

## **100 - Regional Plan Stabilization Fund Payments**

**(Rev. 89; Issued: 11-02-07; Effective/Implementation: 11-02-07)**

Section 221 of the MMA added §1858(e) to the Act to create a new MA Regional Plan Stabilization Fund. The purpose of the fund is to provide financial incentives to MA organizations to offer MA regional PPO plans in each MA region, and to retain MA regional PPO plans in regions with relatively low MA market penetration. Specifically, the MMA authorizes CMS to make a 1-year “national bonus payment” to an organization(s) that offers an MA regional PPO plan in each MA region in a given year (if there was no such plan offered in one or more regions in the previous year). If no national bonus payment is made in a given year, CMS may use the fund to increase payments to MA regional PPO plans offered in regions that did not have any MA regional PPO plans offered in the prior year. Finally, to encourage plans to remain in regions with relatively low MA market penetration and few MA regional PPO plans, CMS may make retention payments from the fund to MA regional PPO plans that notify CMS of their intent to exit a region prior to the bidding deadline.

Section 301 of Division B, Title III, of the Tax Relief and Health Care Act of 2006 – enacted December 20, 2006 – delayed Stabilization Fund payments until January 1, 2012.