

### **30.1 - Minimum Enrollment Waiver**

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For an organization that does not meet the applicable enrollment requirements when it applies for an MA contract or during the first 3 years of its MA contract, CMS may waive the minimum enrollment requirement. To receive a waiver, an organization must demonstrate to CMS' satisfaction that it is capable of administering and managing an MA contract and is able to manage the level of risk required under the contract.

CMS considers the following factors when making this evaluation:

- The organization management and providers have previous experience in managing and providing health care services under a risk-based payment arrangement to at least as many individuals as the applicable minimum enrollment for the entity;
- The organization has the financial ability to bear financial risk under an MA contract including experience managing an organization and stop-loss insurance that is adequate and acceptable to CMS; and
- The organization is able to establish a marketing and enrollment process that will allow it to meet the applicable enrollment requirement prior to completion of the third contract year.

If the MA organization fails to meet the enrollment requirement in the first year, CMS may waive the minimum requirements for another year provided that the organization requests an additional minimum enrollment waiver no later than 120 days before the end of the first year, continues to demonstrate it is capable of administering and managing an MA contract and is able to manage the level of risk, and demonstrates an acceptable marketing and enrollment process.

Enrollment projections for the second year of the waiver become the organization's transitional enrollment standard. If an organization fails to meet the enrollment requirement in the second year, CMS may waive the minimum requirements for the third year only if the organization has attained the transitional enrollment standard established based on its enrollment projections for the second year.

CMS may elect to not renew its contract with an MA organization that fails to meet the applicable enrollment requirement.

