
Medicaid and CHIP Managed Care Final Rule (CMS 2390-F)
Strengthening the Consumer Experience

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.

Improving the Beneficiary Experience

Strengthening Communications

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

- Expands managed care plans' ability to communicate with beneficiaries by permitting states and managed care plans to use a range of electronic communication methods, including email, texts, and website posting for the dissemination of required information, while ensuring that beneficiaries are able to obtain paper materials upon request 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 information in each state's prevalent languages explaining the availability of oral interpretation services or written translations, if requested. A large print tag line for the visually impaired is also required;
- Ensures managed care plans frequently update provider directories and post the information on the managed care plan websites, which will ensure managed care plans are actively monitoring the status of their contracted providers and that potential enrollees and enrollees have up-to-date and accurate information about available providers; and
- Requires that the provider directories include information 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.

Strengthening Access to Care

In order to strengthen access to services in a managed care network, the final rule requires states to establish network adequacy standards in Medicaid and CHIP managed care for key types of providers, while leaving states the flexibility to set the actual standards to better reflect local market and geographic conditions. The final rule provides that states will:

- Develop and implement time and distance standards for primary and specialty care (adult and pediatric), behavioral health (adult and pediatric), OB/GYN, pediatric dental, hospital, and pharmacy providers if these providers services are covered under the managed care contract;
- Develop and implement network adequacy standards for Medicaid managed long term services and supports programs that include criteria for providers who travel to the enrollee to provide services; and
- Assess and certify the adequacy of a managed care plan’s provider network at least annually and when there is a substantial change to the program design (such as adding a new population, benefits, or service area).

Improving Care Coordination and Management

To improve health outcomes and beneficiaries’ overall care experience, the final rule sets standards for care coordination, assessments, and treatment plans. CMS requires that Medicaid and CHIP managed care plans coordinate and ensure that individuals are able to make smooth transitions between settings of care to enhance access to services, and complete an initial health risk assessment within 90 days of enrollment for all new beneficiaries. Additionally, managed care plans must assess enrollees with special health care needs and/or using long term services and supports and develop a treatment plan based on the assessment and ensure that it is regularly updated.

Enhancing Enrollment and Disenrollment Processes

The final rule establishes standards for voluntary and mandatory managed care enrollment processes and informational notices to beneficiaries to ensure consistency among states. The final rule also clarifies additional criteria a state could use in its default enrollment process to facilitate plan assignments that best meet enrollees’ needs and better support program objectives.

The final rule adds a new rationale for for-cause disenrollment for enrollees in managed long term services and support (MLTSS) programs. Specifically, MLTSS enrollees will be permitted to disenroll from their current managed care plan if the enrollee experiences a disruption in their employment or residence due to a change in the network status of their current provider of employment, residential, or institutional supports.

For CHIP, the final rule sets standards for states that assign a child to a managed care plan when the family does not pick one.

Requiring Choice Counseling

The final rule requires states to provide choice counseling services for any new enrollee or for enrollees when they have the opportunity to change enrollment. Choice counseling is the provision of unbiased information on managed care plan or provider options and answers to related questions for Medicaid beneficiaries. Access to personalized assistance—whether by phone or in person—to help beneficiaries understand the materials provided by managed care plans or the state, to answer questions about each of the options available, and to facilitate enrollment with a particular managed care plan or provider is an essential enrollment tool and can help enrollees select the managed care plan that best meets their needs. This is particularly true for enrollees in need of or utilizing long term

services and supports, given their complex health care needs and use of ongoing critical support services.

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>