

40.4 - Processing Applications

(Rev. 38, 10-31-03)

The cost plan must maintain a system for receiving, controlling and processing applications for membership in which it:

- Date-stamps each application with the date the form was received;
- Ensures that each beneficiary who enrolls (whether previously a member of the organization or not) receives a signed and dated copy of the application form;
- Processes applications from beneficiaries in chronological order by received date;
- Notifies the beneficiary in writing of the cost plan's acceptance or denial of his/her application no later than 30 calendar days following the date the application was received;
- If the application is accepted, the plan must inform the beneficiary of the proposed effective date of coverage (see [Exhibit 2](#));
- If the application is denied, the plan must provide the applicant with a written explanation of the reason for denial (see [Exhibit 5](#) and additional detail in [§40.5](#) of this chapter); and
- Contacts the beneficiary if additional information is needed to process the enrollment (see [Exhibit 3](#) and additional information in [§40.2.2](#)).

For Cost Plans that have obtained a capacity waiver:

- Places the application on a waiting list as described in [§30.1.5](#) of this chapter, and provides the beneficiary with an explanation of procedures to follow as vacancies occur, and
- Fills vacancies occurring during an enrollment period in chronological order, beginning with the earliest dated application on the list.

Once the plan receives a reply listing report from CMS indicating whether the individual's enrollment has been accepted or rejected, the plan should send written notification to the beneficiary that CMS accepted or rejected his/her enrollment application. (See [Exhibit 4](#) and [Exhibit 6](#).)

40.4.1 – Information Provided to the Beneficiary

(Rev. 38, 10-31-03)

During the enrollment process, the cost plan must provide the enrollee with all the necessary information about being a member of the cost plan, including the plan rules

and the member's rights and responsibilities. The cost plan must ensure that the enrollee is provided with the following:

- A description of the charges for which the beneficiary is liable, e.g. any premiums, coinsurances, fees, or other amounts. For a high option, amounts attributable to the Medicare deductible and coinsurance should be explained in detail.
- An explanation of the beneficiary's authorization for the disclosure and exchange of necessary information between the cost plan and CMS that is generally included on the application form.
- A copy of the signed and dated enrollment form, if the individual does not already have a copy of the form.
- A letter acknowledging receipt of the completed enrollment form and showing the effective date of coverage ([Exhibit 2](#)).
- Following receipt of the confirmation of enrollment from CMS promptly (within 14-30 calendar days) notify the enrollee in writing of the effective date of enrollment and send a CMS-approved evidence of coverage that describes M+C organization rules, including benefits and enrollee rights and responsibilities ([42 CFR 417.436](#)).