

20.10 - Low-Enrollment Plans

(Rev. 14, Issued; 09-30-11, Effective: 09-30-11, Implementation: 09-30-11)

CMS will use its authority under section 1857(c)(2)(B) of the Act, as incorporated by reference for Part D at section 1860D-12(b)(3)(B) and codified in 42 CFR §423.507(b)(1)(iii), to non-renew plans at the benefit-package level that do not have sufficient number of enrollees after a specified length of time to establish that they are viable plan options, because, as a general matter, continuing low enrollment plans is not consistent with the effective and efficient administration of the Medicare program. Consistent with that authority, CMS will be scrutinizing low-enrollment plans during the bid review period and alerting sponsors of low-enrollment plans that CMS expects them to withdraw or consolidate prior to submitting bids for the next calendar year. Before CMS would take any action to non-renew a plan pursuant to 42 CFR §423.507(b)(1)(iii), CMS would take into account all relevant factors.

CMS' scrutiny of low-enrollment plans will not apply to employer stand-alone Part D plans. At this time, a waiver of the minimum enrollment requirements at 42 CFR 423.512(a) (minimum enrollment requirements) for sponsors of employer group applies.