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**DATE:** June 8, 2020

**TO:** All Current Medicare Advantage Organizations

**FROM:** Kathryn Coleman, Director  
Medicare Drug & Health Plan Contract Administration Group

Sharon Donovan, Director  
Program Alignment Group

**SUBJECT:** Dual Eligible Special Needs Plan (D-SNP) “Look-Alike” Transitions for Contract Year (CY) 2021

This memorandum provides information to Medicare Advantage organizations regarding the opportunity to transition enrollees in Dual Eligible Special Needs Plan (D-SNP) “look-alikes” for CY 2021. We will issue separate guidance at a later date about transition processes and bid review for contract year 2022.

On May 22, 2020, the Centers for Medicare & Medicaid Services (CMS) issued the CY 2021 Medicare Advantage and Part D Final Rule ([CMS-4190-F1](#)). This final rule includes new contracting limitations for D-SNP look-alikes.

Under the final rule (42 CFR 422.514), CMS will not enter into a contract:

- Starting for contract year 2022, for a new MA plan – other than a Special Needs Plan (SNP) – that projects in its bid that 80 percent or more of the plan’s total enrollment will be entitled to Medicaid, or
- Starting for contract year 2023, for a renewing MA plan – other than a SNP – that has actual January enrollment of 80 percent or more of enrollees who are entitled to Medicaid, unless the MA plan has been active for less than one year and has enrollment of 200 or fewer individuals at the time of such determination.

This contract limitation only applies in states where there is a D-SNP or any other plan authorized by CMS to exclusively enroll dually eligible individuals, such as MMPs. Based on CY 2020 contracts, the contracting limitation would not currently apply in Alaska, Nevada, New Hampshire, North Dakota, South Dakota, Vermont, and Wyoming.

Under the CY 2021 Medicare Advantage and Part D Final Rule, an MA organization may transition its D-SNP look-alike membership into another MA plan or plans (including into a D-SNP for enrollees who are eligible for such a plan) offered by the same MA organization, or

another MA organization that shares the same parent organization as the MA organization, for which the individual is eligible if:

- As of January 2020, the **current plan**:
  - Is not a SNP; and
  - Had membership in which at least 80 percent of enrollees were in Medicaid.
- The **MA plan or plans receiving the enrollment** meet the below criteria:
  - Is an MA-PD plan;
  - With the addition of the D-SNP look-alike enrollees identified for transition to the receiving plan's actual April 2020 enrollment, has total projected enrollment of less than 80 percent dually eligible individuals;
  - Has a combined Part C and Part D premium of \$0.00 for individuals eligible for the premium subsidy for full subsidy eligible individuals described in § 423.780(a); and
  - Is of the same product type (for example, HMO or PPO) as the D-SNP look-alike.

The earliest these transitions can begin is for the CY 2021 contract year.

MA organizations planning to transition their D-SNP look-alike membership effective January 1, 2021 should send an email indicating this intention to the CMS Medicare-Medicaid Coordination Office (MMCO) at [MMCO\\_DSNPOperations@cms.hhs.gov](mailto:MMCO_DSNPOperations@cms.hhs.gov) by June 30, 2020. Please include:

- Contract and plan benefit package (PBP) number(s) of the D-SNP look-alike(s);
- Expected CY 2021 contract and PBP numbers into which the MA organization plans to transition its D-SNP look-alike members;
- If the MA organization anticipates transitioning their membership into more than one MA plan, a general description of which D-SNP look-alike members will be transitioned into which contract and PBP number (e.g., full-benefit dually eligible individuals transitioning into H1000-001 and partial benefit dually eligible individuals transitioning into H2000-001).

Please contact your CMS Account Manager with any questions.