



**MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP**

---

**DATE:** August 25, 2011

**TO:** All Medicare Advantage Organizations

**FROM:** Danielle R. Moon, J.D., M.P.A., Director

**SUBJECT:** Issuance of Updated Chapter 10 of the Medicare Managed Care Manual

Included with this memorandum is a revised Chapter 10 of the Medicare Managed Care Manual, “MA Organization Compliance with State Law and Preemption by Federal Law.” The chapter, which is part of Publication 100-16, may also be accessed online at <http://www.cms.hhs.gov/Manuals/IOM>. Chapter 10 was last updated in 2005, and we are releasing this revision as part of our ongoing effort to update all Medicare Managed Care Manual chapters on a regular basis.

After careful review, we have made several revisions to the chapter. This update to Chapter 10 includes an additional example preemption scenario, new section titles, as well as various editorial changes throughout the document. We believe these changes reflect current CMS preemption policy and further clarify this issue for MA organizations.

Furthermore, we believe users will find this revised Chapter 10 easier to read and use, as we have restructured our current guidance in various sections. We note especially that we have restructured guidance in section 60 to include a table that outlines example scenarios in which a question of Federal preemption is present and answers whether or not Federal law would preempt State law in each.

If you have any questions about the policies articulated in Chapter 10, please contact your Regional Office account manager.