

## **60 – Meaningful *Difference***

***(Rev. 121, Issued: 04-22-16, Effective: 04-22-16, Implementation: 04-22-16)***

The guidance in this section applies to non-employer MA and MA-PD plans of all types. CMS reserves the right to extend the guidance in this section to employer plans in future years.

As provided under 42 CFR §422.254(a) (5) and §422.256(b)(4)(i), CMS annually reviews bids to ensure that an MAO's plans in a given service area are meaningfully different from one another in terms of key benefits or plan characteristics. Although the specific guidelines and criteria for meaningful *difference* may change, the criteria CMS may use to make this determination include:

- Cost-sharing: CMS sets a minimum differential in enrollees' expected out-of-pocket spending between an MAO's plans of the same type in a service area;

- Mandatory supplemental benefits offered;
- Plan type;
- Inclusion of a Part D benefit (i.e., MA plan is meaningfully different from an MA-PD); and
- Premiums.

CMS annually publishes guidelines to assist MAOs in creating plan designs in a given area with meaningful differences. MAOs offering more than one plan in a given service area should ensure that enrollees can easily identify the differences in benefit coverage between the plans. Beneficiaries should be able, for example, to determine which plan provides the highest value based on their needs. Plan bids that CMS determines are not meaningfully different during the annual CMS review of submitted plan bids will not be approved and MAOs will be required either to withdraw or consolidate such offerings.

Example: An MAO offers three plans in a service area with the characteristics listed below. Since each plan differs from the other two plans by one of the characteristics described above, this MAO is considered to be offering plans with meaningful differences;

- Non SNP, MA-only;
- Non SNP, MA-PD; and
- SNP, MA-PD.