

40.2 - Deemed MAOs

(Rev. 117, Issued: 08-08-14, Effective: 08-08-14, Implementation: 08-08-14)

42 CFR §422.156 (d)

MAOs that seek deemed status via accreditation by a CMS-approved AO can include the cost of accreditation as an administrative cost in the construction of its bid submission. Administrative costs that bear a significant relationship to the MA plan seeking deemed status are allowed to be included. However, the cost for the accreditation should be allocated between an MAO's Medicare and non-Medicare lines of business using an appropriate cost allocation method, consistent with the bid instructions.

1. If an MAO decides to pursue deeming, the AO conducts its review of the MAO.
 - a. If the MAO has an accreditation decision that included its Medicare line of business (or the Medicare population was part of the overall accreditation review) and the AO used the standards that it submitted in its application for MA deeming authority, an agreement that relates specifically for MAO deemed status is signed. The AO will only review the supplemental MA standards that were added to the AO's accreditation program in order for the AO to be granted MA deeming authority.
 - b. If this is a first time accreditation review or the organization is seeking reaccreditation with deemed status, an agreement is signed. The AO will review the MAO by using the AO's entire accreditation program for managed care plans (its regular accreditation program plus the MAO supplement).
2. The AO notifies CMS that the MAO has been approved for deemed status. The AO will provide the date of the deemed status accreditation, the MAO's contract number, and any additional information that CMS may require.
3. CMS enters the deemed status into HPMS.

¹ Please note that items 7-9 have not yet been implemented into the deeming program.

