

70.1 - Out-of-Service Area Enrollees

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An MA plan enrollee must, with limited exceptions, permanently reside in the plan's service area. (For a summary of the circumstances when an MA plan may have out-of-area enrollees, see §20.3 of Chapter 2.)

Beginning in 2006, CMS will make payments based on the counties in a plan's service area, which is the geographic basis for the estimated revenue requirements in the plan's bid. In the event there are plan enrollees with State-county codes outside the plan's service area – which could happen for limited reasons discussed in Chapter 2, CMS will use the service-area standardized A/B bid, instead of a plan-specific county rate (the bid adjusted by the county's ISAR factor) to calculate the payment amount. (As discussed above, for

plans with bids greater than their benchmarks, the standardized beneficiary A/B premium will be subtracted from the bid.)

The MA organization is responsible for determining where an enrollee permanently resides. When an organization sees in the CMS monthly payment reports that the standardized A/B bid is the base payment – because the enrollee’s State/county code is 99999 (county unknown) or an out-of-service area State/county code, the organization should seek information from the enrollees as to whether they are still permanent residents of the plan’s service area, and confirm the correct State/county code. If the beneficiary continues to be a permanent resident in the plan’s service area, the MA organization should use CMS’ existing process for requesting a State/county code change to return the enrollee code to the correct permanent county of residence (see Chapter 19), to ensure that the appropriate ISAR-adjusted county rate is used to determine payment for the enrollee.