (MA) plans are:
 - Coordinated Care Plans. These plans have a network of preferred providers and include:
 - Health Maintenance Organizations (HMOs), some have a point-of-service (POS) benefit that allows beneficiaries to go out-of-network subject to limitations.
 - Preferred Provider Organizations (PPOs), which may be local or regional.
 - Private Fee-for-Service (PFFS) Plans
 - Medical Savings Account (MSA) Plans

8. Title Page: MA Plan Types Coordinated Care Plans

9. Coordinated Care HMOs: Network Coverage

- HMOs generally only cover services furnished by doctors and hospitals within the plan’s network (known as participating providers). However, there are certain exceptions:
 - Emergency services furnished by out-of-network providers are covered.
 - When the enrollee is temporarily absent from the plan’s service area, dialysis services are covered outside of the network.
 - Urgently needed services furnished by out-of-network providers are covered when the enrollee is temporarily outside of the service area or in rare circumstances when the network is not available.
 - If a needed specialist or a covered procedure is not available or adequate through participating providers, the HMO plan will authorize out-of-network services at in-network cost-sharing.

10. Coordinated Care HMOs: PCPs, Referrals, and POS Options

- HMO enrollees may be required to select a primary care provider (PCP) from whom they will receive their routine outpatient care.
- HMO enrollees may be required to obtain a referral from their PCP for specialty care (like visits to a specialty physician) to be covered.
- Some HMOs offer a Point of Service (POS) option that allows enrollees to go to out-of-network doctors and hospitals for certain services without receiving prior approval.
 - Unlike a PPO, an HMO-POS plan may limit the services available out-of-network or may put a dollar cap on the amount of out-of-network coverage.

- Cost-sharing is generally higher for services furnished by out-of-network providers than for services obtained from participating providers.

11. MA Plan Types Coordinated Care Plans – PPOs

Under a PPO, enrollees:

- may get care from any provider in the U.S. who accepts Medicare and the plan; they are not limited to network providers.
- usually pay higher cost-sharing amounts to receive services from an out-of-network provider than from a participating provider.
- do not need a referral or authorization to see an out-of-network provider or receive an out-of-network service but are encouraged to contact the plan to be sure the service they wish to obtain out-of-network is medically necessary and will be covered.
- may be required to get a referral or authorization to obtain certain in-network services or see certain in-network providers, but if they fail to do so, covered services service will still be paid for by their plan. They just have to pay the higher out-of-network cost sharing.

If a needed specialist or covered procedure is unavailable or inadequate in network to meet a beneficiary's needs, MA plans must cover out-of-network benefits at in-network cost sharing. Regional PPOs are PPOs that are offered throughout an entire region, made up of one or more states.

12. MA Plan Types Coordinated Care Plans – Special Needs Plans

- Special Needs Plans (SNPs) are a type of Medicare Advantage coordinated care plan (HMOs or PPOs) specially designed to serve a targeted subset of Medicare beneficiaries.
- In addition to meeting all other MA eligibility criteria, beneficiaries must also meet criteria specific to the type of SNP in which they wish to enroll.
- All SNPs must implement an evidence-based model of care with appropriate networks of providers and specialists designed to meet the specialized needs of the plan's targeted enrollees.
- All SNP plans include prescription drug coverage.
- SNPs generally offer a higher level of care coordination and case management to their target populations.

13. Title Page: Special Needs Plans

14. Special Needs Plan Types – C-SNPs

There are several types of Special Needs Plans:

- Chronic condition SNPs (C-SNPs) are SNPs that restrict enrollment to individuals with one or more severe or disabling chronic conditions, specified in CMS regulations.

- Those conditions include, but are not limited to:
 - diabetes,
 - stroke,
 - end stage renal disease
 - certain cardiovascular disorders,
 - cancer,
 - certain chronic lung disorders,
 - HIV,
 - dementia,
 - certain autoimmune disorders
 - chronic kidney disease,
 - chronic heart failure
 - certain mental health disorders,
 - drug or alcohol dependence, or
 - certain neurological disorders like epilepsy, multiple sclerosis, or Parkinson’s disease.
- C-SNPs may focus on one severe or disabling chronic condition, or on a grouping specified by CMS of severe or disabling chronic conditions that represent multiple commonly co-morbid and clinically linked conditions.
- Each C-SNP will specify the condition or conditions necessary to be eligible to enroll.

The most common C-SNPs target cardiovascular disorders, chronic heart failure, and diabetes.

15. Special Needs Plan Types – I-SNPs and IE-SNPs

- Institutional SNPs (I-SNPs) are SNPs that restrict enrollment to MA-eligible individuals who, for 90 days or longer, have had or are expected to need the level of services provided in a skilled nursing facility, a nursing facility (NF) as defined under Medicaid law, an intermediate care facility for individuals with intellectual and developmental disabilities, a long-term care hospital, an inpatient psychiatric facility, or certain other facilities specified by CMS.
- Institutional Equivalent (IE) SNPs enroll MA-eligible individuals who live in the community but require an institutional level of care (i.e., are determined by an impartial entity to need the level of services furnished by the types of facilities). MA plans may limit eligibility for enrollment in their IE-SNP to one or more assisted living facilities, in order to best implement their model of care.

16. D-SNPs: Who Is Eligible

- Dual-eligible SNPs (D-SNPs) enroll certain categories (as determined by each state) of individuals eligible for both Medicare and Medicaid (dual-eligible beneficiaries).
- Dual eligible beneficiaries are beneficiaries enrolled in Medicare Part A and/or Part B who receive full Medicaid benefits and/or Medicaid assistance with Medicare premiums or cost-sharing.
- The categories of dual eligibles include the following:
 - Qualified Medicare Beneficiaries (QMBs) -- Medicaid helps pay premiums, deductibles, coinsurance, and copayments for Part A, Part B, or both programs for these beneficiaries.
 - Specified Low-Income Medicare Beneficiaries (SLMBs): Medicaid helps pay Part B premiums for these beneficiaries.

- Qualifying Individuals (QIs): Medicaid helps pay Part B premiums for these beneficiaries.
 - Qualified Disabled Working Individuals (QDWIs) -- Medicaid pays the Part A premium for certain people under age 65 with disabilities who return to work. Medicaid may also cover medical costs that Medicare doesn't cover or partially covers (for example, nursing home care, personal care, and home- and community-based services). Beneficiaries' coverage can vary by state.
 - Dual-eligible individuals who are eligible for full Medicaid benefits are known as full-benefit dual eligible (FBDEs) or QMB-Plus.
- States may vary in determining their eligibility categories. Consequently, there may be state specific differences in the eligibility levels outlined.

17. D-SNPs: How Care Is Coordinated

- D-SNPs coordinate the delivery of Medicare and Medicaid services for individuals eligible for such services.
- D-SNPs may cover Medicaid services such as long-term services and supports and behavioral health for individuals eligible for such services.
- There are different types of D-SNPs, including fully integrated dual-eligible (FIDE) SNPs, highly integrated dual-eligible (HIDE) SNPs, and coordination-only D-SNPs.

18. Types of D-SNPs – FIDE SNPs

- FIDE SNPs provide full benefit dual eligible individuals with access to Medicare and Medicaid benefits under a single organization that has both a Medicare Advantage and Medicaid managed care contract.
- FIDE SNP membership is limited to individuals who receive their Medicaid benefits through the MA organization or a parent or affiliate of the MA organization.
- FIDE SNPs cover primary care, acute care, Medicare cost-sharing, long-term services and supports (LTSS) (including coverage of nursing facility services for a period of at least 180 days during the plan year), behavioral health services, home health services, and medical supplies equipment and appliances.
- FIDE SNPs coordinate the delivery of covered Medicare and Medicaid services using aligned care management and specialty care network methods for high-risk beneficiaries.
- FIDE SNPs also coordinate or integrate beneficiary communication materials, enrollment, communications, grievance and appeals, and quality improvement.

19. Types of D-SNPs – HIDE SNPs

- HIDE SNPs cover certain Medicaid benefits under a capitated contract between the State Medicaid agency and
 - the MA organization
 - the MA organization's parent organization, or an affiliate of the MA organization
 - or certain local nonprofit public benefit corporations that have a founding member that is the MA organization, the MA organization's parent organization, or another entity that is owned and controlled by its parent organization where that local nonprofit public benefit corporation is responsible for the delivery of physical, behavioral, and dental health services.
- HIDE SNPs cover all Medicare benefits and (to the extent enrollees are eligible for these benefits):
 - long-term services and support (including community based long term services and supports and some days of coverage of nursing facility services during the plan year), or
 - behavioral health services.

20. Types of D-SNPs – Coordination only D-SNPs

- Coordination-only D-SNPs (CO D-SNPs) are D-SNPs that do not qualify as HIDE or FIDE SNPs.
- CO D-SNPs have a CMS-approved contract with a state Medicaid agency that stipulates that, to coordinate Medicare and Medicaid-covered services between settings of care, the D-SNP notifies or arranges for another entity or entities to notify, the state Medicaid agency, individuals or entities designated by the state Medicaid agency, or both, of hospital and skilled nursing facility admissions for at least one group of high-risk full-benefit dual eligible individuals, identified by the state Medicaid agency.
- If the CO-D-SNP only enrolls partial-benefit dual eligibles (i.e., those not eligible for full Medicaid benefits) per the terms of its contract with the state, it is not required to meet the notification requirement when the MA organization also offers an integrated D-SNP with enrollment limited to FBDE individuals that is in the same state and service area and under the same parent organization.
- If the CO S-SNP enrolls full benefit dually eligible beneficiaries, such full benefit dually eligible beneficiaries cannot be enrolled in a Medicaid managed care organization that is owned and controlled by an entity other than the MA organization, its parent organization, or an entity that shares a parent organization with the MA organization.

21. D-SNPs – Exclusively Aligned Enrollment

Exclusively aligned enrollment is where a State limits eligibility to enroll in a D-SNP to full-benefit dual eligible individuals whose Medicaid benefits are covered under a Medicaid managed care organization (MCO) contract held by either:

- the D-SNP organization,
- the D-SNP's parent organization, or
- another entity that is owned and controlled by the D-SNP's parent organization.

22. D-SNPs – Applicable Integrated Plans: Eligibility

- Applicable Integrated Plans are:
 - FIDE or HIDE SNPs with exclusively aligned enrollment and the MCOs through which their members receive Medicaid benefits.
 - All Fide SNPs and their affiliated MCOs are applicable integrated plans.
 - HIDE SNPs and their affiliated MCOs may be applicable integrated plans if they have exclusively aligned enrollment.

23. D-SNPs – Applicable Integrated Plans: Contracting and Coverage

- Applicable Integrated Plans are:
 - A D-SNP and affiliated MCO where the D-SNP's enrollment is limited to beneficiaries enrolled in an MCO and
 - the MA organization, the MA organization's parent organization, or another entity that is owned and controlled by its parent organization has a capitated contract with either a Medicaid agency or an MCO; and
 - through the capitated contract, Medicaid benefits including primary care and acute care, including Medicare cost-sharing and at a minimum, one of the following: home health services, medical supplies, equipment, and appliances, or nursing facility services are covered for the enrollees.
 - For example, a CO D-SNP and affiliated MCO can be an applicable integrated plan where the CO D-SNP holds a contract with a separate MCO to cover all capitated managed care benefits in the state and the separate MCO holds the contract with the state for those benefits. Applicable Integrated Plans are required to have unified appeals and grievances processes for Medicare and Medicaid benefits that simplify the grievance and appeals steps for their dual eligible enrollees and require the plan to continue benefits pending an appeal decision.

24. Title Page: MA Plan Types: Private Fee-for-Service (PFFS) Plans

25. MA Plan Types: Private Fee-for-Service (PFFS) Plans (1 of 2)

- PFFS are MA plans under which enrollees are not limited to receiving services from a network of plan providers. PFFS Plan enrollees may receive covered services from any provider in the U.S. who is eligible to provide Medicare services and agrees to accept the plan's terms and conditions of payment.
- PFFS plans pay providers on a fee-for-service basis and do not put them at financial risk.
- PFFS plans do not require prior authorization, prior notification, or referrals as a condition of coverage.
- Some PFFS plans contract with providers. If the PFFS plan has a network, enrollees may pay more if they see out-of-network providers.
- Except for emergencies, enrollees must inform providers before receiving services that they are a PFFS plan member (typically by showing their membership card), so that non-network providers can decide whether to accept the plan's terms and conditions.

26. MA Plan Types: Private Fee-for-Service (PFFS) Plans (2 of 2)

- Non-network providers that accept Original Medicare may choose not to accept PFFS plan enrollees. Therefore, an enrollee needs to confirm that their provider of choice will accept a PFFS plan before enrolling in one.
- PFFS plans may decide to allow network and non-network providers to balance bill their members up to 15 percent of the amount of the plan's payment to the provider. If a PFFS plan prohibits this balance billing, providers may only charge the member the plan-allowed cost-sharing amount. PFFS plans may choose to offer Part D benefits but are not required to do so.

27. Title Page – MA Plan Types: Medicare Savings Account Plans

28. MA Plan Types: Medical Savings Account (MSA) Plans: Overview

- A Medicare MSA is a high-deductible Medicare Advantage plan that is combined with a special medical savings account.
 - Medicare contributes money to the beneficiary's medical savings account to assist with paying for Medicare-covered services during the deductible phase.
 - The amount of the contribution varies by plan.
 - Money left in the account at the end of the year stays there. If the beneficiary remains enrolled in the plan the following year, Medicare will add any new deposits.
- If an MSA enrollee uses all the funds in their medical savings account, they must pay out-of-pocket until they reach their deductible.
- After the annual deductible is met, the plan pays 100% for covered services.
 - The maximum allowable deductible for MSA plans in 2026 is \$18,100. However, most MSAs will have a substantially lower deductible.

29. MA Plan Types: MSA Plans

- There is no premium for an MSA.
- MSA plans cover Part A and Part B benefits, but beneficiaries must continue paying their Part B premium.
- MSAs do NOT cover Part D Medicare prescription drug benefits.
 - MSA enrollees must enroll in a stand-alone PDP if they want prescription drug benefits.
- MSA enrollees may receive covered services from any Medicare-approved provider in the U.S. if the provider chooses to accept their plan.
- MSAs may not have a network or may have a full or partial network of providers.
- All non-network providers must accept the same amount that Original Medicare would pay them as payment in full. This is the amount the enrollee will pay the provider before the deductible is met.

30. Title Page: Medicare Advantage Employer/Union Plans

31. Employer/Union Plans

- Employers and unions may offer their retirees and their dependents:
 - Medicare Advantage individual plans (plans available to any beneficiary). These plans are listed on Medicare.gov.
 - Medicare Advantage plans that are only available to individuals based on their employer, known as **Employer Group Waiver Plans or EGWPs**.
 - A Medicare Advantage plan offered through a direct contract between the employer or union and CMS, known as a direct contract plan.
- Employers with less than 20 employees (as calculated under Medicare secondary payor rules) may be able to offer Medicare Advantage plans to their active employees and their dependents.
- Any size employer can offer Medicare Advantage plans to its retirees and their dependents.
- EGWP and direct contract plans are different from other Medicare Advantage plans because eligibility to enroll is limited to certain active employees, retirees, and their dependents, and because a variety of regulatory requirements are waived as they apply to the plans.

32. Title Page: Medicare Advantage Plans – Eligibility, Costs, and Benefits

33. Medicare Advantage Eligibility

To be eligible to enroll in a Medicare Advantage plan:

- A beneficiary must be entitled to Part A ***and*** enrolled in Part B.
 - Entitlement to Part A means that the beneficiary is either eligible and signed up for premium-free Part A or paying the premium (or having the premium paid on their behalf) for Part A.
- The beneficiary must permanently live in the MA plan’s service area. (If a beneficiary spends six months or more outside of the plan’s service area, they should only enroll in MA-PD plans with a visitor/traveler benefit.)
- MA plans must generally enroll any eligible beneficiary who applies regardless of health status.
 - Special needs plans only enroll beneficiaries within their targeted populations.

34. Medicare Advantage Eligibility: EGWPs

- Employer group waiver plans (EGWPs) or direct contract plans may only enroll Medicare beneficiaries who are active employees or retirees of the employer or union offering the plan.
 - A beneficiary’s enrollment in an EGWP must be based on receiving “employment-based” health coverage from an employer/union group health plan sponsor.
 - Coverage obtained through a professional or another group association would not make a beneficiary eligible for an EGWP, except to the extent that the coverage obtained through the association can properly be characterized as “employment-based” group health plan coverage.

EGWPs Examples

An association of employers, such as school boards, may offer its former employees an EGWP plan. Employers can also form associations specifically to provide retirees with health coverage.

A professional association, such as a state or federal medical association, may not offer an EGWP because membership in the association is based on profession, not the individual's employer or former employer.

35. MSAs: Special Eligibility Rules

MSAs are not available to all beneficiaries. The following individuals are ***not*** eligible to enroll in an MSA:

- An individual who receives health benefits that cover all or part of the annual deductible under the MA MSA plan. Examples include but are not limited to, primary health care coverage other than Medicare, disease-specific policies, certain supplemental insurance policies, and retirement health benefits.
- An individual who is enrolled in a Federal Employee Health Benefits plan or is eligible for health care benefits through the Veteran's Administration.
- Dual eligibles entitled to coverage of Medicare cost-sharing under Medicaid.
- An individual who cannot provide assurances that they will reside in the United States for at least 183 days during the year for which the election is effective.
- An individual who has already elected hospice.

36. Medicare Advantage Plans: Premiums and Cost-Sharing

- Medicare Advantage Plans may charge a premium. If the plan charges a premium, beneficiaries must generally continue paying their Part B premium in addition to paying the monthly plan premium to remain enrolled.
- Medicare Advantage plans may also require their members to pay for a portion of the covered services they receive. This is known as member cost-sharing. There are several potential types of cost-sharing:
 - Deductible: A set amount the member must pay out-of-pocket for covered services before the health plan begins paying for those services.
 - Copayment: A fixed dollar amount per service the member must pay. For example, \$30 for each visit to a primary care provider, or \$500 for each hospital inpatient stay.
 - Coinsurance: A percentage of the cost of the service the member must pay. For example, 20% of the cost of durable medical equipment.

37. Maximum Out-of-Pocket Limits

- All Medicare Advantage plans must have a "maximum out-of-pocket" limit (known as the "MOOP") for Part A and Part B benefits. That is, once the member pays a specified amount of cost-sharing, the health plan covers 100% of covered medical services. Each year CMS specifies a mandatory MOOP, which health plans cannot exceed, although they may have a lower MOOP.
 - Each plan's MOOP will be specified in its summary of benefits and its evidence of coverage.
- For 2027, the maximum MOOP limit for Medicare Advantage coordinated care plans and private fee-for-service plans is \$9,850, although most plans will have lower limits. PPOs must also have an aggregate MOOP for network and non-network providers of \$14,800 in 2027. Again, it is likely that many will have lower limits.
- MSAs have a deductible that members must pay, then the plan pays 100% for covered services.

38. Cost-Sharing for Qualified Medicare Beneficiaries (QMBs)

QMBs are a type of dual-eligible beneficiary. Special cost-sharing rules apply to QMBs enrolled in any type of MA plan:

- QMBs do not have to pay more cost-sharing than any minimal copayment that would apply under Medicaid, regardless of what the plan requires for other enrollees.
- All providers (whether or not they are Medicaid participating, or in-network) are prohibited by law from billing QMBs for any Medicare cost-sharing amounts, including the amounts under their MA plan. Providers who balance bill are subject to sanctions.

Case Study

Mr. Walsh is a Qualified Medicare Beneficiary (QMB) who is enrolled in a MA PPO. Mr. Walsh goes to an out-of-network cardiologist. The plan cost-sharing for the visit is \$80. However, the doctor may only collect from Mr. Walsh any minimal cost-sharing allowable under the state Medicaid program, which in Mr. Walsh's case is \$2.00. His doctor may bill the state for the cost-sharing, but the hold harmless obligation applies regardless of whether or how much of the cost-sharing the state pays.

39. Part C: Medicare Advantage Plan Benefits

- All Medicare Advantage (MA) plans must cover all Part A and Part B benefits.
- MA plans may not impose limitations, waiting periods or exclusions from coverage due to pre-existing conditions that are not present in Original Medicare.
- Most MA plans also cover part of the Original Medicare cost-sharing for Part A and Part B benefits.
- MA plans may also cover extra benefits not covered by Original Medicare (known as "supplemental benefits"), such as:
 - Vision services, including vision exams for contacts and eyeglasses
 - Hearing aids
 - Routine dental services, such as teeth cleaning
- Supplemental benefits may be optional or mandatory.
 - Mandatory supplemental benefits are embedded in the Medicare Advantage plan and must be purchased as part of the plan. They can include reductions in cost-sharing for benefits covered under Original Medicare.
 - Optional supplemental benefits may be added to an MA plan at the option of the beneficiary.

40. Special Supplemental Benefits Depending on Chronic Health Condition

Medicare Advantage plans may offer supplemental benefits targeted to individuals with certain chronic health conditions, such as diabetes, heart failure, COPD, or other conditions, which are not available to members of the same plan without the specified condition. There are two categories of such benefits: (1) those that are primarily health-related and (2) those that are not (the latter generally address social determinants of health and are known as Special Supplemental Benefits for the Chronically Ill, or SSBICI).

- Primarily health-related benefits for chronically ill enrollees may include items such as decreased cost-sharing for certain services, or supplemental benefits (e.g., at-home palliative care or transportation to medical appointments).

- SSBCI may include items such as groceries, meals beyond a limited basis, pest control, and non-medical transportation.

Consequently, it is useful for agents to know if their clients have conditions that may qualify them for these types of benefits if they are available in the clients' area.

41. Medicare Advantage Plans – Utilization Management

- Medicare Advantage plans may implement mechanisms to promote the appropriate utilization of covered services. These mechanisms are known as “utilization management.”
- Such mechanisms include requiring a referral or prior authorization to obtain a service.
 - PPOs may not require prior authorization for out-of-network services.
 - PFFS plans may not require prior authorization.
 - Non-network MSAs may not require prior authorization.
- Authorizations must be valid for as long as medically necessary to avoid disruptions in care.
- Plans may also implement step therapy requirements for Part B or Part D drugs. Step therapy is when a plan requires a beneficiary to try less expensive options before "stepping up" to drugs that cost more.
- When an enrollee enrolls in an MA plan after starting a course of treatment, there is a minimum 90-day transition period during which the MA organization may not disrupt or require authorization for the active course of treatment, even if they are receiving the services from a non-network provider.
 - An active course of treatment can include a scheduled surgery.

42. Title Page - Medicare Advantage and Prescription Drugs

43. MA & Prescription Drugs

- An organization offering coordinated care MA plans (HMOs or PPOs) must offer at least one MA plan with prescription drug coverage (known as an MA-PD plan) in every service area.
- MA PFFS plans have the option of offering prescription drug coverage but are not required to do so.
 - An individual enrolled in an MA PFFS plan that does not include a Part D benefit may enroll in a PDP, even if under the same MA contract, the organization offers another PFFS plan that includes a Part D benefit.
- MA MSA plans are prohibited from offering prescription drug coverage. If an MSA member wants prescription drug coverage, the member must enroll in a stand-alone PDP.
- If a beneficiary enrolls in an MA coordinated care plan (HMO, PPO) that does not include Part D coverage, the beneficiary cannot join a stand-alone Prescription Drug Plan (PDP). If the beneficiary wants to remain enrolled with the organization offering their MA plan, they must choose an MA-PD offered by the organization.
 - Enrollees in certain Employer/Union retiree group plans may have different options.

44. Title Page – Other types of Medicare Health Plans

45. Other Types of Medicare Health Plans: Overview

There are other types of Medicare health plans, which are NOT Part C or Medicare Advantage plans. The other types of Medicare health plans include:

- Medicare Cost Plans
- Programs of All-Inclusive Care for the Elderly (PACE) plans
- Other Demonstration Plans
 - Other Medicare health plan demonstrations include state-specific demonstrations such as the Minnesota Senior Health Care Options (MSHO) program.

46. Medicare Cost Plans

Medicare Cost Plans are Medicare health plans that are not Medicare Advantage (Part C) plans and are not Original Medicare. Medicare cost plans are sometimes referred to section 1876 cost plans.

Medicare Cost Plan enrollees can choose to receive Medicare-covered services:

- Under the plan's benefits by going to plan network providers
 - The plan's cost-sharing applies when the enrollee gets services from network providers.
- Under Original Medicare by going to non-network providers.
 - Original Medicare cost-sharing applies when the enrollee gets services from non-network providers. This amount is generally higher than the plan cost-sharing.

Medicare Cost Plans:

- may offer Part D prescription drug coverage as an optional benefit but are not required to do so.
- may offer other optional supplemental benefits.
- are available only in certain areas in the United States. In 2026 they were offered in 11 states including some counties in Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin, and Wyoming.

An individual may enroll in a cost plan and a PDP.

- This applies regardless of whether the cost plan offers Part D coverage.

The following individuals are eligible to enroll in a Medicare cost plan:

- Those with Medicare Parts A and Part B; or
- Those with only Part B. Enrollees with Part B only will not have Part A coverage under the plan unless they purchase it. The plan may adjust the enrollee premium for individuals with Part B only.

Premiums:

Enrollees must pay Part B premiums and any plan premium.

47. PACE Plans

Programs of All-Inclusive Care for the Elderly (PACE):

- are Medicare plans for frail, elderly beneficiaries who are certified as needing a nursing home level of care but still living in the community (i.e., not in a nursing home).
- are available in most states but tend to have small service areas and thus may only be available in a few counties.

- offer an adult day health center, where enrollees can get health care, meals, and other services.
- include comprehensive medical and social service delivery systems using an interdisciplinary team approach in the adult day health center, supplemented by in-home and referral services.

Eligibility for PACE: Participants must be:

- age 55 or older.
- reside in the PACE organization's service area.
- be certified as eligible for nursing home care by their state.
- be able to live safely in a community setting at the time of enrollment.

Under a PACE Plan:

- There's no deductible or copayment for any drug, service, or care approved by the PACE team of health care professionals.
- Beneficiaries with Medicaid pay no premiums.
- Beneficiaries with only Medicare pay a monthly premium to cover the long-term care portion of the PACE benefit and a premium for Part D (in addition to the Part B premium).

More information on PACE visit [Program of All-Inclusive Care for the Elderly \(PACE\) | CMS](#) or click here: <https://www.npaonline.org/#:~:text=Find%20a%20PACE%20Program,PACE%20program%20near%20you%20today!>

48. Title Page-Enrollee Protections Appeals and Grievances

49. Enrollee Protections

Enrollees of a Medicare Advantage plan, Medicare Cost plan, or PACE plan have a right to:

- file complaints (sometimes called grievances), including complaints about the quality of their care.
- get a decision about health care payment or services, or prescription drug coverage.
- get a review (appeal) of adverse decisions about health care payment, coverage of services, or prescription drug coverage.

50. Enrollee Protections: Grievances

The grievance process is used for complaints about the operations of a plan or its network providers.

- Enrollees or their representatives may file a grievance if they experience problems with their health care services such as timeliness, appropriateness, access to, and/or setting of a provided health service, procedure, or item.
- Grievance issues also may include complaints that a covered health service, procedure, or item furnished during a course of treatment did not meet accepted standards for the delivery of health care.
- An enrollee or their representative may make the complaint orally, in writing, or via a CMS website at <https://www.medicare.gov/my/medicare-complaint>
- Medicare Advantage, Medicare Cost, and Medicare Prescription Drug Plans must also provide a link on their websites to the Medicare.gov website where the enrollee can enter a complaint.

51. Enrollee Protections: Coverage Decisions

- Coverage decisions are determinations made by a Medicare health plan concerning whether medical care or prescription drugs are, or will be, covered and the beneficiary's share of the cost for the care or drugs.
- Examples of times when an enrollee may need a coverage decision include:
 - To get prior authorization for a provider to furnish a service.
 - To obtain coverage for certain items or services, such as the type or level of services the enrollee thinks should be furnished.
 - To obtain payment for urgently needed services the enrollee received when they were temporarily out of the area.
 - To continue a service that the enrollee believes is medically necessary.
 - To obtain coverage for a prescription drug.
 - To ask for an exception from a plan's formulary requirements (including step therapy requirements) or tiering structure for prescription drugs.

52. Enrollee Protections: Prior Authorization

- An enrollee has a right to ask for prior authorization even when it is not required in order to find out if a service will be covered by the plan.
- An MA organization or Medicare Cost Plan must generally make a prior authorization decision in seven days (or within 72 hours for drugs). In certain instances when the standard timeframe could endanger the enrollee's health, the decision must be made more quickly.
- MA organizations must post on their websites the following information about prior authorization requests:
 - The list of services that require prior authorization;
 - Beginning in 2027, the percentage of prior authorization requests the MA organization approved and denied; and
 - Beginning in 2027, the average and median amount of time it took to make a prior authorization decision.

53. Enrollee Protections: Appeals Basics

The appeals process is used to ask for a reconsideration of the plan's coverage or payment decisions.

- If an enrollee disagrees with the coverage decision, they, or in some cases their physician, can appeal the decision.
 - Physicians can appeal prior authorization denials on behalf of their patients.
- An appeal is a formal way to ask the plan to review or change a coverage decision.
- An appeal can be filed if:
 - an enrollee believes a Medicare health plan did not pay for or authorize a service that should be covered. Where the plan did not pay, the enrollee must be financially liable in order to appeal.
 - an enrollee believes an authorized service such as hospitalization or home health care is ending too soon.
 - an enrollee believes a plan has not authorized or paid for a Part D prescription drug that should be covered.

54. Enrollee Protections: Appeals Process

- Medicare health plans must provide enrollees with a written description of the appeal process.
- Medicare health plans must include on their websites written procedures for filing an appeal or grievance along with phone number(s) for receiving oral requests (requests for payment must be in writing); mailing address for written requests; and links to any forms created by the plan for appeals and grievances.
- Medicare health plans offering a Part D benefit must:
 - provide access via a secure website or secure e-mail address on the website for enrollees to quickly request a coverage determination or appeal a decision about coverage of a drug.
 - require network pharmacies to provide enrollees with a printed notice with the plan's toll-free number and website for requesting a coverage determination concerning a drug.
- Beginning in 2027, MA organizations must post on their websites the percentage of prior authorization requests that were approved and denied after an appeal.
- D-SNPs that are part of Applicable Integrated Plans must offer processes for grievances, coverage decisions, and appeals that integrate beneficiaries' rights under Medicare and Medicaid.

55. Sources of Additional Information

- Medicare & You Handbook
<https://www.medicare.gov/medicare-and-you>
- Detailed information on Medicare Advantage plan requirements
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019326.html?DLPage=2&DLEntries=10&DLSort=0&DLSortDir=ascending>
- Information on Medicare Advantage enrollment and eligibility
<https://www.cms.gov/files/document/cy-2024-ma-enrollment-and-disenrollment-guidance.pdf><https://www.cms.gov/files/document/cy-2026-cd-enrollment-and-disenrollment-guidance.pdf>

1. Module 3: Medicare Part D Prescription Drug Coverage
2. Navigation Instructions
3. Terms and Conditions

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4. Learning Objectives
 - After reviewing “Part 3 - Medicare Part D Prescription Drug Coverage” you will be able to explain:
 - What Part D plans are
 - Who is eligible to enroll in a Part D plan
 - Part D standard and alternate benefits
 - Part D management tools, covered drugs, and formulary requirements
 - Part D True Out-of-Pocket (TrOOP) costs and help for beneficiaries with limited income
 - Late enrollment penalties and premiums
 - The Medicare Prescription Payment Plan

5. Training Roadmap: Module 3
 - Medicare Part D Basics and Eligibility
 - Covered Drugs
 - Part D Standard and Alternative Benefits
 - “True Out-of-Pocket” Costs (TrOOP)
 - Part D Premiums and Late Enrollment Penalties
 - Part D Drug Management Tools and Formulary Requirements
 - The Medicare Prescription Payment Plan
 - Part D Enrollee Rights
 - Part D Assistance Programs
 - Part D and Other Coverage

6. Inflation Reduction Act Changes

As part of the Inflation Reduction Act (IRA), Congress made several changes to the Part D program:

- It eliminated the coverage gap phase effective in 2025.
- It created a cap on beneficiary out-of-pocket spending beginning in 2024, by eliminating cost sharing during the catastrophic coverage phase.
- It provided Medicare the ability to directly negotiate the prices of certain high-expenditure, single source drugs without generic or biosimilar competition.
 - CMS selected ten drugs covered under Medicare Part D for the first cycle of negotiations for initial price applicability year 2026. It has selected an additional 15 drugs for the second cycle with initial price applicability for 2027.
- During the initial coverage phase, CMS will pay Part D plans a subsidy of 10 percent of drugs selected for price negotiations during the price applicability period.
- During the catastrophic phase, CMS will pay Part D plans 40 percent reinsurance for drugs selected for price negotiations during the price applicability period.

The CMS subsidy and reinsurance changes do not impact beneficiary cost-sharing percentages. However, they will affect the price of the negotiated drugs.

7. Title Page- Part D Basics and Eligibility

8. Medicare Part D Prescription Drug Program Basics

- Medicare Part D covers certain prescription drugs, diabetic supplies, and vaccines.
- Coverage of Medicare Part D benefits is provided only through private companies. There is no fee-for-service Part D benefit.
- The types of Medicare plans that include Part D benefits are:
 - Stand-alone Prescription Drug Plans (PDPs)
 - Medicare Advantage-Prescription Drug (MA-PD) Plans:
 - MA-PDs are MA health plans that also cover Part D prescription drugs.
 - Cost-PD Plans
 - Cost-PDs are Medicare cost plans that cover Part D prescription drugs as an optional supplemental benefit.
 - PACE plans

9. Medicare Part D and PDP Eligibility

To be eligible for Part D, individuals must be entitled to Part A and/or enrolled under Part B (not including enrollment in Part B solely for coverage of immunosuppressive drugs)

Individuals' eligibility to enroll in a stand-alone PDP depends on how they receive their medical benefits under Medicare.

- Generally, only beneficiaries enrolled in Original Medicare, an MA MSA, a PFFS plan, or a Cost plan may enroll in a standalone PDP to receive Part D benefits.
 - Beneficiaries enrolled in a MA MSA may only obtain Part D benefits through a standalone PDP.

- Beneficiaries enrolled in a Cost plan or MA PFFS plan may obtain Part D benefits through their plan (if offered) or through a standalone PDP.
- Individuals who meet the criteria are generally eligible to obtain Part D benefits through any PDP offered in the area in which the individual permanently resides. PDPs must enroll any eligible beneficiary who applies, regardless of health status.

10. Medicare Part D Eligibility – MA-PDs, Cost-PDs and PACE

- To obtain Part D benefits from other types of Medicare health plans, such as an MA-PD, Medicare cost plan, or PACE Plan, the individual will have to meet the additional eligibility criteria for those plans. For example, to enroll in an MA-PD, individuals must be both entitled to Part A and enrolled in Part B.
- Beneficiaries enrolled in a MA HMO or PPO may only obtain Part D benefits through their HMO or PPO plan.
 - In some cases, employer group plan enrollees may have additional choices.
- Individuals enrolled in a PACE plan may only receive their Part D benefits through their plan.

11. Title Page- Covered Drugs

12. Covered Part D Drugs

Part D plans cover:

- Prescription drugs
- Biologics
 - Biologics are drugs made from natural sources (human, animal, or microorganism) that are not chemically synthesized, examples include allergy shots and gene therapies.
- Insulin
- Medical supplies associated with the injection of insulin (e.g., syringes, needles, alcohol swabs, and gauze) or delivering insulin into the body (e.g., an inhalation chamber)
- Vaccines not covered by Part B, for example, vaccines for:
 - The shingles
 - respiratory syncytial virus (RSV), and
 - tetanus-diphtheria-whooping cough
- A combination product approved and regulated by the FDA as a drug, vaccine, or biologic that would otherwise meet the definition.

13. Drugs Excluded from Part D Coverage

The following are excluded from the definition of a Part D covered drug:

- Drugs for weight loss or gain (however drugs that can be used for weight loss, such as GLP-1s, are covered when used for different indications, such as diabetes)
- Drugs for fertility, cosmetic purposes, or symptomatic relief of cough and colds
- Vitamins- Prescription vitamins and minerals with the exceptions of prenatal vitamins and fluoride preparations for certain uncommon Vitamin D analogs (Vitamins D2 and D3 are excluded from Part D coverage)

- Medical foods formulated to be consumed or administered enterally under the supervision of a physician that are not regulated as drugs under section 505 of the Federal Food, Drug, and Cosmetic Act
- Erectile dysfunction drugs (when used for sexual dysfunction)
- Non-prescription drugs
- Some off-label use drugs
- Drugs covered under Part A and B (even if an individual does not have such coverage)

Part D plans are permitted to offer supplemental benefits that cover drugs that otherwise meet the definition of a Part D prescription drug but are explicitly excluded from coverage, such as certain prescribed weight loss drugs.

14. GLP-1s for weight loss

- As noted, drugs used for weight loss are statutorily excluded from coverage under Part D. However, beginning July 2026, CMS is implementing a short-term demonstration program under which it will directly pay for GLP-1 drugs (such as Zepbound or Wegovy) to be used for weight loss in individuals with a body mass index (BMI) greater than 35 or individuals with BMI over 27 with certain diagnoses. To be eligible, beneficiaries must receive prior authorizations and be enrolled in an MA-PD or PDP (even though it will not be administered by the plan). Individuals eligible for the coverage will pay a \$50 copayment for the drugs. However, since it is not a Part D program, that copayment will not count toward the Part D deductible or out-of-pocket cap. The demonstration will end December 31, 2027.

15. Formularies: Overview

- Part D plans generally do not cover all drugs available in each category of Part D covered drugs because in some cases several similar drugs are available to treat the same medical condition.
- Part D plans include the Part D drugs they will cover on a list known as a “formulary.”
 - Formularies are developed by pharmacists, doctors, and other experts.
- Part D plan formularies must include:
 - at least two drugs in each therapeutic category that are not therapeutically equivalent and bioequivalent, with different strengths and dosage forms available for each of those drugs (with certain exceptions where only one drug may be covered).
 - generic and brand-name drugs.
 - adequate coverage of the types of drugs most commonly needed by Part D enrollees, as recognized in national treatment guidelines.
 - all or substantially all so-called “protected class” drugs.
- Each Part D covered drug selected for Medicare price negotiations for the period in which the negotiated maximum fair price is in effect.
 - The Part D plan may remove the selected drug if certain requirements are met, including but not limited to, replacing it with a generic version of a brand-name drug that was not available on the market when the plan submitted its formulary.

16. Formularies: Protected Drug Classes

- Each Part D covered drug selected for Medicare price negotiations for the period in which the negotiated maximum fair price is in effect.
 - The Part D plan may remove the selected drug if certain requirements are met, including but not limited to, replacing it with a generic version of a brand-name drug that was not available on the market when the plan submitted its formulary.
- There are six protected classes of drugs that must be included on a Part D sponsor's formulary. These are categories of drugs that treat life-changing or life-sustaining conditions:
 - Antidepressants
 - Antipsychotics
 - Anticonvulsants
 - Immunosuppressants (for prophylaxis of organ transplant rejection)
 - Antiretrovirals
 - Antineoplastics

17. Tiering

A common feature of Part D benefit structures and formularies is cost-sharing tiers.

- Tiered cost-sharing means grouping Part D drugs into different cost-sharing levels within a Part D sponsor's formulary. Many plans group drugs into 3 or 4 tiers with lower tiers requiring less beneficiary cost-sharing than higher tiers, for example:
 - Tier 1: Generic drugs
 - Tier 2: Preferred brand-name drugs
 - Tier 3: Non-preferred brand-name drugs
 - Tier 4: High-cost drugs or "specialty drugs" (plans may have up to two specialty tiers)
- Thus, in evaluating whether a Part D plan should be recommended to a beneficiary, it is important to confirm not only that the beneficiary's drugs are on the formulary, but to also evaluate which cost-sharing tier the drugs fall into.

18. Title Page- Part D Standard and Alternative Benefits

19. Part D Plan Benefits

- All Part D plans must cover at least the Part D standard benefit or meet the requirements for "alternative benefits."
 - Benefit structures that are not standard but instead are actuarially equivalent, are known as "alternative" coverage.
- The standard benefit structure includes several coverage "phases" including:
 - a deductible.
 - an initial coverage phase between the deductible and the annual out-of-pocket threshold.
 - a catastrophic coverage phase that applies after the beneficiary reaches the annual out-of-pocket threshold.

20. Part D Benefits: Alternative Coverage

- Alternative coverage is prescription drug coverage that is not standard drug coverage but is at least actuarially equivalent to standard drug coverage.
- Actuarial equivalent means that the value of Part D benefits must be at least the same as the standard coverage. Alternative coverage must also:
 - not have an annual deductible that exceeds the annual deductible under the standard benefit.
 - impose cost-sharing once the annual out-of-pocket threshold is met.
- Alternative benefits may also be structured with some or all of the coverage phases that are part of standard benefits.
- There are two categories of alternative coverage: Basic alternative coverage and enhanced alternative coverage.
 - Basic alternative coverage is actuarially equivalent and covers the required basic prescription drugs.
 - Enhanced alternative coverage is offered for an additional monthly premium. It includes the required basic prescription drugs and coverage.

Enhancements such as a reduction of the deductible (including a waiver of the deductible for a subset of formulary tiers); coverage of excluded drugs, and/or a decrease in the beneficiary coinsurance amounts in the initial coverage phase.

21. Standard Part D Benefits for 2027

For 2027, the standard benefit requires the beneficiary to pay:

- a \$700 deductible
- 25% of prescription drug costs during the initial coverage phase.

Once beneficiary out-of-pocket costs reach a total of \$2,400, the beneficiary is through the initial coverage phase and reaches catastrophic coverage.

- The out-of-pocket costs that count toward reaching the catastrophic limit are known as true out-of-pocket costs or TrOOP. In some instances, amounts not directly paid by the beneficiary count toward TrOOP. After reaching the annual out-of-pocket threshold, the beneficiary pays nothing.

22. Part D Plan Benefits: The Standard Benefit Plan for 2027 (Illustrated)
Medicare Module 3 – Part D Standard Benefit Enrollee Cost Sharing

<p>Catastrophic Coverage Phase</p> <p>Enrollee pays \$0</p>
<p>Initial Coverage Phase</p> <p>Enrollee Pays 25% of prescription drug costs up to \$2,400 out of pocket threshold</p>
<p>Deductible Phase</p> <p>Enrollee pays 100% up to the \$700 deductible</p>

23. Special Cost-Sharing for Insulin and Vaccines

- Insulin and certain vaccines are not subject to the deductible.
- There is no cost sharing for Part D adult vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) by in-network or out-of-network providers, even in the deductible phase. This includes, but is not limited to vaccines for:
 - Shingles vaccines
 - Tdap vaccines (tetanus, diphtheria, and pertussis/whooping cough)
 - RSV
- The cost-sharing for a one-month supply of a covered insulin product cannot be more than \$35 in any coverage phase. The cost sharing for insulin is calculated as the lesser of (1) \$35; or (2) an amount equal to 25 percent of the maximum fair price; or (3) an amount equal to 25 percent of the negotiated price of the drug.

24. CMS, Plan and Manufacturer Payments for Drugs

During the Initial Coverage Phase:

- The Part D Sponsor typically pays 65 percent for applicable drugs and drugs selected for negotiation (selected drugs) and 75 percent of the cost of all other Part D covered drugs.
- The manufacturer, through the manufacturer discount program, typically pays 10 percent of the cost of applicable drugs.
- CMS pays a subsidy of 10 percent of a drug's negotiated price for selected drugs during the period when the negotiated price applies.

During the Catastrophic Coverage Phase:

- The Part D Sponsor typically pays 60 percent of the cost of all Part D covered drugs.
- The manufacturer pays a discount typically equal to 20 percent for all applicable drugs.
- CMS pays a reinsurance subsidy of 20 percent for all applicable drugs and 40 percent for all other Part D covered drugs during a price applicability period.

25. Title Page- True Out-of-Pocket Costs (TrOOP)

26. True Out-of-Pocket Costs (TrOOP)

Part D True Out-of-Pocket costs, or TrOOP, are out-of-pocket costs that count towards the annual out-of-pocket threshold to move into the catastrophic coverage phase.

- TrOOP is calculated on an annual basis.
- Generally, TrOOP includes beneficiary payments for Part D prescription drugs, including:
 - The annual deductible and cost-sharing above the deductible up to the annual out-of-pocket threshold.
- Generally, for drug costs to count toward TrOOP, drugs must be on the plan's formulary and be purchased at the Part D plan's participating network pharmacy.

The following also count towards TrOOP:

- Amounts for Part D drugs paid or borne by the AIDS Drug Assistance Program and the Indian Health Service.
- Amounts for Part D drugs paid by or through qualified State Pharmaceutical Assistance Programs (SPAPs), most charities, health savings accounts, flexible spending accounts, and medical savings accounts.
- Supplemental Part D coverage provided by enhanced alternative Part D plans and other health insurance.
 - This includes supplemental coverage provided by Employer Group Waiver Plans as well as Medicare plan reductions in cost sharing for enrolled beneficiaries, such as reductions by D-SNPs.
- A participant's TrOOP-eligible costs paid by their Part D plan under the Medicare Prescription Payment Plan
- Amounts incurred for covered Part D drugs that are reimbursed through insurance, a group health plan, or certain other third-party payment arrangements, but not including the coverage provided by a prescription drug plan or an MA-PD plan that is basic prescription drug coverage or any payments by a manufacturer under the Manufacturer Discount Program.

What is Excluded?

Some costs do not count toward TrOOP costs including:

- costs for drugs not on a Part D plan's formulary, unless the beneficiary requests and receives a formulary exception under which the plan covers the drug.
- costs for over-the-counter (OTC) and other non-Part D drugs.

- costs for covered Part D drugs obtained out-of-network (unless the plan’s out-of-network coverage policy applies).
- costs paid for or reimbursed to an enrollee by most government-funded health programs, or the coverage provided by a PDP or an MA–PD plan that is basic prescription drug coverage.
 - Government funded health programs include programs such as Medicaid, State Children’s Health Insurance Program (CHIP), Federally Qualified Health Centers, Rural Health Clinics, TRICARE, and Federal Employees Health Benefits Program (FEHBP)
- costs for drugs purchased outside the United States.
- any manufacturer payments made under the manufacturer discount program.

27. Part D Pharmacy Networks

- Part D coverage is generally provided through contracted pharmacies (network pharmacies) in the Part D plan’s service area, except that PFFS plans are not required to use a pharmacy network but may voluntarily choose to have one.
- Network pharmacies include retail pharmacies, long-term care pharmacies, and may also include mail-order pharmacies.
- Within their networks, Part D plans may designate some pharmacies as preferred pharmacies that offer lower levels of cost-sharing (“preferred cost-sharing”) than apply at other network pharmacies (“standard cost-sharing”).
- Enrollees are generally required to fill prescriptions for covered drugs at network pharmacies.
- Under certain circumstances, enrollees may fill prescriptions for covered drugs at out-of-network (non-network) pharmacies, but possibly at a higher cost to enrollees. For example:
 - If the enrollee has an illness or loses a drug while traveling outside the service area; or
 - If circumstances result in limited drug access through an in-network pharmacy.

28. Title Page - Part D Premiums and Late Enrollment Penalties

29. Part D Premiums

- Part D plans may charge a premium.
 - Typically, a higher premium means lower out-of-pocket costs for the plan.
- Part D enrollees have three options for paying their Part D premium.
 - An automatic electronic monthly mechanism, such as withdrawal from their checking or savings bank account or automatic charge against their credit or debit card.
 - Direct monthly billing from the plan.
 - Automatic deduction from their monthly Social Security Administration (SSA) or Railroad Retirement Board benefit check.
 - It may take up to 3 months for SSA or RRB withholding to begin or end.
 - When withholding begins, it will be for the 2-3 months of premiums owed.
- Generally, the beneficiary must stay with the premium payment option they choose for the entire year.
- If an enrollee does not choose an option, the beneficiary will be billed by the Part D plan monthly.

30. Part D Late Enrollment Penalty

- Non-Medicare insurers are required to notify beneficiaries annually whether or not the prescription drug coverage they have is creditable (that is, coverage that expects to pay, on average, at least as much as Medicare's standard Part D coverage expects to pay).
- Beneficiaries may have to pay a monthly premium penalty to join a Part D plan if:
 - they do not have creditable drug coverage and do not enroll when first eligible for Part D.
 - there have been at least 63 continuous days following a beneficiary's initial enrollment period for Part D during which the beneficiary did not have either Part D or other creditable drug coverage.
- The penalty will be 1% of the national average beneficiary premium for each month the beneficiary did not have Part D or creditable coverage.
- In general, the penalty is in effect for as long as the beneficiary has Medicare prescription drug coverage.
- Beneficiaries who qualify for the low-income subsidy are not subject to the late enrollment penalty.

31. Late Enrollment Penalty Examples

Mr. Russell first became eligible for Part D on December 1, 2024. He did not sign up because he did not use any prescription drugs and did not have any other form of creditable coverage. Mr. Russell has recently been told he needs to take several expensive maintenance drugs to stay healthy. Therefore, he wishes to obtain drug coverage during the Annual Election Period to be effective on January 1, 2026. He is not LIS eligible. Because of the substantial gap between when he first became eligible and when he signed up, Mr. Russell will have to pay a penalty of 13% of the national average beneficiary premium (1% for every month he did not have creditable drug coverage after becoming eligible) for every month that he stays covered under Part D.

Ms. Smith lost her creditable drug coverage that her employer provided when she retired. Ms. Smith signed up for Part D with an effective date of 60 days after the date she lost her coverage. Ms. Smith will not be subject to a late enrollment penalty.

32. Title Page – Part D Drug Management Tools and Formulary Requirements

33. Part D Drug Management Tools

In addition to formularies and cost-sharing tiers, Part D plans use a variety of prescription drug benefit management tools including:

- Step therapy: Requires enrollees to try one or more similar lower-cost drugs or an over-the-counter drug before other drugs on the formulary are covered, if necessary.
- Prior authorization: Requires the doctor to contact the plan and request authorization before the plan will cover the prescription drug. The doctor must show the plan that the drug is medically necessary for it to be covered.
- Quantity limits: For safety and cost reasons, Part D sponsors may limit the amount of certain prescription drugs they cover over a specified period. For example, by limiting dispensing to a 30-day supply.

- Substitution: Part D sponsors may substitute generic drugs for brand name drugs if the generic drugs have the same or lower cost-sharing and certain conditions are met.
- Comprehensive Addiction and Recovery Act (CARA) programs: Plans may impose certain limitations on the prescribers or pharmacies a beneficiary can use to manage utilization for beneficiaries who are at risk of misusing or abusing frequently abused drugs, such as opioids.

34. Transition Requirements: Eligibility

- Part D sponsors must provide coverage of a one-time, temporary supply of non-formulary drugs or Part D drugs that are on a sponsor’s formulary, but require prior authorization, step therapy, or are subject to a quantity limit that is not safety-based, to the following individuals taking such a drug:
 - beneficiaries initially enrolling in Part D,
 - beneficiaries switching plans, and
 - current enrollees affected by certain formulary changes (other than allowable substitutes of a generic drug for a brand name drug)
- This coverage is known as a “transition refill.”

35. Transition Requirements: Coverage Rules

- Beneficiaries eligible for transition refills must receive coverage of at least a one-month fill (unless a lower amount was prescribed) of their non-formulary drugs during the first 90 days after their enrollment, the plan switch, or the formulary change.
- Transition refills are only for drugs the beneficiary was already taking. They do not apply to new prescriptions.
- During the transition period:
 - the Part D plan does not apply to prior authorization, non-safety-based quantity limits, or step therapy rules.
 - the enrollee and their physician can request an exception to the Part D plan’s formulary to continue coverage of the non-formulary drug or can transition to a formulary drug.

36. Title Page – The Medicare Prescription Payment Plan

37. The Medicare Prescription Payment Plan (1 of 2)

Part D sponsors are required to provide all Part D enrollees the option to pay their cost-sharing amounts (including any deductibles, copayments, or coinsurance) in monthly amounts spread out over the plan year, instead of paying them in full at the point of service (e.g., the pharmacy).

- Part D enrollees can opt into the Medicare Prescription Payment Plan (“the program”) at the beginning of the year or any point during the year.
- Part D enrollees who choose to participate in the program pay nothing at the point of service for a Part D covered drug but are billed each month by their Part D plan.
- Monthly payments do not start until the beneficiary opts into the program and first incurs out-of-pocket costs for covered Part D drugs.

- The amount that the Part D sponsor bills the enrollee for a month under the program cannot exceed a maximum monthly cap, calculated based on each enrollee's costs and the point in the plan year in which the enrollee enrolled in the program. The monthly cap varies from month to month.
- Opting into the program will not impact how a Part D enrollee moves through the phases of the Part D benefit (i.e., deductible, initial coverage period, and catastrophic coverage) or what counts towards their true out-of-pocket (TrOOP) costs.

38. The Medicare Prescription Payment Plan (2 of 2)

- While this program is available to any Part D enrollee, those incurring high out-of-pocket costs earlier in the plan year are generally more likely to benefit.
- Part D enrollees with low-to-moderate recurring out-of-pocket drug costs (e.g., maintenance drugs whose annual costs are not expected to exceed the out-of-pocket threshold) are not likely to benefit from the Medicare Prescription Payment Plan because their costs are already distributed evenly throughout the year.
- Enrollees can opt out of the program at any time. However, they will continue to be billed monthly for any cost-sharing amounts still owed.
- Failure to pay the monthly billed amount will result in disenrollment from the program (but not the plan) after a specified grace period. However, the Part D sponsor will continue to bill amounts owed under the program in monthly amounts. The sponsor may also offer the beneficiary the option to repay the full outstanding amount in a lump sum.
- Once a beneficiary leaves the program, they must resume paying their out-of-pocket cost sharing at the point-of-service.

39. Title Page- Part D Enrollee Rights

40. Enrollee Rights: Requesting Coverage Determinations and Appealing Decisions

- Enrollees have a right to request a determination of whether the plan will cover a drug (a coverage determination) and appeal adverse coverage decisions (including decisions concerning tiering or formulary exception requests).
- Part D Plan Sponsors must provide access via a secure website or secure e-mail address on the website for enrollees to quickly request a coverage determination or appeal a coverage decision.
- Plan Sponsors must also require network pharmacies to provide enrollees with a printed notice with the plan's toll-free number and website for requesting a coverage determination.

Enrollee Rights: Requesting Exceptions for Drugs

- Enrollees have the right to request coverage of a drug that is not on the Part D plan's formulary or to request exceptions from plan rules such as prior authorization, step therapy, or quantity limits. Such requests are known as formulary exception requests.
- Enrollees also have a right to request coverage of formulary drugs at a less costly formulary tier. This is known as a tiering exception.

- Exception requests must be accompanied by a supporting statement by a physician or other prescriber explaining why the exception is necessary.
- A standard form is available on Part D plan websites for enrollees to request a coverage determination, including a formulary or tiering exception. A physician or other prescriber may also request a tiering or formulary exception.

Enrollee Rights: Filing Grievances

- Beneficiaries may also file complaints about their Part D plan or their pharmacies. These complaints are known as grievances.
- Grievances include complaints about issues such as pharmacy wait times, a plan's failure to mail a beneficiary requested material, or the length of hold time on the plan's customer service line.
- Grievances do not include complaints about a Part D sponsor's refusal to cover a drug or approve an exception request. Beneficiaries must resolve such issues through the appeals process.

41. Title Page- Part D Assistance Programs

42. Agents/Broker Should Encourage Individuals with Limited Income/Resources to Apply to the State Medicaid Office

- Beneficiaries with limited income and resources should be encouraged to apply for the low-income subsidy (LIS) – also called extra help – through their State Medicaid office or the Social Security Administration (SSA). Beneficiaries may apply at any time.
 - If beneficiaries apply to the State Medicaid office for Part D help, the State Medicaid office also will check for eligibility for other low-income assistance programs.
 - They may also call SSA at 1-800-772-1213 (TTY users can call 1-800-325-0778) or apply online at <https://secure.ssa.gov/i1020/start> for help with Part D costs.
- After SSA or the State approves an application for extra help, it is effective on the first day of the month in which the individual applied.

43. Certain Individuals Automatically Qualify for Extra Help

Individuals automatically qualify for Extra Help if they have Medicare and meet any of these conditions:

- They have full Medicaid coverage.
- They get help from their state Medicaid program paying their Part B premiums (in a Medicare Savings Program).
- They get Supplemental Security Income (SSI) benefits.

Medicare mails these individuals a purple letter to let them know they automatically qualify. They should keep this letter for their records. They do not need to apply for Extra Help if they get this letter.

44. Help for Individuals with Limited Income and Limited Resources

If a beneficiary has limited income and resources, they may qualify for a low-income subsidy (LIS) to cover all or part of the Part D plan premium and cost-sharing. To qualify for the LIS in 2026:

- Beneficiary income may not exceed 150% of the Federal Poverty Level (FPL). The 150% FPL varies geographically. In addition, beneficiary resources may not exceed the published limit. The resources counted toward the limit include bank accounts, stocks, bonds, and other liquid resources that beneficiaries can readily convert to cash within 20 days and real estate that is not the beneficiary's primary residence.
- Based on 2026 FPL's, income limits are as follows:
 - 48 states and DC \$23,940 (individual)/\$32,460 (couple)
 - Alaska \$29,925 (individual)/\$40,575 (couple)
 - Hawaii \$27,540 (individual)/\$ 37,335 (couple)
- For 2026, beneficiaries' resources may not exceed \$16,590 (individual)/\$33,100 (couple). These limits are increased by \$1500 per person if the beneficiary notifies the Social Security Administration that they expect to use some of their resources for burial expenses.

45. Individuals with Limited Income 2027- Low-Income Subsidy (LIS)

- For 2027, individuals who qualify for full LIS and are Full Benefit Dual Eligibles (FBDEs) with income at or below 100% of the Federal Poverty Level (FPL) and resources below the applicable threshold have a \$0 deductible and cost-sharing of:
 - Maximum cost-sharing up to the out-of-pocket threshold of:
 - \$1.65 for generic drugs
 - \$5.00 for other drugs
 - 0.00 for FBDEs who are institutionalized or receiving Home and Community-Based Services.
- For 2027, individuals who qualify for full LIS and are FBDEs with (income over 100% of FPL and resources below the applicable threshold) have a \$0 deductible and cost-sharing of:
 - Maximum cost-sharing up to the out-of-pocket threshold of:
 - \$5.80 for generic drugs
 - \$14.40 for other drugs
- For 2027, individuals who qualify for LIS but are not FBDEs have a \$0 deductible and cost-sharing of:
 - Maximum cost-sharing up to the out-of-pocket threshold of:
 - \$5.80 for generic drugs
 - \$14.40 for other drugs

46. Other Help for Low-Income – Pharmaceutical Assistance Programs

- Some pharmaceutical manufacturers operate programs that assist low-income individuals in obtaining drugs at reduced or no costs.
- Some states have assistance programs designed specifically for their residents.
 - Some programs are “qualified” State Pharmaceutical Assistance Programs or SPAPs that count towards TrOOP and some do not count towards TrOOP.
 - Becoming familiar with your state's programs may allow you to help a beneficiary address cost-sharing for prescriptions.

47. Medicare's Limited Income Newly Eligible Transition (LI NET) Program

- The LI NET program provides temporary Medicare Part D coverage to people with low income and Medicare who are not already enrolled in a Medicare drug plan.
- LI NET provides temporary Part D coverage to the following:
 - Full Benefit Dual Eligible and SSI-Only beneficiaries on a retroactive basis, up to 36 months in the past
 - Low-Income Subsidy (LIS) Eligible beneficiaries at the pharmacy counter and up to 30 days in the past
- If a beneficiary paid for prescription drugs out of pocket before they joined a Medicare drug plan, but after they qualified for both Medicare and Medicaid or SSI, they may be able to get paid back for those costs.
- An LI Net application form can be accessed at: <https://www.cms.gov/medicare/enrollment-renewal/part-d-plans/low-income-subsidy/medicare-limited-income-net-program>.

48. Title Page-Part D and Other Coverage

49. Employer/Union and other Coverage of Drugs

- Employer or Union Coverage: Employers/unions will notify their employees of whether their non-Medicare prescription drug coverage is “creditable” (coverage that, on average, covers at least as much as Medicare’s standard Part D covers) via an annual statement.
 - If coverage is creditable and the beneficiary keeps it, the beneficiary will not incur a premium penalty if later they lose or drop the employer coverage and join a Part D plan within 63 days.
 - If coverage is not creditable, the beneficiary will need to enroll in Medicare Part D during their initial eligibility period to avoid the late enrollment penalty.
- If a beneficiary has creditable drug coverage through TriCare, the VA, or the FEHBP, they can compare that coverage with available Part D plans to decide whether to enroll in Part D.
- The beneficiary should check with the employer or union benefits administrator before making changes to their employer/union coverage.
 - If a beneficiary drops employer/union prescription drug coverage, they may not be able to get it back and may also lose health coverage.
- There will be no late enrollment penalty if the beneficiary retires or otherwise loses employer/union creditable coverage and joins a Medicare Part D plan or otherwise obtains creditable drug coverage within 63 days.

50. Medicaid Drug Coverage

- When a Medicaid beneficiary becomes eligible for Medicare, then Medicare, instead of Medicaid, covers the Part D drugs once the beneficiary is enrolled in a Part D plan.
- If Medicaid beneficiaries don’t choose a plan, Medicare will select one for them.

51. For Additional Information

Medicare's site on Part D prescription drug coverage for beneficiaries.

<http://www.medicare.gov/part-d/index.html>

The Medicare and You Handbook

<https://www.medicare.gov/medicare-and-you/medicare-and-you.html>

Your Guide to Medicare Prescription Drug Coverage

<https://es.medicare.gov/publications/11109-Medicare-Drug-Coverage-Guide.pdf>

1. Module 4: Communications and Marketing Rules for Medicare Advantage and Part D Plans
2. Navigation Instructions
3. Terms and Conditions

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4. Learning Objectives

- After reviewing "Module 4: Communications and Marketing Rules for Medicare Advantage and Part D Plans" you will be able to explain:
 - What are communications
 - What activities constitute marketing and what materials are marketing materials
 - The special rules for marketing Medicare health plans and Part D plans
 - Rules for making marketing appointments
 - Prohibited marketing and communications practices
 - Permitted promotional and marketing activities
 - The difference between educational and marketing events
 - Rules regarding agent compensation
 - Plan enforcement of the marketing rules and potential penalties

5. Training Roadmap: Module 4

- Applicability of rules concerning marketing and communications
- Requirements to Act as Agents and Brokers
- Key terms and general background information
- Regulation of communications activities and materials
- Marketing and communications – contacting beneficiaries
- Rules related to sales and educational events
- Marketing at individual appointments
- Use of social media to market

- Required practices
- Accessing and using certain plan materials
- Plan ratings
- Prohibited activities
- Marketing during the open enrollment period
- Marketing in healthcare settings
- Plan oversight and enforcement of marketing requirements
- Referral fees, and agent/broker compensation

6. Key Changes for Marketing 2027 Health Plans

- Agents must no longer wait 48 hours after completion of a scope of appointment form for a personal marketing appointment. Scope of appointments must simply be completed prior to a personal marketing appointment.
- Marketing events may be held in the same space after an educational event. Beneficiaries need only be informed that the educational event has ended and given ample time to leave before the marketing event begins.
- Scope of appointment forms may be distributed and collected at educational events.
- Agents are no longer required to provide the TPMO disclaimer within the first minute of a marketing call. They must simply provide the disclaimer before any discussion of benefits.
- The TPMO disclaimer has been modified to no longer refer to SHIPs as a source for additional information.
- CMS no longer requires the sources of documentation or data supportive of a superlative to be referenced in materials where superlatives are used. Notwithstanding, the use of superlatives that are inaccurate, false, or misleading remains prohibited.

7. Title Page – Applicability of Rules Concerning Marketing and Communications

8. Medicare Marketing and Communications Rules

The Medicare marketing and communications rules apply to the following types of Medicare health plans and Part D plans:

- Medicare Advantage (MA) only plans
- Medicare Advantage Prescription Drug (MA-PD) plans
- Prescription Drug Plans (PDPs)
- Section 1876 Cost plans

9. Third-Party Marketing Organizations and “Marketing Representatives”

- Third-Party Marketing Organizations (TPMOs) are organizations and individuals, including independent agents and brokers, who are compensated to perform lead generation, marketing, sales, and enrollment related functions as a part of the chain of enrollment (the steps taken by a beneficiary from becoming aware of an MA or Part D plan or plans to making an enrollment decision).

- Independent agents and brokers are those that are not directly employed by a plan and those that market for more than one plan.
- Agents and brokers employed by the plan are not TPMOs.
- In this training, we refer to TPMOs and agents and brokers employed by Plan Sponsors as “Marketing Representatives.”

TPMOs: Example

Medicare Options Health Plan contracts with e-Medicare Market, an online marketing site that gathers leads and distributes them to its affiliated FMO for enrollment in the health plans with which it contracts. e-Medicare Market, its affiliated FMO and the FMOs contracted agents are all TPMOs.

10. Applicability of Medicare Communications and Marketing Rules to Marketing Representatives
Plan marketing representatives are subject to the same requirements related to marketing and communications as the Plan Sponsors. Plan Sponsors are responsible for ensuring compliance with Medicare rules by their marketing representatives, such as meeting annual training and testing requirements, prohibitions against cold calls, and requirements related to events.

11. Applicability of Medicare Communications and Marketing Rules When Marketing to Employer/Union Groups

Marketing representatives and Plan Sponsors must follow all marketing rules and guidelines when marketing to employer/union group health plans except for the following:

- the prohibition against unsolicited contacts
- the prohibition against cross-selling other products
- the requirement to obtain prior documentation of the scope of an appointment
- the prohibition against providing meals at marketing events
- the pre-enrollment checklist requirement
- marketing representative compensation requirements
- the requirement that a marketing representative must pass an annual test, although the requirement for annual training does apply

Plans offering employer/union group health plans are not required to submit marketing materials specific only to those employer plans to CMS at the time of use. However, CMS may request and review copies if employee complaints occur or for any other reason to ensure the information accurately and adequately informs beneficiaries about their rights and obligations under the plan.

12. Requirements to Act as Agents and Brokers

13. Agent and Broker: Requirements

- Plan Sponsors must contract with or employ agents and brokers that are licensed by the state in which they conduct the relevant sales/marketing activities.
- Agents and brokers must be appointed by the plan if required under State law.

- MA and Part D plans are required by law to ensure that all employed and contracted agents and brokers complete training at least annually that includes all content specified by CMS.
 - They also must pass a written test each year that demonstrates thorough familiarity with both the Medicare program and the products they are selling.
 - Agents/brokers marketing only employer/union group plans are not required to be tested. However, plans may choose to require testing.

14. Title Page – Key Terms and General Background Information

15. Marketing and Communication – In General

- **Communications** are materials and activities that provide information to current and prospective enrollees on Medicare Health Plans and Part D Plans.
- **Marketing** is a subset of communications. Marketing is distinguished from communications-only material and activity based on intent and content.
- Marketing activities and materials are generally subject to a higher degree of regulation and oversight.

16. What Is Marketing?

To be considered marketing, the material or activity must include both marketing *intent* and marketing *content*.

- **Marketing Intent** – the purpose of marketing activities and materials is to draw a prospective or current enrollee’s attention to a plan or group of plans or to influence a beneficiary’s MA and/or Part D plan choice, including a decision to remain enrolled in their current plan (e.g., enrollee retention activities).
- **Marketing Content** – Marketing activities and materials include or address content regarding any of the following:
 - Information about benefits or benefit structure --- Note that mentioning a broad category of widely available benefits, such as dental, vision, hearing or premium reduction - is considered providing information about benefits, regardless of whether details are provided about those broad categories.
 - Information about premiums or cost-sharing
 - Rankings, such as comparisons to other Plan(s)/Part D sponsor(s)
 - Measurement standards, such as Star Ratings
 - Plan rewards and incentives programs (programs offered by Medicare health plans to enrollees to incentivize them to voluntarily perform certain health-related target activities in exchange for reward items)

17. What are Examples of Marketing Activities?

Examples of marketing activities include:

- Talking to a beneficiary about how a particular plan offers a higher level of coverage for the services the beneficiary uses most.
- Calling current clients to discuss premium and benefit changes to their plans for the upcoming year and encouraging them to stay enrolled.
- Participating in an event where health plan brochures and a summary of benefits are distributed.
- Passing out plan-specific benefits information and agent business cards at a health fair.
- Accepting enrollment forms and performing enrollment at marketing/sales events.

Examples of marketing materials include the following if they contain marketing content:

- General audience materials such as direct mailings, newspaper ads, or websites that promote specific health plans and discuss generally the benefits they offer.
- Marketing representative scripts or outlines for telemarketing, enrollment, or other presentations that discuss plan premiums and cost sharing.
- Brochures that promote enrollment in a plan and discuss the plan's reward programs for receiving preventive care services.
- Presentation materials such as slides and charts explaining the benefits of enrolling in a particular plan based on its Star Ratings.
- Social media posts (e.g., Facebook, Twitter [now X], YouTube, etc.) that mention a plan's Star Rating, note its low premium, or promote its benefits.

18. Regulation of Marketing Materials and Activities in General

CMS regulates marketing activities in a variety of ways, including:

- **Setting** – CMS has rules regarding marketing in a health care setting versus marketing in other settings and marketing at educational events versus marketing events.
- **Who may market** – CMS requires marketing representatives to comply with state laws concerning licensure, CMS places strict limits on marketing by health care providers.
- **Timing** – CMS regulates when marketing representatives can begin marketing the next year's plans.
- **Contact** – CMS regulates how marketing representatives can contact potential enrollees.
- **Content** – CMS may require that certain disclaimers or other information be included in marketing materials. CMS also prohibits the use of certain claims or language.
- **Review and Approval** – CMS requires that all marketing materials be submitted to CMS for approval and/or review.
 - Materials developed for use with employer/union group members do not have to be submitted to CMS.

19. What Are Communication-Only Materials and Activities?

Communication-only activities and material provide information to current and prospective enrollees that:

- contains no marketing content; or
- includes marketing content but does not have marketing intent. For example,
 - CMS designates certain materials that have marketing content, such as the Evidence of Coverage, as a communication-only material, while the summary of benefits and annual notice of change are designated by CMS as marketing materials.
 - A targeted letter sent to a plan's members may be intended to encourage those members to receive certain preventive services they have not yet received (e.g., an annual mammogram or a colonoscopy) and refer to the cost-sharing for those services. While it contains marketing content (benefits and cost sharing), it would not meet the marketing intent standard as it simply seeks to encourage the beneficiary to obtain the preventive service.

What are Examples of Communication-Only Materials?

- A newspaper ad for an agency that says, "We sell a variety of Medicare Advantage plans in the Midwest. Call us for help deciding which one is right for you."
- A letter sent to members of GoodChoice Health Plan reminding them to get their flu shot for \$0 cost sharing before flu season begins.
- A Facebook post that says, "If you are getting ready to turn 65, call us to learn about your Medicare options."
- A newsletter from RightHealth HMO outlining the annual schedule of preventive services that members should obtain.
- Materials specifically designated by CMS as communications because they do not meet the "intent" standard, such as the formulary or provider directory.

20. Title Page – Regulation of Communications Activities and Materials

21. Regulation of Communications-Only Materials

- **Material Content** – While CMS does not generally require communications-only materials to be submitted to CMS for review and approval, it may review such materials and does require certain disclaimers to be used in those materials. CMS also prohibits the use of certain claims or language in communications materials.
 - CMS requires certain designated communication materials critical to beneficiaries' understanding or accessing their benefits to be filed with CMS before use (e.g., the Evidence of Coverage).
 - CMS may require prior review of communication materials that, based on feedback such as complaints or data gathered through reviews, warrant additional oversight to ensure accuracy.
- **Contact** – CMS regulates how marketing representatives can contact potential enrollees. For example, agents may not make cold calls even if they limit their conversation to communications content.

- **Other Content** – CMS regulates what marketing representatives may say to enrollees and potential enrollees.

22. Title Page- Marketing and Communications – Contacting Beneficiaries

23. Prohibited Unsolicited Marketing Activities

- Marketing representatives are prohibited from making unsolicited contact with beneficiaries, including through:
 - door-to-door solicitation, including leaving leaflets, flyers, or door hangers at a residence or on someone’s car. Contact is unsolicited door-to-door contact unless an appointment, at the beneficiary’s home at the applicable date and time, was previously scheduled.
 - approaching beneficiaries in common areas such as parking lots, hallways, lobbies, sidewalks, stores, or parks.
 - telephone calls without a scope of appointment, business reply card, or where the plan business exception is not met.
 - text messages and other forms of electronic direct messaging (e.g., through social media platforms, like Facebook instant messaging).
 - voicemail messages after unsolicited calls.
- The prohibition on making unsolicited contact does not extend to e-mail, conventional mail, and other print media such as advertisements.

24. Additional Prohibitions on Marketing Outreach and Leads

- Marketing representatives may not make unsolicited calls about other businesses as a means of generating leads for Medicare plans (e.g., bait and switch strategies).
- Marketing representatives may not make unsolicited contact based on referrals or leads provided by enrollees or other sources. However, they may leave business cards with beneficiaries for distribution to their friends or family.
- Enrollees who are voluntarily disenrolling may not be contacted for sales or retention purposes or be asked to consent to sales contacts.
- Marketing representatives may not make calls to beneficiaries who attended a marketing event unless the beneficiary gave express permission at the event for a follow-up call (there must be documentation of permission to be contacted, for example, by completing a scope of appointment or a business reply card).
- Marketing representatives may not contact a lead provided by another TPMO unless the beneficiary gave explicit written consent to share their information with the agent and receive a marketing call.

Unsolicited Contacts-Examples

Example 1: Agent Miller is involved in a health fair that offers a raffle. After the fair, Agent Miller takes the telephone numbers on the raffle entries and calls each individual to see if they would be interested in discussing MA plans. Agent Miller has violated the prohibition on unsolicited contacts.

Example 2: Mr. Jackson fills out a business reply card saying that he would like to have an agent contact him about enrollment in a Medicare Advantage plan. A week later, Agent Vandross, who says he received his business reply card, is at the assisted living community where Mr. Jackson lives, meeting with a long-time client. Agent Vandross pops over to see Mr. Jackson when he realizes he happens to live on the same floor of the facility as his client. He tells him that he was in the neighborhood and is there to assist him with his Medicare Advantage choice. Agent Vandross has engaged in unsolicited door-to-door contact because, although he had permission to contact Mr. Jackson, he did not have an appointment with Mr. Jackson to meet at his home on that date.

25. Permitted Contacts: Responding to Beneficiary Requests

Marketing representatives may:

- initiate electronic contact through e-mail. However, they must provide an opt-out process to no longer receive electronic communications.
- return calls or messages from individuals who initiate contact and request information.
- call beneficiaries who have expressly given permission for the contact, for example by filling out a business reply card or scope of appointment or asking a plan customer service representative to have an agent contact them.
 - Business reply cards, scope of appointments, and requests to contact are only valid for twelve months following the beneficiary's signature date or the date of the beneficiary's initial request for information.
- call beneficiaries to confirm an appointment that has already been agreed to by a beneficiary.
- call beneficiaries who submit enrollment applications to conduct business related to enrollment.

26. Permitted Contacts: Existing Enrollees and Plan Business

- Marketing representatives may call current enrollees of the Plan Sponsor or its parent organization (i.e., the entity that owns a controlling interest in the Plan Sponsor and is not owned by another entity), including those in non-Medicare health plan products, to discuss plan business. For example, they may:
 - contact individuals enrolled in one of the MA organization's or its parent's commercial health plans when the individual is aging into Medicare.
 - contact the MA organization's Medicaid plan enrollees to discuss Medicare products.
 - call members in a Part D plan offered by the Plan Sponsor to discuss other Medicare products.
 - contact the MA organization's Medigap enrollees regarding MA, PDP, or cost plan options.
 - call current enrollees of a plan to discuss/inform them about general plan information such as Annual Enrollment Period dates, availability of flu shots, upcoming plan changes, educational events, and other important plan information.
 - call a beneficiary whom the marketing representative enrolled in a plan to discuss plan business, as well as discuss the availability of other plan options/types within the same parent organization.

- However, if the Plan Sponsor or its marketing representatives reach out to beneficiaries regarding plan business, the Plan Sponsor must provide notice to all beneficiaries whom the plan contacts at least once annually, in writing, of the individual's ability to opt out of future calls regarding plan business.

27. Title Page- Rules Related to Sales and Educational Events

28. Marketing/Sales and Educational Events

- Marketing/sales events are events designed to steer potential enrollees toward a plan or limited set of plans or to encourage current enrollees to remain in their plans and include discussions of marketing content (e.g., premiums, benefits, star ratings, or rewards and incentives) or distribution of marketing material.
- Educational events are events designed to generally inform potential enrollees about Medicare, including MA, Part D, or other Medicare programs, and do not include marketing materials or activities.
 - Educational events may be held in public venues.
 - Educational events may be put on by providers or other groups and/or sponsored by one or more health plans.
- If a marketing event directly follows an educational event, beneficiaries must be notified that the educational event is ending and a marketing event will begin shortly. They must also be given sufficient opportunity to leave the educational event prior to the start of the marketing event.
- Advertisements and invitations (in any form of media) that are used to invite beneficiaries to a marketing or educational event must include the following statement: "For accommodation of persons with special needs at meetings call <insert phone and TTY number>."

29. Marketing /Sales Events, Required and Permitted Activity

- Plans must submit presentations that include marketing content to CMS before using them at a sales event.
- At marketing/sales events agents may:
 - discuss plan-specific information such as premiums and benefits.
 - discuss plan star ratings.
 - discuss the merits of a plan.
 - distribute and collect enrollment applications.
 - distribute plan-specific advertisements, explanatory information, and general information about Medicare.
 - provide refreshments and light snacks of nominal value as long as they are not bundled and provided as if a meal.
 - collect Scope of Appointment forms for future personal marketing appointments.

30. Marketing/Sales Events, Prohibited Activity

At marketing/sales events agents may not:

- require beneficiaries to provide contact information as a prerequisite for attending the event.

- This includes requiring an email address or other contact information as a condition to RSVP for an event online or through the mail.
- Sign-in sheets must be labeled as optional.
- conduct health screenings, health surveys, or other activities that could give the impression of “cherry-picking.”
- provide meals or multiple snacks/refreshments bundled and provided as if a meal, regardless of value.
- use information collected for raffles and drawings for other purposes.

31. Educational Events, Required and Permitted Activity

Educational events must be explicitly advertised as “educational.” At educational events, marketing representatives may:

- engage in communications activities and distribute communication materials.
- use a banner with the plan sponsor name and/or logo displayed.
- distribute promotional items, including those with the plan name, logo, and toll-free number and/or website. These items must be free of marketing content and be provided consistently with gift/promotional item rules (e.g., provided to all without obligation and be under \$15 retail value).
- provide an objective presentation free of marketing content to educate beneficiaries about the different ways they can get their Medicare benefits.
- have a health care provider make an educational presentation on wellness or another health care related topic.

Educational Events, Permitted Activities

- answer beneficiary-initiated questions about Medicare health or drug plans.
- make available opportunities to provide and receive beneficiary contact information, including Business Reply Cards and Scope of Appointment forms, as long as beneficiary response is voluntary.
- distribute business cards and agent/agency or plan contact information so that beneficiaries can initiate contact.
- provide meals, refreshments, or snacks as long as they comply with the gift/promotional item requirements, including the nominal value requirement.

Educational Events, Prohibited Activities

When an event has been advertised as “educational,” during the event marketing representatives may **NOT**:

- conduct sales or marketing presentations.
- discuss, display, or distribute plan-specific premiums, benefits, ratings, or other marketing content or marketing materials.
- engage in marketing activities.
- distribute or collect enrollment applications.

32. Gifts and Promotional Items (1 of 3)

Section 1128A (a) (5) of the Social Security Act prohibits offering or giving anything of value to a Medicare or Medicaid beneficiary that is likely to influence the beneficiary to order or receive from a particular provider, practitioner, or supplier any item or service covered under Medicare or Medicaid. There is a nominal value (\$15) exception to this rule.

- Marketing representatives may provide gifts, prizes, or promotional items to beneficiaries as part of an event or for marketing purposes as long as the nominal value exception is met, the gift or prize is not in the form of cash or a cash equivalent or rebate and the gift is provided to similarly situated beneficiaries without discrimination and without regard for whether they enroll in a health or drug plan.
- Gifts are of nominal value if an individual item is worth \$15 or less based on the retail purchase price of the item (it does not matter if the plan or representative pays less for the item).
- When more than one gift is offered on one occasion, the combined value of all items must not exceed \$15.

33. Gifts and Promotional Items (2 of 3)

- Multiple gifts given to a beneficiary on different occasions may not exceed \$75 in aggregate, per person, per year.
- In the case of a raffle or drawing, the total fair market value must not exceed the nominal per person value based on attendance. For example, if 20 people are expected to attend an event, the nominal gift may not be worth more than \$300 (\$15 for each of the 20 anticipated attendees). For planning purposes, anticipated attendance may be used, but must be based on actual venue size, response rate, or advertisement circulation.
- Plan sponsors must include a disclaimer on all materials promoting a prize, drawing, communal experience (e.g., a concert), or any promise of a gift that there is no obligation to enroll in the plan.

34. Gifts and Promotional Items (3 of 3)

- Cash equivalents include:
 - gift certificates or cards that can be readily converted to cash.
 - general gift cards that are not restricted to specific retail chains or to specific items and categories, such as VISA gift cards.
 - gift cards for retailers or online vendors that sell a wide variety of consumer products (e.g., Walmart, Target, and Amazon).
 - debit cards.
- A gift card that can be used for a more limited selection of items or food, would not be considered a cash equivalent (e.g., Starbucks or a Shell Gas gift card).
- Rebates would include, for example, a discount on the first month's premium or on a copayment.

35. Title Page –Marketing at Individual Appointments

36. Individual Marketing Appointments

Personal/Individual marketing appointments are those tailored to an individual or small group (e.g., husband and wife) and conducted for purposes of discussing marketing topics. They are not defined by the location. They can be in-person, by telephone, or through electronic media, such as a Zoom or Webex meeting.

37. Scope of Appointment: When and Why It Is Required

- Prior to a personal marketing appointment, marketing representatives must coordinate with the beneficiary to identify the types of product(s) that will be discussed, obtain agreement from the beneficiary, and document that agreement (known as a “scope of appointment” or “SOA”).
 - Types of products include MA, PDP, and Cost plans.
- A new SOA is required if the beneficiary requests information regarding a different plan type than previously agreed upon.
- An SOA is valid for twelve (12) months from the date of the beneficiary’s signature.

38. Scope of Appointment: Documentation and Execution Standards

- The scope of appointment must be in writing for in-person personal marketing appointments, in the form of a signed agreement (including electronic signature) by the beneficiary.
- For other personal marketing appointments, a scope of appointment may be in writing or a recorded oral agreement.
- For oral recorded agreements, technology such as conference calls or designated recording lines can be used to document the scope of appointment.
- For written scope of appointments, technology such as fax machines, pre-paid envelopes, or e-mail may be used as long as the content and signature requirements are met.
- A Plan Sponsor or agent may not agree to the scope of appointment on behalf of the beneficiary.

Scope of Appointment: Documentation

Plan Sponsors and their TPMOs are expected to include the following documentation in the SOA:

- Product type (e.g., MA, Cost Plan, or PDP) that the beneficiary has agreed to discuss during the appointment,
- Date of appointment,
- Beneficiary and agent contact information (e.g., name, address, telephone number),
- Written or recorded verbal documentation of beneficiary or appointed/authorized representative agreement,
- A statement that beneficiaries are not obligated to enroll in a plan; their current or future Medicare enrollment status will not be impacted and clearly explaining that the beneficiary will not be automatically enrolled in any plan.

39. Individual Marketing Appointments, Permitted Activities

During individual appointments, marketing representatives may:

- distribute plan materials such as an enrollment kit or marketing materials.
- provide educational information.
- discuss benefits, premiums, and cost-sharing.
- distribute and accept plan applications.
- review the individual needs of the beneficiary including, but not limited to, health care needs and history, commonly used medications, and financial concerns.
- talk about plan rewards and incentives programs.
- provide and collect enrollment forms, provided that prior to enrollment all issues required to be discussed have been discussed.

40. Individual Marketing Appointments, Prohibited Activities

During individual appointments, marketing representatives may not:

- discuss health care related products that were not agreed upon by the beneficiary and documented in a scope of appointment, business reply card, or request to receive additional information (which are only valid for twelve months following the date of the beneficiary's signature date or the date of the beneficiary's initial request for information).
 - Health care related products include Medicare health plans, Medigap plans, and dental plans, but not accident-only plans.
- market non-health care related products.
 - Non-health care products (such as accident-only policies, life insurance policies, or annuities) may not be marketed during a Medicare health or drug plan appointment.
- market additional health related lines of plan business not identified prior to an individual appointment without a separate Scope of Appointment, identifying the additional lines of business to be discussed.

41. Title Page- Use of Social Media to Market

42. Using Social Media to Market

- Social media posts are generally subject to marketing/communications content requirements, such as prohibitions on using certain language and requirements to include certain disclaimers, e.g., the Federal contracting statement.
- Plan Sponsors and their TPMOs must submit to CMS any social media (e.g., Facebook, X, Threads, Instagram, YouTube, LinkedIn, or TikTok) posts that meet the definition of marketing, specifically those that contain marketing content such as benefits, premiums, cost-sharing, or Star Ratings. This includes such posts by agents.
- Re-publication (or re-post) of an individual's post, content, or comment that promotes a Plan's/Part D Sponsor's product from social media sites is considered a product endorsement/testimonial and must adhere to the guidance on testimonials.

43. Title Page- Required Practices

44. Required Practices: Marketing and Discussion Topics

Marketing representatives must:

- provide prospective enrollees only CMS-approved/submitted marketing materials or CMS-created marketing materials.
- use only CMS-approved/submitted talking points and presentations if they are marketing.
- ensure that, before an enrollment, CMS' required questions and topics regarding beneficiary needs in a health plan choice are fully discussed. Topics include information regarding primary care providers and specialists (that is, whether the beneficiary's current providers are in the plan's network), prescription drug coverage and costs (including whether the beneficiary's current prescriptions are covered), costs of health care services, premiums, benefits, and specific health care needs.

45. Required Practices: Recording Calls with Beneficiaries

Independent agents/brokers and other third-party marketing organizations must record all sales and marketing calls with beneficiaries in their entirety. This includes recording the audio portion of calls occurring via web-based technology. They must also record any telephonic enrollments.

46. Required Practices: HIPAA and Confidentiality of Beneficiary Information

Marketing representatives are considered "business associates" under HIPAA of the health plans they sell. As such, they must comply with Federal and state law regarding the confidentiality of individually identifiable health information (known as protected health information or PHI) and any confidentiality obligations in their business associate contracts with plans.

- PHI includes any information about an individual's health care coverage, payment for health care (e.g., whether or which health plan an individual is enrolled in), or health care condition.
- HIPAA regulates both the use and disclosure of PHI. Marketing representatives may only use and disclose PHI on behalf of the plans they represent.
- If a marketing representative subcontracts with another individual or entity that may obtain, use, or disclose PHI on their behalf, they must enter into a business associate agreement with the individual or entity requiring the same protections to the PHI.
- Plan Sponsors must obtain a HIPAA compliant authorization from an enrollee before the Plan Sponsor may use (or may request a marketing representative to use on their behalf) information about the enrollee to market non-health related items or services. The authorization must explicitly allow marketing uses.
- Marketing representatives may not use or disclose the enrollee's PHI for marketing purposes, including sending any non-plan or non-health related information or otherwise contacting them for purposes unrelated to plan benefits administration or the plan's execution of its contract with CMS, without a HIPAA authorization from the enrollee.

47. Required Practices: Consent to Share Beneficiary Information

- Personal beneficiary information collected by a TPMO (including agents/brokers) for marketing or enrolling them into an MA, Cost, or Part D plan may only be shared with another TPMO when the beneficiary has provided prior written consent to share their information and be contacted for marketing or enrollment purposes.
- The beneficiary's prior written consent must be obtained through a clear and conspicuous disclosure that lists each entity that would receive the data and allows the beneficiary to consent or reject to the sharing of their data with each individual TPMO.

48. Required Practices: Use of TPMO Marketing Disclaimer

- Independent agents/brokers and other third-party marketing organizations must use the TPMO marketing disclaimer if they sell plans on behalf of more than one Plan Sponsor.
- If the TPMO does not sell for all Plan Sponsors available in the service area, the disclaimer consists of the following statement: "We do not offer every plan available in your area. Currently we represent [insert number of organizations] organizations which offer [insert number of plans] products in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all your options."
- If the TPMO sells for all Plan Sponsors in the service area, the disclaimer consists of the statement: "Currently, we represent [insert number of organizations] organizations which offer [insert number of plans] products in your area. You can always contact Medicare.gov, 1-800-MEDICARE for help with plan choices."
- The disclaimer must be:
 - a. verbally conveyed on a sales call prior to the discussion of any benefits.
 - b. electronically conveyed when communicating with a beneficiary through email, online chat, or other electronic means of communication.
 - c. prominently displayed on TPMO websites.
 - d. included in any TPMO marketing materials, including print materials and television advertising.

49. Required Practices: Special Rules Related to Lead Generation

- TPMOs conducting lead generating activities, either directly or indirectly for a Plan Sponsor, must, when applicable, disclose to the beneficiary that their information will be provided to a licensed agent for future contact. This disclosure must be provided:
 - verbally when communicating with a beneficiary through telephone;
 - in writing when communicating with a beneficiary through mail or other paper; or
 - electronically when communicating with a beneficiary through email, online chat, or other electronic messaging platform.
- If the lead generating TPMO transfers a beneficiary to an agent, the TPMO must disclose to the beneficiary that they are being transferred to a licensed agent who can enroll them into a new plan.
- Plan Sponsors, Agents/Brokers, FMOs, or agencies that obtain leads from such entities should ensure that these requirements have been met in generating the leads and include this obligation in any contract with the lead-generating TPMO.
- Beneficiary information collected by a TPMO for marketing or enrolling may only be shared with another TPMO when prior written consent is given by the beneficiary.

50. Title Page- Accessing and Using Certain Plan Materials

51. Certain Plan Materials: Accessing and Using

Plans are required to post certain documents in a downloadable format on their website. Beneficiaries and marketing representatives may access the following materials, as applicable to the plan, through each plan's website:

- Evidence of Coverage
- Summary of Benefits
- Annual Notice of Change
- Provider Directory, searchable by specified elements such as name, location, cultural and linguistic capabilities, and specialty
- Pharmacy Directory
- Formulary

Such documents are important tools to be used by marketing representatives in determining issues such as:

- Whether a beneficiary's providers or pharmacies are in the plan network
- Whether the drugs a beneficiary takes are on the plan's formulary
- Whether the plan covers other benefits that are important to a beneficiary
- Whether or the extent to which the plan covers out-of-network services

Plans will also provide these materials to beneficiaries after they enroll.

52. Required Materials with an Enrollment Form

- When a beneficiary is provided with enrollment instructions/form, they must also receive:
 - star ratings information
 - the summary of benefits
 - the pre-enrollment checklist
- For Dual Eligible Special Needs Plans, if Medicaid benefits are not included in the summary of benefits, a separate document including the Medicaid benefits must be included with the enrollment form.
- When a beneficiary enrolls in a plan online, the plan sponsor must make these materials available electronically (e.g., via website links) to the potential enrollee before the completion and submission of the enrollment request.
- For telephonic enrollments, the contents of the pre-enrollment checklist must be reviewed with the prospective enrollee before the completion of the enrollment. In addition, the beneficiary must be told verbally where the summary of benefits and star rating documents may be accessed.

53. Title Page- Plan Ratings

54. Plan Ratings: Background

- CMS releases Star Ratings that allow beneficiaries to compare MA plans and Part D plans. These ratings are based on measurements such as whether members got various screening tests, vaccines, and other check-ups to help them stay healthy, whether the plan makes timely decisions on appeals, the number of complaints about the plan, and how members rate the plan on topics such as access to care and customer service.
- Marketing representatives and beneficiaries who have access to the Internet may obtain plan rating information at <http://www.medicare.gov>.
 - Click on the “Find Health & Drug Plans” button.
- The Star Ratings information document must also be prominently posted on each Plan Sponsor’s website.
- New Plans/Part D Sponsors that do not have any Star Ratings information are not required to provide Star Ratings information until the next contract year.

55. Plan Ratings – Required Practices

Plan Sponsors and their marketing representatives:

- must provide the plan’s overall performance ratings to beneficiaries in the standard Plan Ratings information document.
- may only reference or mention a plan’s rating on an individual measure in conjunction with the plan’s overall performance rating (for MA-PD), Part C summary rating (for MA-only), or Part D summary rating (for PDPs).
- may only market the Star Ratings in the service area in which the Star Rating is applicable, unless using star ratings to convey overall MA organization performance (for example, “MegaPlan has achieved 4.5 stars in Fairfax, Prince William and Arlington counties), in which case the MA organization must do so in a way that is not confusing or misleading.
- must be clear that the rating is out of 5 stars.
- must clearly identify the Star Ratings contract year.
- must provide the standard Plan ratings document with an enrollment form, as follows:
 - In hard copy with a paper enrollment form.
 - For online enrollment, made available electronically (for example, via a link) prior to the completion and submission of the enrollment request.
 - For telephonic enrollment, the beneficiary must be verbally told where they can access the Star Ratings Document.

56. Plan Ratings - Prohibitions

Plan Sponsors and their marketing representatives may not:

- use a plan’s Star Rating in an individual category or measure to imply a higher overall plan rating than is actually the case.
 - For example, a plan that received a 5-star rating in customer service promotes itself as “rated 5 stars by our enrollees,” when its overall plan rating is only 4 stars.
- use the plan’s Star Ratings in a manner that misleads beneficiaries into enrolling in plans based on inaccurate information.

- use updated Star Ratings until CMS releases star ratings on the Medicare Plan Finder.
- continue to use an old Star Rating after **21** days from the release of a new star rating.

57. Title Page- Prohibited Activities

58. Prohibited Practices: Marketing and Communications (1 of 3)

Plan Sponsors and their marketing representatives may not:

- mislead, confuse, or provide materially inaccurate information to beneficiaries.
- target enrollees based on income levels (except in the case of dual eligible SNPs).
- target enrollees based on health status (except in the case of a chronic care SNP).
- state or imply that the plans are only available to seniors, rather than all eligible Medicare beneficiaries (e.g., younger disabled individuals).

59. Prohibited Practices: Marketing and Communications (2 of 3)

Plan Sponsors and their marketing representatives may NOT:

- market any non-healthcare-related products (such as annuities and life insurance) during any MA or Part D sales activity or any other marketing activity for existing enrollees. This is considered cross-selling.
- market that the Plan Sponsor will not disenroll individuals due to failure to pay premiums.
- display the names or logos or both of provider co-branding partners on marketing materials, unless the materials indicate via a disclaimer or in the body that "Other providers are available in the network".
- fail to record all marketing and sales telephone calls and any telephonic enrollments.

60. Prohibited Practices: Marketing and Communications (3 of 3)

Plan Sponsors and their marketing representatives may NOT:

- use a Medicare beneficiary to endorse a plan or provide a testimonial unless the beneficiary was an enrollee of the plan when the endorsement/testimonial was created.
- solicit enrollment applications for the following contract year before the start of the annual election period on October 15, unless the beneficiary is entitled to another enrollment period (for example, an initial enrollment period or special enrollment period).
- use marketing materials that have not been submitted by the plan for review and/or approval by CMS.
- charge beneficiaries marketing fees.
- engage in bait and switch strategies such as making unsolicited outbound calls to beneficiaries about other lines of business (e.g., calling Medicare beneficiaries about life insurance) as a means of generating leads for Medicare plans.

61. Prohibited Practices: Discriminatory Activity and Comparisons

Plan Sponsors and their marketing representatives may NOT:

- engage in any discriminatory activity such as attempting to recruit Medicare beneficiaries from higher-income areas without making comparable efforts to enroll Medicare beneficiaries from lower-income areas.
- encourage individuals to enroll based on their health status unless the plan is a special needs plan that focuses on the beneficiary's particular condition.
- conduct health screening or other activities that could give an impression of "cherry-picking".
- make explicit comparisons between plans, unless they can support them, such comparisons are factually based, and the comparisons are not misleading.

62. Prohibited Practices: Misleading Marketing Practices

Plan Sponsors and their marketing representatives may NOT engage in marketing practices that may mislead or confuse beneficiaries, such as:

- providing false or misleading information about the plan, including false claims about benefits, provider rules, and other plan information, for example:
 - claiming that a PFFS plan is the same as Original Medicare or a Medigap plan.
 - using superlatives (e.g., best, least expensive, highest rated) in a false or misleading manner.
- claiming that Medicare, CMS, or any government agency endorses or recommends the plan.

63. Prohibited Practices: Marketing Materials and Advertising Violations

Plan Sponsors and their marketing representatives may NOT engage in marketing practices that may mislead or confuse beneficiaries, such as:

- using the Medicare name, CMS logo, and products or information issued by the Federal Government, including the Medicare card in a misleading way. (Use of the Medicare card image is permitted only with authorization from CMS).
- advertising benefits that are not available to beneficiaries in the service area where the marketing appears, unless the advertisement is in local media that serves the service area(s) where the benefits are available and reaching beneficiaries who reside in other service areas is unavoidable.
- marketing products or plans, benefits, or costs, unless the Plan Sponsor's(s') name or marketing name(s) of the Plan Sponsor(s) offering the products or plans, benefits, or costs are identified in the marketing material.
- including information about savings to beneficiaries that are based on a comparison of typical expenses borne by uninsured individuals, unpaid costs of dually eligible beneficiaries, or other unrealized costs of a Medicare beneficiary.

64. Prohibited Practices: Misleading Marketing Practices

Plan Sponsors and their marketing representatives may NOT:

- use the term “free” to describe a zero-dollar premium.
- use the term “free” in conjunction with any reduction in premiums, deductibles, or cost-share, including Part B premium buy-down, low-income subsidy, or dual eligibility.
- lead beneficiaries to believe that the broker or agent works for Medicare, CMS, or any government agency.
- imply that a plan operates as a supplement to Medicare.

65. Prohibited Practices: Targeting Dual Eligibles

Unless they are promoting a D-SNP, Plan Sponsors and their marketing representatives may NOT:

- imply that the plan is available only to or designed for dual eligible individuals (unless the plan is comparable to a D-SNP plan, as determined by the Secretary).
- claim that the Plan has a relationship with the state Medicaid agency, unless the MA plan (or its parent organization) has contracted with the state to coordinate Medicaid services, and the contract is specific to that MA plan (not for a separate D-SNP).
- market a non-dual-eligible special needs plan as if it were a dual-eligible special needs plan.
- target their marketing efforts for the Plan exclusively to dual eligible individuals.

66. Title Page- Marketing During the Open Enrollment Period

67. Open Enrollment Period – Marketing Prohibitions

The Medicare Advantage Open Enrollment Period (MA-OEP) is a period during which an individual enrolled in an MA or MA-PD plan can make a one-time change to another MA plan, elect Original Medicare, or change Part D coverage. For individuals enrolled in an MA plan on January 1, the MA-OEP is the first 3 months of the calendar year. For individuals enrolling during their initial coverage election coverage period (ICEP), the MA-OEP is the first three months after they enroll in an MA or MA-PD plan.

During the MA Open Enrollment Period (OEP), marketing representatives may **not**:

- send unsolicited materials advertising the ability/opportunity to make an additional enrollment change or referencing the OEP.
- specifically target beneficiaries who are in the OEP because they chose an MA or MA-PD plan during the Annual Enrollment Period (AEP) by the purchase of mailing lists or other means of identification.
- engage in or promote activities that intend to target the OEP as an opportunity to make further sales.
- call or otherwise contact former enrollees who have selected a new plan during the AEP.

68. Open Enrollment Period – Permitted Activities

During the OEP, marketing representatives may conduct marketing activities that focus on other enrollment opportunities, including but not limited to:

- marketing to individuals turning 65 (who have not yet made an enrollment decision).
- marketing by 5-star plans regarding their continuous enrollment SEP.
- marketing aligned D-SNPs (such as FIDE-SNPs and HIDE SNPs) to full-benefit dual-eligible beneficiaries who are enrolled in or in the process of enrolling in the D-SNPs affiliated Medicaid MCO (and consequently have a once-per month SEP to enroll in an aligned D-SNP).

In addition, during the OEP marketing representatives may:

- send marketing materials when a beneficiary makes a proactive request.
- at the beneficiary's request, have one-on-one meetings with a sales agent.
- at the beneficiary's request, provide information on the OEP through the Plan's call center.

MAOs may also include information about the OEP on their websites.

69. Soliciting Referrals from Beneficiaries

Inducements (such as gifts) for referrals are regulated under fraud and abuse laws (such as the anti-kickback statute or beneficiary inducement statute). However, typically there are nominal value exceptions under those laws. Marketing representatives should consult with their plans to determine whether the plans impose requirements around gifts in exchange for beneficiary referrals. As previously noted, unsolicited contact as a result of a referral by means other than e-mail or conventional mail is prohibited.

70. Title Page - Marketing in Healthcare Settings

71. Marketing Activities: Marketing in a Healthcare Setting

Plan Sponsors and their marketing representatives may NOT:

- engage in marketing activities or provide marketing materials in areas where patients receive healthcare services, for example:
 - Exam rooms, dialysis center treatment areas, hospital patient rooms, pharmacy counter areas, and other treatment areas where patients interact with a provider and/or their clinical team and receive treatment.
- solicit healthcare providers or their staff to engage in marketing activities or provide marketing materials in areas where patients receive healthcare services.

Marketing representatives may:

- engage in marketing activities (i.e., conduct sales presentations and distribute and accept enrollment applications) in common areas of healthcare settings, for example:
 - In a cafeteria, community or recreational room, waiting room, common entryway, vestibule, or conference room.

- At a retail pharmacy, in areas away from the pharmacy counter.
- provide communication materials to be distributed and displayed in the healthcare setting.

72. Marketing Activities: Marketing in a Long-term Care Facility

- Long-term care facilities include, for example, nursing homes, assisted living facilities, and board and care homes.
- Plan Sponsors/marketing representatives may schedule an appointment with a beneficiary in a long-term care facility ONLY upon request of the beneficiary (or authorized representative).
- Plan Sponsors/marketing representatives may not visit individuals in a long-term care facility without an appointment.
- MA institutional special needs plans (I-SNPs) may use staff operating in a social worker capacity to provide information, including marketing materials concerning I-SNPs, to residents. Such information must not include an enrollment form, and the social worker may not accept or collect a scope of appointment or enrollment form on behalf of the plan sponsor.
- Marketing representatives may set up common areas of a long-term care facility and allow residents to approach them.

73. Title Page- Plan Oversight and Enforcement

74. Oversight and Corrective Action

- Plan Sponsors must establish and implement an oversight plan that monitors agent and broker activities, identifies non-compliance with CMS requirements, and reports non-compliance to CMS.
- Plans are required to implement a strategy to prevent prohibited marketing practices from occurring, detect prohibited marketing tactics at their early stages, and take immediate corrective action to respond to non-compliant marketing activities.
- Plans must take disciplinary and/or corrective action in the event of verified misconduct. Examples of such disciplinary action include:
 - Withholding or withdrawing commissions
 - Retraining
 - Suspension of marketing
 - Termination
 - Other consequences outlined in the contract with the plan

75. Reporting to and Cooperating with, States and CMS

- Plans must comply with requests from a State insurance or other department(s) in connection with investigations of plan marketing representatives who are licensed by the department.
- Plans must report to States the termination of any agent or broker, including the reasons for the termination if required under State law. Plans must also report to CMS any for-cause agent/broker terminations.
- Plans must report to CMS all enrollments made by unlicensed agents or brokers.
- Upon CMS' request, the plan must provide CMS with information necessary for it to conduct oversight of marketing activities.

76. Reporting and Disclosure Obligations of Marketing Representatives

Plan Sponsors must require third-party marketing organizations, including independent agents and brokers, to:

- Disclose to the Plan Sponsor any subcontracted relationships used for marketing, lead generation, and enrollment.
- Report to Plan Sponsors monthly any staff disciplinary actions or violations of any requirements that apply to the Plan Sponsor associated with beneficiary interaction with the plan.

77. Title Page- Referral Fees and Agent/Broker Compensation

78. 2025 Compensation Rules and TX District Decision

In April 2024, CMS published a final rule revising a range of Medicare Advantage regulations. One area in which CMS made changes was agent/broker compensation. These changes were set to become effective for marketing of 2025 plans.

The changes would have mandated that all Plan Sponsors pay compensation at the fair market value (FMV) cap for initial enrollments, which would also include a \$100 administrative fee. For renewal enrollments, it would have mandated that plans pay 50 percent of the FMV cap for all renewals.

On August 18, 2025, a Federal District Court struck down the agent compensation related provisions of the rule.

79. Agent/Broker Compensation: Types of Agents

For purposes of CMS regulation, agents/brokers fall into three categories:

- Independent agents (those who sell for multiple plans and are not employed by the plan sponsor)
- Plan employees (those employed by the Plan Sponsor)
- Captive agents (those market for only one Plan Sponsor)

80. Agent/Broker Compensation and Referral Fees: Definition

- Compensation includes monetary or non-monetary compensation of any kind relating to the sale or renewal of a policy including but not limited to:
 - Commissions
 - Bonuses
 - Gifts
 - Prizes or awards
- Referrals fees are remuneration for referrals including recommendations, provision of information, or other means of referring beneficiaries for potential enrollment into a plan.

81. Agent/Broker Compensation and Referral Fees: Applicability of Rules

Compensation:

- Compensation structures for independent agents must comply with CMS guidance.
- Compensation rules do not generally apply to “employed or captive” agents or when independent agents are marketing only to employer/union groups.
- Compensation to independent agents who market to and enroll beneficiaries is covered by the rules whether it is paid directly by a plan or paid by an agency, Field Marketing Organization (FMO), or other Third-Party Marketing Organization (TPMO).

Referral Fees:

- The limitations on referral fees for potential enrollment into a plan apply to all agents and brokers (including employed and captive agents) as well as any other individual or entities.

82. Referral Fees

- Plan Sponsors and their subcontractors may pay individuals or entities for referrals.
- Referral payments may not exceed \$100 for a referral into an MA or MA-PD, or 1876 Cost plan and \$25 for a referral into a PDP plan.

83. Agent/Broker Compensation: When Compensation May Not Be Paid

Plan Sponsors may not pay agents for enrollments:

- when they have not been trained and tested.
 - when they do not meet state licensure requirements.
 - when they have not been appointed by the plan in compliance with state law.
 - In the case of rapid disenrollments.
- When a Plan Sponsor and/or a contracted independent agent terminates an agent contract, any future payment for an existing business will be governed by the terms of the contract that specify the agent’s payment, subject to the limits of applicable law.
 - However, to continue receiving renewal fees, agents must remain trained, tested, licensed, and appointed (to the extent required under state law), regardless of whether they are actively selling.

84. Agent/Broker Compensation: Applicable Amounts

- Applicable compensation amounts depend on whether enrollment is an initial year enrollment or a renewal year enrollment.
 - CMS provides reports to the plan that specify whether enrollment is initial or renewal.
- Renewal year enrollments include plan changes between “like plans.”
 - A “like plan type” enrollment includes:
 - A PDP to another PDP
 - An MA, or MA-PD to another MA or MA-PD
 - A Section 1876 Cost Plan to another Section 1876 Cost Plan
 - An “unlike plan type” enrollment includes:
 - An MA or MA-PD plan to a PDP or Section 1876 Cost Plan

- A PDP to a Section 1876 Cost Plan or an MA (or MA-PD) plan
- A Section 1876 Cost Plan to an MA (or MA-PD) plan or PDP

85. Agent/Broker Compensation: Dual Enrollment Application

- For enrollments in two plans at once (for example, enrollment in an MA-only plan like a MSA and a stand-alone PDP or a cost plan and a PDP), the compensation rules apply independently to each plan. This is known as “dual plan” enrollment.
- However, when dual plans are replaced by an enrollment in a single plan, compensation is paid based on the MA or cost plan movement (e.g., movement from an MA-only PFFS plan and PDP to an MA-PD plan would be compensated at the renewal compensation amount for the MA to MA-PD “like plan type” move).

86. Agent/Broker Compensation: Compensation Amounts

Plan Sponsors are not required to pay compensation for enrollments. However, if they do, they must follow these rules.

- Compensation for initial year enrollments cannot exceed a Fair market value (FMV) amount published annually by CMS. This amount is known as the FMV cutoff.
- Compensation for renewal year enrollments must be no more than 50 percent of the FMV cutoff.
- Depending on their contracts with TPMOs, Plan Sponsors can choose not to pay initial and/or renewal compensation for all or some of the plans they offer.

87. Agent/Broker Compensation: Rules

- Compensation must be paid on a calendar year basis. Thus, regardless of the month of a beneficiary’s initial year enrollment, the renewal year begins on January 1 of the subsequent year, NOT on the beneficiary’s enrollment anniversary date.
- Plan Sponsors have the flexibility to make compensation payments annually, quarterly, monthly, or by a different schedule. However, they must pay compensation payments during the year of enrollment.
- Compensation (with some limited exceptions) may only be paid for the months the beneficiary is enrolled in the plan.
 - If a plan pays compensation in advance, it must recoup amounts paid for months a beneficiary is not enrolled.
 - If a beneficiary enrolls mid-year, compensation must be prorated.

88. Agent/Broker Compensation: Exception to Pro Rata Payment Rule

- A plan may choose to pay for an entire initial enrollment year, despite less than 12 months of enrollment, for a beneficiary who has never been enrolled in a Medicare health plan before or where a beneficiary moves from an employer group plan to a non-employer group plan.
- However, if the plan pays a full initial compensation and the enrollee disenrolls during the contract year, the plan must recoup a pro-rated amount for all months the enrollee is not enrolled.

Example: Since her retirement, Ms. Franklin has been enrolled in an MA-PD that Gadget Co., her former employer, offers to its retirees. Gadget Co. announces that effective April 1 will no longer offer coverage to retirees. Ms. Franklin calls her agent, Mr. Gordy, who helps her enroll in Healthy Choice, an MA-PD offered to individual beneficiaries, for an April 1 effective date. The contract between Mr. Gordy and Healthy Choice specifies that the plan will pay a full year commission for a beneficiary who has never been enrolled in a Medicare health plan and for beneficiaries moving from employer group coverage. Healthy Choice pays the full year commission.

89. Agent/Broker Compensation: Rapid Disenrollment

- With the exceptions set forth below, if a beneficiary disenrolls within the first 3 months of enrollment (referred to as “rapid disenrollment”), the entire compensation amount paid for the enrollment **must** be recouped.
- Rapid disenrollment applies when an enrollee moves from one parent organization to another parent organization, (e.g., from Superior Health Plan to Healthy Living Plan) or when an enrollee moves from one plan to another plan within the same parent organization (e.g., from Superior Health Plan’s gold plan to its silver plan).

90. Agent/Broker Compensation: Recoupment Waivers for Rapid Disenrollment

- Plan Sponsors do not have to recoup any compensation paid when a beneficiary disenrolls in the first 3 months because the beneficiary:
 - Enrolls effective October 1, November 1, or December 1 and subsequently uses the Annual Election Period to change plans for an effective date of January 1.
 - Became dually eligible for both Medicare and Medicaid
 - Qualified for another plan based on special needs
 - Became LIS eligible
 - Lost Medicare entitlement
 - Moved out of the service area
 - Failed to pay the plan premium
 - Changed enrollment to a plan with a 5-star rating or disenrolled from a LPI (low performing) plan to move into a plan with three or more stars
 - Moved into or out of an institution
 - Gained/dropped employer/union sponsored coverage
 - Changed plans due to an auto, facilitated, or passive enrollment
 - Died.
 - Was enrolled in a plan that terminated, non-renewed, or CMS imposed sanctions on the plan.

91. For More Information

- Medicare Marketing Guidelines: <http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/FinalPartCMarketingGuidelines.html>
- CMS Marketing Website: <http://www.cms.gov/ManagedCareMarketing/>

1. Module 5: Enrollment Guidance Medicare Advantage and Part D Plans
2. Navigation
3. Terms and Conditions

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4. Learning Objectives

- After reviewing Part 5: Enrollment Guidance - Medicare Advantage and Part D Plans you will be able to explain:
 - When beneficiaries can enroll or change plans
 - Who can complete an enrollment form
 - What information must be discussed with a beneficiary before accepting an enrollment
 - Post-enrollment requirements
 - Enrollee protections
 - The disenrollment process

5. Training Roadmap: Module 5

- Enrollment and Election Periods
- Election Periods: MA Open Enrollment Period
- Special Enrollment/Election Periods (SEPs)
- Open Enrollment for Institutionalized Individuals
- Enrollment Requests
- Beneficiary information, acknowledgements, and enrollee discrimination prohibitions
- Post-enrollment activities and rules
- Disenrollment

6. Title Page – Enrollment and Election Periods

7. Enrollment/Election Periods – Overview

- Beneficiaries may only enroll in or change plans at certain fixed times each year or under certain limited circumstances.
 - If the application is not received during those fixed times of the year or does not include information supporting a permissible election period, such as an attestation of eligibility to enroll, plans must contact the beneficiary to decide if enrollment is permissible.
- MA and Part D Enrollment/Election periods are:
 - MA Initial Coverage Election Period (ICEP)
 - Part D Initial Enrollment Period (IEP)
 - MA and Part D Annual Election Period (AEP)
 - MA and Part D Special Enrollment/Election Periods (SEP)
 - Open Enrollment Period for Institutionalized Individuals (OEPI)
 - MA Open Enrollment Period (MA-OEP)

8. Roadmap to Enrollment/Election Periods

- Certain election periods have fixed calendar dates and are available to all beneficiaries while others depend on an individual's circumstances.
- Fixed annual election periods:
 - Annual election period (October 15 – December 7)
 - Medicare Advantage Open Enrollment Period (MA-OEP) (January 1 – March 31)
- Election periods with dates and conditions based on individual circumstances:
 - Initial enrollment/election periods when a beneficiary is first eligible for Medicare
 - Beneficiaries who enroll in Medicare Advantage upon their entitlement to Part A and B also have a 3 month MA-OEP that starts the month of entitlement to Part A and Part B
 - Special enrollment/election periods (SEPs) when special circumstances arise
 - Continuous open enrollment for institutionalized individuals (OEPI)

9. MA and Part D Enrollment/Election Periods – Summary

Election/Enrollment Period	MA Options	PDP Options
MA Initial Coverage Election Period (ICEP) / Part D Initial Enrollment Period (IEP)	Enroll	Enroll
Annual Election Period (AEP) (Oct. 15-Dec. 7)	Enroll, disenroll, or change plans	Enroll, disenroll, or change plans
MA Open Enrollment Period (OEP) (Jan. 1 – March 31 and for individuals choosing an MA plan during their ICEP, the month of entitlement to Part A and Part B through the last day of the 3rd month of entitlement)	Disenroll from an MA or MA-PD plan and return to Original Medicare, Change MA plans, change Part D option under MA plan (change from MA to MA-PD or MA-PD to MA)	After disenrolling from an MA or MA-PD plan, may enroll in a PDP
Special Election Period (SEP)	Under most SEPs beneficiaries can enroll, disenroll, or change plans. However, under some SEPs beneficiary options are limited.	Under most SEPs beneficiaries can enroll, disenroll, or change plans. However, under some SEPs beneficiary options are limited.
Open Enrollment Period for Institutionalized Individuals (OEPI)	Enroll, disenroll, or change plans	Enroll in a PDP, disenroll from a PDP, and enroll in another PDP or MAPD

10. Election Periods – MA Initial Coverage Election Period (ICEP)

- The MA ICEP is the period during which an individual newly eligible for MA may make an initial enrollment request to enroll in an MA plan.
- The ICEP begins three months prior to the date the individual is both first entitled to Medicare Part A and enrolled in Part B for the first time, and ends on the later of:
 - The last day of the second month after the month in which the individual is both entitled to Part A and enrolled in Part B for the first time, or
 - The last day of the individual's Part B initial enrollment period.
 - The initial enrollment period for Part B is the seven (7) month period that begins 3 months before the month an individual meets the eligibility requirements for Part B and ends 3 months after the month of eligibility.
- During the ICEP:
 - An eligible individual may enroll in an MA plan.
 - An individual may also choose an MA-PD when the Part D IEP (i.e., an initial enrollment period for Part D) and MA ICEP occur at the same time.
- The individual can make one enrollment choice under the ICEP. Once enrollment is effective, the ICEP is used. (Note, however, that individuals choosing an MA plan during their ICEP have an MA-OEP following their election through the last day of the 3rd month of entitlement, during which they can disenroll to Original Medicare or change plans.)
- The ICEP for an MA enrollment election will frequently relate to either the individual's 65th birthday or the 25th month of disability, but it must always relate to the individual's entitlement to both Medicare Part A and Part B.

11. Election Periods – MA ICEP Example

Mr. Nash turned 65 on June 23. He is eligible for Medicare Part A and Part B beginning June 1 and has decided to enroll in Part B beginning on June 1. His ICEP began on March 1 and ended on September 30.

12. Election Periods – Part D Initial Enrollment Period (IEP)

- The Part D IEP begins 3 months before the month an individual is first entitled to Part A OR enrolled in Part B and ends 3 months after the month of eligibility.
- Individuals eligible for Medicare before age 65 (for example, because of disability) will have another IEP when attaining age 65.
- During the Part D IEP, beneficiaries may make one Part D enrollment choice, including enrollment in an MA-PD plan if they are eligible for MA.
- The MA ICEP and the Part D IEP occur together when a newly Medicare eligible individual is both entitled to Part A and enrolled in Part B at first eligibility. If an individual delays enrollment into Part B to a later time, the ICEP and IEP occur separately with the ICEP occurring during the 3 months immediately preceding the month of both entitlement to Part A and enrollment in Part B and two months following that month.

Election Periods – Part D IEP example

Mr. Crosby's 65th birthday is April 20. He is entitled to Medicare Part A (as of April 1), and his Part B IEP began on January 1. Therefore, his Part D IEP began on January 1, and ends on July 31.

13. Election Periods – Annual Election Period: Overview

- The Annual Election Period (AEP) takes place from October 15 to December 7 each year and is available to all MA and Part D eligible beneficiaries.
- During the Annual Election Period beneficiaries may:
 - add or drop drug coverage.
 - enroll in an MA plan, MA-PD plan, or PDP.
 - change their MA plan, MA-PD plan, or PDP.
 - return to Original Medicare.
- No action is needed if the beneficiary keeps their current health and/or drug plan. However, they should check for any changes in benefits, formulary, premiums, or cost-sharing under the plan to confirm that staying enrolled is in their best interest.
- Beneficiaries may make more than one enrollment choice during the Annual Election Period, but the last one made before the end of the Annual Election Period, as determined by the date the plan or marketing representative receives the completed enrollment form, will be the election that takes effect.

14. Election Periods – Annual Election Period, Timeframe for Submitting Enrollment Forms

- Marketing representatives may not solicit or accept paper enrollment forms or telephone or online enrollment requests before October 15 for enrollments under the Annual Election Period.
- Brokers and Agents should also remind beneficiaries that they cannot submit enrollment requests before the October 15 start of the AEP.
- If a beneficiary sends an unsolicited AEP paper enrollment request to the plan on or after October 1 but before the AEP begins on October 15, the plan will process the application beginning on the first day of the AEP.
- A beneficiary will receive an acknowledgment letter when the plan sponsor receives an early enrollment form to enroll during the AEP.
- If there is an indication of sales agent or broker involvement (i.e., the name or contact information of a sales agent or broker) on a paper AEP enrollment request received before October 15, the Plan Sponsor must investigate for compliance.

15. Title Page –Election Periods MA Open Enrollment Period

16. Election Periods – MA Open Enrollment Period (MA OEP)

- For individuals enrolled in an MA plan on January 1 (including those renewing and those whose AEP election first becomes effective January 1), the MA OEP takes place from January 1 – March 31 of each year.

- For new Medicare beneficiaries who are enrolled in an MA plan during their ICEP- the MA OEP begins the month of entitlement to Part A and enrollment in Part B and ends the last day of the 3rd month of entitlement and enrollment.
 - The limitation to one election or change during the ICEP does not prevent a new enrollee from changing during the MA-OEP.
- During the MA OEP:
 - An MA–PD enrollee may switch to: (1) another MA–PD plan; (2) an MA-only plan; or (3) Original Medicare with or without a PDP.
 - An MA-only enrollee may switch to: (1) another MA-only plan; (2) an MA–PD plan; or (3) Original Medicare with or without a PDP.
- There is a coordinating Part D SEP available to enroll in a standalone Part D plan for the same effective date, when an individual changes from an MA-PD to Original Medicare.

17. Election Periods – MA OEP

- Beneficiaries may only change plans once during the MA OEP.
- MSA, Cost Plan, and PACE enrollees may not use the MA OEP to make plan changes or disenroll.
- As eligibility to use the MA OEP is available only for MA enrollees, the ability to make changes to Part D coverage is limited to any individual who is enrolled in an MA or MA-PD plan before they change.
- As a reminder - Marketing representatives may not do targeted marketing related to the OEP, for example, marketing that mentions the OEP or that targets individuals known to be MA enrollees.

Election Periods – MA OEP: Example

Mrs. Hildalgo’s 65th birthday is June 20. She is entitled to Part A and enrolls in Part B effective June 1. She also enrolls in an MA plan effective July 1. In this scenario, Mrs. Hildalgo’s MA OEP begins the month of entitlement to both A and B and continues through the last day of the third month of entitlement (June 1–August 31).

18. Title Page – Special Enrollment/Election Periods (SEPs)

19. SEPs in General

- MA eligible and Part D eligible beneficiaries who experience certain qualifying events or wish to enroll in a 5-star plan are provided a special period to change their election, known as a Special Election Period or “SEP.”
- Timeframes for SEPs vary.
- Certain SEPs require CMS approval prior to use.
- An SEP generally ends upon the effective date of enrollment in a new plan, or when the time expires, whichever comes first.
- Where appropriate, SEPs allowing changes to MA coverage are coordinated with those allowing changes in Part D coverage.

20. Typical SEPs – Change in Residence

Beneficiaries who move out of their existing plan's service area, or who have new options available to them as a result of a permanent move, have an SEP allowing them to enroll in an MA or Part D plan.

The SEP begins:

- The date of the change in permanent residence,
- The month before the change in permanent residence, for an individual who notifies the MAO or Part D sponsor in advance of the change; or
- When the individual is being disenrolled because they have been out of the service area for over six months (Part C) or over 12 months (Part D), and the MAO or Part D plan has not been able to confirm the residency status of the individual.

The SEP ends two months following the month it begins or following the month of the move, whichever is later. A beneficiary using this SEP may choose an effective date up to 3 months after the month in which the enrollment form is received by the plan, but it may not be earlier than the date of the permanent move.

Example:

Ms. Hynds moves across town to Sunny Acres assisted living facility on July 15. An IE-SNP (Institution Equivalent SEP) is available only for residents of the facility who meet the applicable health criteria. Even though Sunny Acres is in her current MA plan's service area, Ms. Hynds has an SEP for change of residence through the end of September that would allow her to enroll in the IE-SNP if she meets the criteria, because as a result of her permanent move, she has a new option available to her (the IE-SNP).

21. Typical SEPs – 5 Star Plan SEP

Beneficiaries who live in the service area of a 5-star plan have an SEP during which they can disenroll from an MA plan, PDP, or Cost plan or leave Original Medicare to enroll in a 5-star MA plan, PDP, or a Cost plan.

The 5-Star Plan SEP is available each year, beginning on December 8, and may be used once through November 30 of the following year.

Individuals who use the 5-star SEP to enroll in a 5-star MA-only Private Fee-for-Service plan without Part D benefits, or enroll in a Section 1876 cost plan, are eligible to request enrollment in a PDP or the cost plan's optional supplemental Part D benefit, if offered. The PDP selected using this coordinating SEP does not have to be 5-star rated.

22. Typical SEPs -- Part D SEP for Dual Eligibles and Beneficiaries with LIS

Individuals who have Medicare Part A and/or Part B and receive any type of assistance from Medicaid (dual eligibles) and individuals who qualify for a low-income subsidy, but who do not receive Medicaid benefits have an SEP that allows them to make an election into a standalone PDP. This SEP does not permit enrollment into MA-PD plans or changes between MA-PD plans.

The SEP may be used once per month with an effective date of the first of the following month. An individual is not eligible for this SEP if the individual has been identified as an “at-risk beneficiary” or “potential at-risk beneficiary”.

23. Typical SEPs – Limitations for At-Risk and Potential At-Risk Beneficiaries

- An “at-risk” individual is a Part D eligible individual who is determined to be at-risk for misuse or abuse of a frequently abused drug per the requirements for drug management programs under CMS regulations.
- A potential at-risk beneficiary is a Part D eligible individual who is identified as being potentially at-risk for misuse or abuse of a frequently abused drug per the requirements for drug management programs under CMS regulations.
- Once an individual is identified by the Plan Sponsor as a “potential at-risk” or “at-risk” beneficiary and the Plan Sponsor has sent written notice to the individual, they cannot use the dual eligible or LIS SEP to change plans while this risk designation is in place. The notice to the individual explains that this SEP is no longer available.
- The enrollment limitation for a “potential at-risk” or an “at-risk” individual will not apply to other Part D enrollment periods, including the AEP or other SEPs.
- Note that individuals may appeal their designation of at-risk or potential at-risk.

24. Typical SEPs – Significant Change in Provider Network

MA plan enrollees affected by a significant change in the plan’s provider network are eligible for an SEP that permits disenrollment from the MA plan to another MA plan or to Original Medicare. An individual is eligible for this SEP when they are assigned to, currently receiving care from, or have received care within the past 3 months from, a provider or facility being terminated from their MA plan’s provider network. When directed by CMS, the MA plan will notify the individual of this SEP opportunity and how to use it.

The SEP begins the month the individual is notified of eligibility for the SEP and extends an additional 2 calendar months thereafter.

25. Other Common SEPs

Medigap SEP -- Any Medicare beneficiary who dropped a Medigap policy when they enrolled for the first time in an MA plan has an SEP during the first 12 months of their enrollment in the MA plan during which they can elect to disenroll from their first MA plan to Original Medicare. They will also have a guaranteed eligibility period to rejoin a Medigap plan. MA organizations are required to notify members of their Medigap guaranteed issue rights when members disenroll from the MA plan and into Original Medicare during an SEP. There may be cases when a Medigap issuer requires the beneficiary to provide additional documentation that they disenrolled as a result of an SEP and is eligible for such guaranteed issue rights. A beneficiary may contact the MA organization for assistance in providing such documentation.

Changes in Employer Group Coverage SEP -- Any Medicare beneficiary experiencing a change in employer group coverage, such as leaving employer sponsored coverage, electing into employer sponsored MA or PDP plans or disenrolling from an MA or PDP plan to enroll in employer sponsored coverage has an SEP that begins when the employer/union plan would otherwise allow the individual to make changes to their coverage and ends 2 months after the month the employer or union-sponsored coverage ends.

Severe or Disabling Chronic Conditions SEP -- Beneficiaries who have severe or disabling chronic conditions and wish to enroll in an MA Special Needs Plan (SNP) designed to serve individuals with their specific condition have an SEP during which they can enroll in a chronic condition SNP (C-SNP) designed to serve individuals with their condition. The SEP lasts as long as the individual has the qualifying condition and ends once the individual enrolls in a C-SNP.

Loss of Special Needs SEP -- Beneficiaries enrolled in a SNP who are no longer eligible for the SNP because they no longer meet the specific special needs status have an SEP that begins the month the individual's special needs status changes and ends when they make an enrollment request or three calendar months after the effective date of involuntary disenrollment from the SNP, whichever is earlier.

Change in Medicaid or LIS Status SEP - Beneficiaries who are entitled to Medicare Part A and/or Part B who have a change in their Medicaid or LIS status, including the gain or loss of eligibility or a change in the level of assistance they receive are eligible for an SEP. During the SEP (1) beneficiaries entitled to Part A and Part B can enroll in or disenroll from an MA and/or Part D plan once. (2) those entitled only to Part B can only do so for PDP. The SEP begins the later of the change or notification of the change and continues for 3 months.

Aligned Enrollment SEP -- This SEP provides a one-time-per-month election into a fully integrated dual eligible special needs plan (D-SNP), a highly integrated D-SNP, or an applicable integrated plan for dually eligible individuals who are enrolled in or in the process of enrolling in the plan's affiliated Medicaid MCO. This SEP is only available to facilitate aligned enrollment.

Beneficiaries enrolled in a plan by CMS or the State -- Individuals who are enrolled in a plan by CMS or a State (i.e., through passive enrollment, auto-enrollment, facilitated enrollment, and reassignment) have an SEP to disenroll from their assigned plan or enroll into a different plan. During the SEP, beneficiaries may make an election within three months of the effective date of the assignment or notification of the assignment, whichever is later.

Involuntary Loss of Creditable Drug Coverage SEP -- Beneficiaries eligible for Part D who involuntarily lose creditable prescription drug coverage, including a reduction in coverage so it is no longer creditable, have an SEP allowing them to enroll in a PDP. The SEP begins with the month in which the beneficiary is advised of loss of creditable coverage and ends 2 months after the loss of creditable coverage or the date the individual received the notice, whichever is later.

SEP for individuals who are institutionalized -- Beneficiaries who move into, reside in, or move out of an institution (for example, a skilled nursing facility, psychiatric hospital, rehab hospital, or intermediate care facility for individuals with intellectual and developmental disabilities) are eligible to enroll in or disenroll from a Part D plan. The SEP begins when the individual moves into or out of an institution, continues while the individual resides in the institution, and ends two calendar months after the month the individual moves out of the institution.

26. SEPs that Require CMS Prior Approval

In some instances, eligibility for an SEP requires CMS' prior approval. CMS or the plan may notify individuals of approval of the SEP opportunity through notice.

SEPs that require CMS approval include:

- SEPs for material contract violations by an individual's Medicare plan in relation to the individual. This may include instances where the organization failed to provide the beneficiary medically necessary covered services in a timely manner or failed to provide medical services in accordance with applicable quality standards.
- SEPs for individuals enrolled in Medicare plans that have been sanctioned by CMS.
- SEPs for individuals who were inadequately informed of their loss of creditable drug coverage.
- SEPs for other exceptional circumstances identified by CMS.

For SEPs related to contract violations, inadequate notice of creditable coverage or other exceptional circumstances, the individual must use a CMS operated election mechanism.

27. Title Page – Open Enrollment Period for Institutionalized Individuals

28. MA Open Enrollment Period for Institutionalized (OEPI) Individuals/Part D SEP for Institutionalized Individuals

- The OEPI is available for individuals who move into, reside in, or move out of an institution. For example, a skilled nursing facility, nursing facility, rehabilitation hospital, intermediate care facility for individuals with intellectual disabilities (ICF/IID), psychiatric hospital or unit, or long-term care hospital.
- The OEPI is NOT available for individuals who are institutional-equivalent, that is, who meet the institutional level of care but do not reside in one of the facilities listed above. For example, the OEPI does not apply to individuals in assisted living facilities.
- The OEPI is a continuous open enrollment period as long as an individual is in an institution.
- The OEPI ends two months after the month the individual moves out of the institution.
- Beneficiaries eligible for the OEPI can:
 - make an unlimited number of MA enrollment requests and may disenroll from their MA plan.
 - enroll in or disenroll from a Part D plan (using the Part D SEP that coordinates with the OEPI).
 - return to Original Medicare.

- Note that an MA organization is not required to accept requests to enroll in its plan during the OEPI. However, if it is open for these enrollment requests, the organization must accept all OEPI requests to enroll in the plan.
- Individuals may not enroll in an MSA during an OEPI.

29. Election Periods for Medicare MSA Plans

Enrollment:

- Beneficiaries may enroll in Medicare MSA plans only during the ICEP or the AEP.
- They may not enroll in Medicare MSA plans during an SEP with the exception of using the Employer Group Health Plan SEP to request enrollment into an employer or union sponsored MSA.

Disenrollment:

- Individuals may disenroll from Medicare MSA plans during the AEP or an SEP.
- MSA enrollees may not use the MA OEP to disenroll from the MSA.
- An individual who elects an MA MSA plan during the AEP and has never before elected an MA MSA plan may revoke that election, no later than December 15 of that same year.

30. Cost Plan Enrollment Periods

- Cost plans are required by law to establish an annual open enrollment period of at least 30 consecutive days each year.
- Most Cost plans accept enrollments year-round.
- For Cost plans that offer an optional supplemental Part D benefit, beneficiaries may select this benefit only during valid Part D enrollment periods. Cost plans must accept Part D enrollments during these periods.
- A beneficiary who is enrolled in an MA plan must have a valid MA disenrollment period to switch to a Cost plan.

31. Title Page – Enrollment Requests

32. Format of Enrollment Requests

- During valid enrollment/election periods, Plan sponsors must accept enrollment requests from individuals eligible to enroll in the plan, regardless of whether they are received in a face-to-face interview, by mail, by facsimile, or through other mechanisms defined by CMS.
- All plans must make available and accept a CMS-approved paper enrollment form appropriate to the plan type (MA, PDP, MA-PD, MSA, or PFFS).
- Plans may also choose to accept enrollments electronically or telephonically.
- Most enrollments must be completed using the standard enrollment form, regardless of the format of the request.
- However, a short enrollment form/process may be used in certain circumstances.
 - A short form or plan selection form may be used when an individual changes between plans offered by the same parent organization (but not for MSAs).

- A simplified process known as the “opt-in” process may be used when an individual new to Medicare who is already a member of the organization’s non-Medicare coverage (e.g., commercial or Medicaid) wishes to enroll in an MA plan.

33. Enrollment Mechanism Chart

Enrollment Mechanism	MA	Part D	Initiated by:
Paper Enrollment Forms: Required mechanism for all plans	X	X	Individual
Electronic Enrollment	X	X	Individual
Medicare.gov Online Enrollment Center (OEC) (not available for MSAs)	X	X	Individual
Telephonic Enrollment (Incoming telephone call to a plan representative or agent)	X	X	Individual
Default Enrollment process (For individuals newly eligible for Medicare Advantage and enrolled in a Medicaid managed care plan offered by the MAO or its affiliate.	X		MAO
Passive Enrollment	X	X	CMS
Simplified (Opt-in) Enrollment Mechanism	X		MAO
Auto- or Facilitated Enrollment processes	X	X	CMS/MAO
Reassignment of LIS Beneficiaries		X	CMS
Employer or Union Group Health Plans (EGHPs)	X	X	EGHP
State Pharmaceutical Assistance Plan (SPAP)		X	SPAP

34. Formats of Enrollment Requests – Electronic Enrollment

- Plan sponsors may develop and offer electronic enrollment mechanisms made available via an electronic device or a secure internet website.
- Plans also have the option of obtaining technical support (e.g., licensed software) and related services from downstream entities, such as a broker or third-party website, as a means of facilitating and capturing the electronic enrollment request.
- Plans may also accept enrollment requests via electronic communications, including email, provided consent to use email to send enrollment information or other protected health information (PHI) has been obtained from the individual in advance.

35. Formats of Enrollment Requests – Online Enrollment Requirements

- All online enrollment mechanisms must be CMS-approved. This includes all materials, web pages, and images.
- Similar to the non-electronic enrollment format, individuals must be provided with all required pre-enrollment information.
- Enrollment via the internet:
 - CMS offers an online enrollment center through www.medicare.gov
 - CMS online enrollment is disabled for MA and Part D plans with a low performer icon (LPI), which means the plan received less than 3 stars for three consecutive years.

36. Formats of Enrollment Requests – Requests by Phone

- Plan Sponsors may accept telephonic enrollments where the following requirements are met:
 - Plans may accept telephonic enrollments only on incoming calls from individuals with whom the plan sponsor does not have an existing business relationship.
 - An existing business relationship includes an individual who leaves a message wishing for a call back, fills out a business reply card, or initiates the relationship with the organization in another way.
 - Plans may also accept enrollment requests during communications initiated by the plan when, during outreach to provide information about their Medicare plan offerings to individuals with whom they have an existing business relationship, the individual expresses a desire to enroll in one of the organization’s plans.
 - All telephonic enrollment and marketing calls must be recorded.
 - Recording of marketing calls must be retained for 6 years. Recordings of telephonic enrollments must be retained for 10 years.
 - If someone other than the beneficiary makes the enrollment request, the recording must include the attestation regarding the individual’s authority under state law to complete the request, in addition to the required contact information.

37. Telephone Enrollment Requirements

- Individuals must be advised that they are completing an enrollment request.
- Calls must include a statement of the individual’s agreement to be recorded.
- Telephonic enrollments must include all required elements necessary to complete an enrollment
 - If the criteria for using a short enrollment form are met, the shorter list of required elements would apply.
 - The “Beneficiary Signature and/or Authorized Representative Signature” element for a telephone request is satisfied with a verbal attestation of intent to enroll.
- CMS also offers telephone enrollment through 1-800-Medicare (1-800-633-4227) TTY 1-877-486-2048.

38. MA Opt-in Enrollment Requests

- MAOs may conduct outreach to individuals enrolled in their non-Medicare lines of business who are nearing Medicare eligibility or recently Medicare enrolled and offer them the opportunity to enroll in their plan.
- The opt-in mechanism is a simplified enrollment method that allows a Medicare Advantage Organization (MAO) to use data it has from its non-Medicare lines of business to obtain some of the information it would normally need to receive from the beneficiary in the enrollment request. The organization is required to obtain any data necessary from the individual that it doesn’t have from its data sharing.
- MAOs may only offer simplified opt-in enrollment to individuals who:
 - are in their ICEP based on their initial enrollment in Medicare.
 - are enrolled in any type of non-Medicare plan under the same organization (or an entity under the same parent organization as the MA organization).

- do not have a break in coverage between the non-Medicare plan and the MA plan.
- MAOs may offer simplified opt-in enrollment via paper, telephone, or electronically. For telephonic or electronic requests, the plan may limit the data it collects from the applicant to only the items it does not already have.

Opt-in Enrollment example

Mr. Clark is turning 65 in June 2026 and is enrolled in an Affordable Care Act (ACA) plan offered by GoodHealth Choice. GoodHealth Choice sees that Mr. Clark's Medicare Part A and B ICEP begins March 2026. GoodHealth Choice knows that Mr. Clark lives within the service area of several of the MA plans it offers. A representative of GoodHealth Choice calls Mr. Clark to inform him that because he'll be eligible for Medicare soon, he can enroll in a plan that GoodHealth Choice offers just for people with Medicare. Mr. Clark expresses his interest in enrolling in a GoodHealth Choice MA plan with prescription drugs. GoodHealth Choice already has Mr. Clark's personal information via its internal systems, and while on the call, the representative obtains the additional information needed for the MA enrollment. The representative uses this information to complete the telephonic enrollment request. The representative confirms the MA plan Mr. Clark wants to enroll in and asks for his Medicare number. Then the representative explains the legal requirements for enrollment, release of information, and confirms Mr. Clark's understanding and acknowledgement/approval to process the request.

39. Beneficiary Acknowledgements When Enrolling

Enrollment mechanisms must require the applicant's acknowledgement/consent that they:

- must keep Medicare Part A and Part B if enrolling into an MA plan and must keep Part A or Part B if enrolling into a Part D plan.
- consent to the disclosure and exchange of information between the U.S. Department of Health and Human Services (HHS), its designees, and the MA or Part D plan and acknowledge that information may be used to track enrollment and for other purposes, as allowed under federal law.
- understand that they can only be enrolled in one MA or Part D plan; enrollment in another MA plan, PDP, or MA-PD plan automatically disenrolls them from their current plan (the model PFFS and MSA enrollment mechanisms provide modified language as appropriate).
- attest that the information provided in the enrollment request is correct; intentionally falsifying information will result in disenrollment.
- acknowledge that their signature indicates an understanding of the enrollment application, and that (if applicable) authorized representatives have legal authority to complete the enrollment request.
- understand that benefits and services (excluding hospice and kidney acquisition costs for transplants) must be obtained from the plan to be covered as Medicare benefits.

40. Who May Complete the Enrollment?

- Plan Sponsors can accept enrollment and disenrollment requests from an eligible individual or the individual's authorized representative (as recognized by State laws). Depending on the state, this may include court-appointed legal guardians, individuals with a durable power of attorney for health care decisions, or individuals authorized to make health care decisions under state surrogate consent laws if they have the authority to act in this manner.

- When someone other than the eligible individual completes an enrollment or disenrollment request, they must: 1) attest to having the authority under State law to do so; 2) sign the completed form, or through other approved enrollment mechanisms, indicate their relationship to the individual; and 3) provide their contact information.
- If there is uncertainty regarding whether another person may sign for a beneficiary, Agents should check with the Plan Sponsor.

41. Title Page-Beneficiary Information, Acknowledgements, and Enrollee Discrimination Prohibitions

42. Beneficiary Pre-enrollment Information

Plan Sponsors must ensure that, before enrollment, CMS' required questions and topics regarding beneficiary needs related to their health plan choice are fully discussed by agents with the beneficiary or their authorized representatives. The agent must ask:

- The kind of health plan in which the beneficiary wishes to enroll (such as low premium and higher copay, or vice versa).
- Does the beneficiary require hearing, dental, and/or vision coverage?
- Does the beneficiary have any other health care needs, such as needing durable medical equipment or physical therapy?
- Does the beneficiary have any other specific health care needs?

43. Beneficiary Pre-enrollment Information – Network Providers and Out-of-Network Coverage

Prior to enrollment the agent must also:

- check to see if the beneficiary's PCP and Specialists are in network. If not, the agent must explain that the beneficiary will need to choose new ones or pay out of pocket.
- check to see if the beneficiary's preferred hospital is in-network. If not, the agent must explain that the beneficiary will need to choose a new one.
- check to see if there are other facilities the beneficiary prefers that need to be in the plan's network.
- review coverage for out-of-network providers and services (e.g., except in emergency or urgent situations, the plan does not cover services by out-of-network providers (i.e., doctors who are not listed in the provider directory)).
- review PPO or PFFS out-of-network coverage

44. Beneficiary Pre-enrollment Information –Drugs

The agent must discuss prescription drug coverage and costs with the beneficiary prior to enrollment if the beneficiary wishes to obtain Part D coverage. Specifically, the agent must:

- check to see if the beneficiary's prescriptions are on the formulary. If not, the agent must explain that the beneficiary may have to pay the full price of the prescription.
- check to see if the beneficiary's pharmacy is in network. If not, the agent must explain that the beneficiary will need to choose a new pharmacy.

45. Beneficiary Pre-enrollment Information –Other Benefit Information

The agent must discuss a variety of other information about plan benefits with the enrollee prior to enrollment. The agent must:

- review coverage for services furnished by providers outside of the United States.
- explain the potential effect that enrolling in the plan will have on other, current coverage, which may in some cases mean that the beneficiary is disenrolled from their current health coverage (for example, another MA plan, Medigap).
- explain that the plan is not a hearing/dental/vision “rider” but a full health plan covering all Medicare benefits.
- explain that the plan operates on a calendar year basis, so benefits may change on January 1 of the following year.
- explain that Evidence of Coverage provides all of the costs, benefits, and rules for the plan.

46. Beneficiary Pre-enrollment Information –Cost

Agents must also discuss costs with beneficiaries or their authorized representatives prior to enrollment. The agent must:

- go over plan premiums (if the plan has one) and the Part B premium.
- if applicable, review the current plan premium vs. another plan premium.
- go over cost-sharing such as deductibles, copayments, and coinsurances including PCP copay, specialist copay, inpatient hospital copay, and any other copays for services/items the beneficiary needs.
- discuss the costs/limitations on dental, vision, and hearing.

47. Beneficiary Pre-enrollment Information – Complaints, Cancellation, and Items Applicable to Only Certain Types of Plans

- Prior to enrollment, agents must review with beneficiaries how they can file a complaint.
- They must also explain the right to cancel the enrollment and provide the date through which cancellation can occur.
- If a beneficiary is interested in/eligible for enrollment in an MSA, the agent must review with the beneficiary the need to maintain a trust/custodial account to remain enrolled in the MSA.
- If a beneficiary is interested in/eligible for enrollment in a special needs plan, the agent must discuss the following with the beneficiary as applicable:
 - The need to qualify for chronic/disabling condition requirement for C-SNPs.
 - The need to have Medicaid to qualify for D-SNP.
 - The need to require an institutional level of care to qualify for I-SNP.

48. Enrollment Discrimination Prohibitions

- Marketing representatives may NOT:
 - Deny or discourage beneficiary enrollment based on:
 - anticipated need for health care services.

- race, color, national origin (including English proficiency and primary language spoken), sex, age, mental or physical disability, health status, receipt of health care, claims experience, medical history, genetic information, or evidence of insurability.
 - geographic location within the service area.
- Marketing representatives must comply with their obligations under other federal anti-discrimination rules and requirements.
- Marketing representatives may not engage in any discriminatory activity such as attempting to recruit Medicare beneficiaries from higher income areas without making comparable efforts to enroll Medicare beneficiaries from lower income areas, or vice versa.
- Marketing representatives may not ask health screening questions during the completion of the enrollment request unless it is necessary to determine eligibility to enroll in a SNP.
- MA organizations are only permitted to send health assessment forms after enrollment.

49. Title Page – Post-Enrollment Activities and Rules

50. Post-Enrollment Request: Beneficiary Notifications Prior to Effective Date (1 of 3)

After the plan receives the request for enrollment and before the effective date of coverage, all plans must provide the enrollee with:

- a notice acknowledging receipt of the complete enrollment request and showing the effective date of coverage (must be provided no later than 10 calendar days after receipt of the completed enrollment request).
- a copy of the completed paper enrollment if the beneficiary requests the form.
- evidence that the enrollment request was received (e.g., a confirmation number), for enrollment requests submitted via the internet or telephone.
- proof of health insurance coverage so that they may begin using plan services as of the effective date (must include the data necessary to access benefits).

51. Post-Enrollment Request: Beneficiary Notifications, Prior to Effective Date (Slide 2 of 3)

- If an individual's enrollment request includes a request for Social Security Administration (SSA) or Railroad Retirement Board (RRB) premium withhold plan must inform the individual that:
 - if approved, their request for premium withholding will start in one to two months.
 - the effective date for premium withholding will not be retroactive.
 - they will be responsible for paying the organization directly for all premiums due from the enrollment effective date until the month in which premium withholding begins.
 - failure to pay premiums for months in which premium withholding is not yet in effect can result in disenrollment from the plan.

Once the Plan Sponsor receives a reply from CMS indicating whether the individual's enrollment has been accepted or rejected, the Plan must notify the individual in writing of CMS' acceptance or rejection of the enrollment within ten calendar days.

52. Post-Enrollment Request: Beneficiary Notifications, Prior to Effective Date (Slide 3 of 3)

Regardless of how an enrollment request is made, the Plan Sponsor must provide information about being an enrollee of the plan, the plan rules, and the member's rights and responsibilities generally prior to the effective date of enrollment. During this period Plan Sponsors must also:

- explain the charges for which the prospective member will be liable, including premiums, late enrollment penalty, coinsurance, deductible and any other amounts (including general information about the low-income subsidy).
- explain the prospective member's authorization for the disclosure and exchange of necessary information between the MA organization and CMS.
- explain the potential for financial liability if it is found that the individual is not entitled to Medicare Part A and Part B at the time coverage begins and they have used MA plan services after the effective date.
- provide the effective date of coverage and explain how to obtain services before the receipt of an ID card (if the MA organization has not yet provided the ID card).
- (For MAOs) obtain an acknowledgment by the individual that they understand that care will be received through designated providers except for emergency services, urgently needed care, out-of-area dialysis services, and cases in which the plan authorizes use of out-of-network providers.

53. Post-Enrollment Request: Beneficiary Notifications

- In some instances, the Plan Sponsor will be unable to provide the materials and required notifications to new enrollees before the effective date (usually only when an enrollment request is received by the plan in the last few days of a month, and the effective date is the first of the upcoming month). In these cases, all materials described in the previous slides must be provided no later than 10 calendar days after receipt of the completed enrollment request.
- In such cases CMS also strongly encourages Plan Sponsors to call these new enrollees as soon as possible to provide the effective date, information to access benefits, explain the plan's rules, and that coverage will be active on the effective date required by law regardless of whether or not the enrollee has received all the information by the effective date.

54. Post-Enrollment: When does coverage begin?

Election Period	Enrollment Effective Date
Initial Coverage Election Period (ICEP) and Initial Enrollment Period for Part D (IEP)	First day of the month of entitlement to Medicare Part A and Part B or the first of the month following the month the enrollment request was made if after entitlement has occurred.
Annual Election Period	January 1 of the following year.
Open Enrollment Period for Institutionalized Individuals (OEPI)	First day of the month after the month the MA organization receives an enrollment request.
Medicare Advantage Open Enrollment Period (MA OEP)	First day of the month after the month the MA organization receives an enrollment request.
Special Election Period	Generally, the first day of the month after the month the MA organization receives an enrollment request. However, exceptions apply for certain SEPs.

55. Post-Enrollment: Effective Date

- If a Plan Sponsor receives an enrollment request and determines the applicant is eligible for more than one election period, it must allow the individual to choose the enrollment effective date.
 - To determine the beneficiary’s choice of election period and effective date, the MA organization must attempt to contact the beneficiary and must document its attempts.
 - If the MA organization is unable to obtain the beneficiary’s desired enrollment effective date, the MA organization must assign an election period using the ranking of election periods set forth in the regulations.
- Individuals eligible for the employer group health plan (EGHP) SEP and one or more other election periods who make an election via the employer or union election process will be assigned an effective date according to the EGHP SEP unless the individual requests a different, allowable, effective date.
- If one of the election periods for which the individual is eligible is the ICEP, the individual may not choose an effective date any earlier than the month of entitlement to Medicare Part A and enrollment in Part B; if it is an IEP, the individual may not choose an effective date of enrollment in a Part D plan prior to entitlement to Medicare Part A or enrollment in Part B.

56. Title Page – Disenrollment

57. Disenrollment from MA, Part D, or Cost Plans

There are two types of disenrollment:

- Voluntary disenrollment:
 - An enrollee chooses to disenroll from a plan because they no longer want to be enrolled.

- Involuntary disenrollment:
 - In certain situations, the plan may be required or may have the option to end an enrollee's membership. The disenrollment is not the enrollee's choice.
- Plans or their marketing representatives may **not** either orally or in writing or by any action or inaction request or encourage any enrollee to disenroll from the plan except in specific situations authorized by CMS.
- Plans may contact enrollees to determine the reason for a voluntary disenrollment but must not discourage an enrollee from disenrolling after they indicate a desire to do so and may not market to the disenrolled individual during the call.

58. Voluntary Disenrollment from MA or Part D Plans

During a valid election period, an enrollee may request disenrollment from an MA or prescription drug plan by:

- enrolling in another plan.
- sending or faxing a signed written notice to the plan sponsor (or employer/union group, if applicable).
- submitting a request via the Internet to the plan sponsor (if the plan offers this option).
- calling 1-800-MEDICARE.

Enrollees making verbal requests to the plan must be instructed to request one of the above methods.

Exceptions:

- Employer or union sponsored plans may have other disenrollment mechanisms.
- To disenroll from an MSA plan enrollees must write to the plan. The enrollee cannot disenroll via 1-800-MEDICARE.
- Enrollees who wish to disenroll from a PDP should submit a written request or call Medicare in the following situations:
 - When they are joining an MA PFFS plan without drug coverage
 - When they are joining an MSA plan
 - When they are NOT joining any other health or prescription drug plan

59. Voluntary Disenrollment from Cost Plans

- Medicare Cost plan enrollees may end their membership at any time during the year and enroll in Original Medicare.
 - The enrollee must submit a written request and cannot disenroll by calling Medicare.
- A beneficiary who disenrolls from a Cost plan may only join an MA plan or a PDP during the Annual Election Period or other MA or Part D election period. Disenrolling from a cost plan does not automatically trigger an MA or Part D election period (unless the individual is enrolled in a cost plan that is not renewing its contract for the area in which the enrollee resides).

60. Required Involuntary Disenrollment from MA or Part D Plans

Plan sponsors must disenroll an enrollee from the plan in the following situations:

- A permanent change in residence (including incarceration) makes the enrollee ineligible to remain enrolled in the plan.
- The enrollee does not stay enrolled in Part A and Part B for MA and MA/PD plans or does not stay enrolled in either Part A or Part B for PDP plans.
- A SNP enrollee loses special needs status (e.g., an enrollee of a dual eligible SNP loses Medicaid eligibility) and does not reestablish SNP eligibility prior to the expiration of the period of deemed eligibility.
- An MSA enrollee no longer meets the criteria to enroll in an MSA.

61. Required Involuntary Disenrollment: Loss of Eligibility

Plan sponsors must disenroll an enrollee from the plan in the following situations:

- The enrollee dies.
- The plan sponsor's contract is terminated, withdrawn, or the service area is reduced and excludes the area in which the enrollee resides.
- The member fails to pay their Part D-IRMAA to the government and CMS notifies the plan to effectuate the disenrollment.
 - Note that CMS has established a 3-month initial grace period before individuals in an MA-PD or PDP will be disenrolled for failure to pay their Part D IRMAA.
- The member is not lawfully present in the United States.
- A Part D Sponsor (PDP or MA PD) must also involuntarily disenroll an individual who materially misrepresents information to the Sponsor regarding reimbursement for third-party coverage.

62. Involuntary Disenrollment When an Enrollee Moves from the Service Area

- MA Organizations:
 - must disenroll enrollees who have been out of the service area for more than 6 months (PFFS plans can allow continued enrollment for up to 12 months) if the individual is not in a continuation area offered by the MAO or the MAO does not offer an extended visitor/traveler (V/T) benefit.
 - may offer an extended V/T benefit of up to 12 months. Under this benefit, enrollees may remain temporarily out of the service area for up to 12 months without being disenrolled.
- Part D Plan Sponsors:
 - must disenroll an enrollee 12 months after identifying that the individual has moved outside of the service area if the plan has been unable to confirm the move with the enrollee.
 - exceptions may apply to enrollees who have a low-income subsidy.

63. Required Involuntary Disenrollment from Cost and MSA Plans

- MSA Plans must additionally disenroll an enrollee who no longer meets MSA eligibility requirements except the MSA Plan may not disenroll beneficiaries who elect the Medicare hospice benefit while enrolled in the MSA Plan.

- Medicare cost plans must disenroll an enrollee:
 - who does not stay continuously enrolled in Part B.
 - who has a permanent change in residence (including incarceration) out of the plan's geographic service area.
 - who has a temporary absence from the service area for more than 90 consecutive days (up to 12 months for plans with an extended absence option).
 - who is deceased.
 - when the cost contract is terminated or non-renewed.
 - when the member is not lawfully present in the United States.
- Cost plans that offer an optional supplemental Part D benefit must disenroll individuals who fail to pay their Part D IRMAA from that optional benefit only (the three-month initial grace period applies).

64. Optional Involuntary Disenrollment from MA, Part D or Cost Plans

- Plan sponsors may involuntarily disenroll an enrollee from the plan (but are not required to do so) if the enrollee:
 - does not pay premiums on a timely basis.
 - engages in disruptive behavior (CMS must approve the disenrollment after reviewing the evidence presented by the plan).
 - provides fraudulent information on an enrollment request.
 - allows another individual to use their enrollment card.
- Plan sponsors must take action consistently among all enrollees of each plan.
- Where an organization plans to disenroll a member involuntarily for any of the reasons listed above, the plan must send the member written notice of the upcoming disenrollment before the disenrollment is submitted to CMS. The notice must include:
 - The reason the organization is planning to disenroll the individual;
 - The effective date of the individual's disenrollment; and
 - The individual's right to a hearing under the plan's grievance procedures.

65. Optional Involuntary Disenrollment from MA, Part D or Cost Plans – Failure to Pay Premium

- If a member fails to pay the plan premium, a Plan Sponsor may choose to:
 - do nothing.
 - disenroll the member after a grace period and notice.
- In addition, if an MA member fails to pay the premium for optional supplemental benefits but pays the premium for basic and mandatory supplemental benefits, the MAO may reduce the member's coverage ("downgrade" coverage).
- Plans sponsors must apply the policy they choose uniformly for all plan members. However:
 - MA-PD plans have the option to retain dually eligible members and individuals who qualify for the low-income subsidy (LIS) who fail to pay premiums even if the MA organization has the policy to disenroll members for non-payment of premiums.

- MA-only plans may retain individuals who are dually eligible for both Medicare and Medicaid (i.e., individuals who are entitled to Medicare Part A and Part B and receive any type of assistance from the Title XIX (Medicaid) program.
- PDPs have the option to retain individuals who qualify for the low-income subsidy who fail to pay premiums.

66. Optional Involuntary Disenrollment from MA, Part D or Cost Plans – Failure to Pay Premium, Enrollee Rights

Enrollee’s Rights:

- For failure to pay plan premiums the plan sponsor must:
 - notify the enrollee in writing; and
 - provide enrollees with a grace period of not less than 2 months.
- Under certain circumstances, individuals may be reinstated for good cause if the beneficiary pays the overdue premiums within 3 calendar months of disenrollment and the individual follows the required process to establish that the failure to pay premiums within the initial grace period was due to circumstances for which the individual had no control, or which the individual could not reasonably have been expected to foresee.
- Enrollees have the right to make a complaint if the plan ends their membership.

67. Additional information

- Guidance for Eligibility, Enrollment, and Disenrollment procedures for Medicare Advantage (MA) plans, including MA-PD plans, PDPs and for Cost plans is found on the following page: <https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/>