



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

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DATE: January 12, 2011

TO: Medicare Advantage Organizations and Employer/Union-Sponsored Group Health Plans

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

SUBJECT: Issuance of Final Update to Chapter 1 of the Medicare Managed Care Manual

Included with this memorandum is a final updated version of Chapter 1 of the Medicare Managed Care Manual, "General Provisions." This chapter will also be posted online with the other chapters of the Medicare Managed Care Manual (Publication 100-16) at <http://www.cms.hhs.gov/Manuals/IOM>. We issued a draft update of Chapter 1 for public comment on September 11, 2009.

The revisions to Chapter 1 reflect guidance provided to Medicare Advantage (MA) organizations since the last update to Chapter 1 in June 2007, changes made based on public comments, and clarifications of existing policies, including:

- Adding language to reflect provisions included in the Medicare Improvements for Patients and Providers Act of 2008 and the Patient Protection and Affordable Care Act;
- Updating definitions of terms applicable to the MA program;
- Clarifying policies related to specific plan types; and
- Removing language on cost-sharing in enrollment-related costs from section 40 of the previous version of Chapter 1. These costs are described in 42 CFR 422.6, and plans are notified of the actual costs each year via separate guidance. This guidance will be included in a forthcoming revision of Chapter 8 of the Medicare Managed Care Manual.

In the updated version of Chapter 1, new language is shown in red italics; however, deleted language is not shown.

If you have any questions about the policies in Chapter 1, please contact your Regional Office account manager.