
Medicaid and CHIP Managed Care Final Rule (CMS 2390-F)
Modernizing Medicaid and CHIP Managed Care

April 25, 2016

On April 25, 2016, the Centers for Medicare & Medicaid Services (CMS) issued a final rule on managed care in Medicaid and the Children's Health Insurance Program (CHIP). The rule, which is the first overhaul of Medicaid and CHIP managed care regulations in more than a decade, advances the Administration's efforts to modernize the health care system to deliver better care, smarter spending, and healthier people. It supports state delivery system reform efforts, strengthens the consumer experience and key consumer protections, strengthens program integrity by improving accountability and transparency, and aligns key rules with those of other health coverage programs.

Modernizing Communications

This final rule updates the options available and provides increased flexibility to states and Medicaid and CHIP managed care plans to communicate with beneficiaries. Specifically, the final rule:

- Permits states and managed care plans to use a range of electronic methods to communicate with beneficiaries, including email, texts, and website posting, while ensuring that paper materials are available when requested and at no cost;
- Ensures that information is accessible to individuals with limited English proficiency by providing that enrollee materials (such as provider directories, member handbooks, appeal and grievance notices, and other informational notices) include taglines in each state's prevalent languages explaining the availability of oral interpretation or written translation if requested; also requires a large print tag line for the visually impaired; and
- Makes information about providers and prescription drugs more available and accessible to all consumers by requiring that additional information be included in the provider directory (such as provider's group/site affiliation, website URL and physical accessibility for enrollees with physical disabilities) as well as certain information about the managed care plan's drug formulary.

Modernizing Information Transparency

The final rule improves transparency by requiring states and managed care plans to provide and maintain specific content on a public website accessible to beneficiaries. Specifically, the final rule requires states and managed care plans to provide the following on a public website:

- Annual reports on each managed care plan, including:
 - information and assessment of managed care plan financial performance;
 - encounter data reporting;
 - enrollment;
 - benefits covered;
 - grievances and appeals;
 - availability and accessibility of covered services;

- evaluation of managed care plan performance on quality measures;
- sanctions or corrective action plans;
- activities and performance of the beneficiary support system; and
- factors related to the delivery of long-term services and supports.
- Information for enrollees, including an enrollee handbook;
- Information about managed care plans' network providers, including a provider directory;
- Information about managed care plans' formulary drug lists;
- State-developed network adequacy standards; and
- Program integrity documents and reports, including the managed care plan contract and the results of periodic audits.

Modernizing Appeals

The final rule modernizes the Medicaid and CHIP managed care appeals process by aligning standards with Medicare Advantage and the private market. Specifically, the rule aligns definitions and timeframes for the resolution of appeals, streamlines levels of internal appeals, and requires that enrollees utilize the managed care plan's internal process before proceeding to a state fair hearing. Aligning appeal procedures across these areas provides consumers with a more streamlined appeals process and allows health insurers to adopt more consistent protocols across product lines and markets.

The final rule is available at <https://www.federalregister.gov/>.

For more information, visit <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/delivery-systems/managed-care/managed-care-site.html>