

CLIENT ALERT

Center for Medicare and Medicaid Services Issues a Final Rule on Medicare + Choice ("M+C")

Nov.28.2003

On November 28, 2003 the Center for Medicare and Medicaid Services issued a final rule enabling Medicare + Choice ("M+C") plans to offer reductions in the standard Medicare Part B premium, with the intent of making M+C plans more attractive to beneficiaries. The rule makes conforming changes to the current M+C regulations to implement section 606 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 ("BIPA"). M+C organizations can elect to receive a reduction in their monthly capitation payments under 42 CFR § 422.250(a)(1), 80% of which would be applied to either reduce or eliminate the standard Medicare Part B premiums otherwise paid by, or on behalf of, Medicare enrollees. The new regulations, added as 42 CFR § 408.21, limit the premium reduction to an amount that cannot be greater than the standard premium amount determined for the year under § 1839 of BIPA. The premium reduction must be a multiple of 10 cents, and the reduction will be applied to all beneficiaries enrolled in the M+C plan, regardless of who pays or collects the premium. Finally, the reduction can never be less than zero and will not result in a payment to a beneficiary in any given month. To be eligible for the Part B premium reduction, beneficiaries must be enrolled in an M+C plan that offers the reduction as an additional benefit. After determining applicable premium reductions, CMS will notify beneficiaries of their new benefit check amounts.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.