

140.1 – Service Area Defined

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

A service area is a geographical area approved by CMS within which an MA eligible individual may enroll in a particular MA plan offered by an *MAO*. A local MA plan's service area does not need to be contiguous. A regional PPO's service area must be the entire MA region. The basic requirement of service area is that each MA plan offered by an *MAO* must be offered to all enrollees in an MA plan's service area and must provide a uniform benefit package and uniform cost-sharing arrangements.

The designation of an MA plan's service area affects the following five items:

- Payment Rate: The service area designation determines the benchmark applicable to the plan, and therefore, CMS' payment rate to the *MAO* for the MA plan;
- Required Benefits: The designation affects which benefits will be provided under the MA plan, because benefits and premiums must be uniform for all Medicare beneficiaries residing in the plan's service area;
- Eligibility: The designation determines which Medicare beneficiaries are able to elect the plan. With the exception of SNPs, which can limit enrollment based upon statutory and regulatory parameters, MAOs are obligated to enroll any MA eligible resident in the service area who elects the plan during an applicable enrollment period (provided an approved capacity limit has not yet been reached (see *chapter 2* of the

MMCM, “Enrollment and Disenrollment”) located at:
<http://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/index.html?redirect=/MedicareMangCareEligEnrol/>);

- Access Requirements: For coordinated care plans, the designation identifies the geographical area in which the plan’s covered services must be “available and accessible;” and
- Urgently Needed Services: For coordinated care plans, the designation defines the boundaries beyond which the *MAO* must cover urgently needed services.