

10.6 - Submission of Part C EGWP Bids

(Rev. 111, 05-03-13, Effective: 05-03-13, Implementation: 05-03-13)

MAOs have the option of preparing Part C bids by either using the expected composite benefit plan (a composite of all of the actual expected benefit designs offered to different employer/union groups), or by basing the bid on the Medicare fee-for-service benefit provisions.

For MAOs that have a monthly beneficiary rebate amount described in 42 CFR 422.266:

- The MAO may vary the form of rebate for a particular plan benefit package so that the total monthly rebate amount may be allocated differently for each employer/union group to whom the MAO offers the plan benefit package.
 - However, MA bids submitted by MAOs cannot reflect an allocation of A/B rebates to buy down Part D basic premium or Part D supplemental premium. Even though this kind of specific allocation is prohibited in the bid submission, MAOs still retain the flexibility to allocate rebates to buy down Part D basic premium or Part D supplemental premium on an individual employer/union basis for each PBP.
- The MAO must:
 - Ensure Part B premium reductions are the same for all enrollees in a particular “800 series” plan benefit package. MAOs may not offer particular employer/union groups enrolled in the same “800 series” plan benefit package (e.g., “801”) different Part B premium reductions from that established by their MA bids and also cannot offer to

separately refund Part B premiums outside of the CMS established bidding and rebate allocation process;

- Ensure that the total monthly rebate amount per enrollee is uniform across all employer/union groups in a particular “800 series” plan benefit package. All employer/union groups in a particular “800 series” plan benefit package must receive supplemental benefits equal to the amount of the A/B rebate allocation. However, supplemental benefits provided to each employer/union group may be customized;
- Ensure that all rebates are accounted for and used only for the purposes provided in the Act; and
- Retain documentation that supports the use of all of the rebates on a detailed basis for each employer/union group in a particular “800 series” plan benefit package and provide access to this documentation for inspection or audit by CMS (or its designee) in accordance with the requirements of 42 CFR 422.503(d) and 422.504(d) and (e).