

Office of Health Insurance Programs

Division of Long Term Care

Managed Long Term Care Policy 17.02: MLTC Plan Transition Process – MLTC Market Alteration

Date of Issuance: September 22, 2017

Effective immediately, the Department is establishing a process applicable to Managed Long Term Care (MLTC) enrollees in Partially Capitated, Programs of the All-Inclusive Care for the Elderly (PACE), and Medicaid Advantage Plus (MAP) plans who are required to involuntarily transition from one MLTC plan to another MLTC plan, as the result of (a) plan closure, (b) a plan's service area reduction or withdrawal, or (c) merger, acquisition or other arrangement approved by the Department.

A. Plan Closures

1. Requests. Requests to withdraw from the market through plan closure must be formally submitted to the Department, and receive specific approval, prior to any action on the part of the plan. A formal request must include a proposed date for implementation, and a detailed transition/termination plan that includes timelines. Alternatively, an MLTC plan may submit a notice of intent, and the Department will work with the interested party(s) to identify milestones and deliverables for a transition plan to accomplish the expressed outcome. The Department must approve any request to withdraw.
2. Notices. A draft of all proposed enrollee notifications must be included with any request to withdraw from the market through plan closure. Notices shall include a listing of available plans and direction to select a new plan within sixty (60) days of the date of the letter, and shall clearly state that enrollees who do not select a plan within sixty (60) days, will be auto-assigned to a new MLTC plan. Members will be provided with information on all available product types, but any necessary auto-assignment will be to a Partially Capitated MLTC Plan. The Department will take steps to preserve enrollee – provider relationships with any necessary auto assignment. Notices will be issued by the State's Enrollment Broker, New York Medicaid Choice (NYMC) and enrollees will be provided with written information on plan choice and will be directed to NYMC for education on available options. MLTC plan network overlap analysis will be conducted, and NYMC will provide transferring enrollees with information on provider network relationships. The Department will determine the need to stagger mailings to impacted membership based on the number of enrollees that need to be transferred.
3. Transition of Enrollees. Enrollees may not be transitioned until the request for plan closure and all member notifications have been approved by the Department. In all cases of market withdrawal, enrollees will be directed to contact NYMC, and NYMC will process the transfer to the new plan of choice via a 'warm transfer' process, meaning that both the transferring plan and the receiving plan are simultaneously communicating with NYMC. NYMC will

subsequently process the enrollment transaction to the receiving plan. The plan that is closing must provide the new plan of choice with detailed information on the enrollee's plan of care and network provider relationships within five (5) business days of notification of the selection.

The new plan must accept the transfer enrollment of all enrollees that select or are auto-assigned to the plan. These transferring enrollees are presumed to meet the eligibility requirements for MLTC and are not required to be assessed prior to enrollment.

The new plan must continue to provide services under the enrollee's existing plan of care, and utilize existing providers, for the earlier of the following: (i) one hundred twenty (120) days after enrollment; or (ii) until the new plan has conducted an assessment and the enrollee has agreed to the new plan of care. The new plan is required to conduct an assessment within 30 days of the transfer enrollment effective date, unless a longer time frame has been expressly authorized by the Department in its sole discretion.

Permanent nursing home residents shall be allowed to remain in their nursing homes and be accommodated through an out-of-network arrangement if the nursing home is not part of the receiving plan's network.

B. Service Area Reduction

1. Requests. Requests to withdraw from the market by reducing a plan's service area must be formally submitted to the Department, and receive specific endorsement, prior to any action on the part of the plan. A formal request must include a proposed date for implementation, and a detailed transition/termination plan that includes timelines. Alternatively, an MLTC plan may submit a notice of intent, and the Department will work with the interested party(s) to identify milestones and deliverables for a transition plan to accomplish the expressed outcome. The Department must approve any request to reduce a service area.
2. Notices. A draft of all proposed enrollee notifications must be included with any request to withdraw from the market through reduction of a plan's service area. Notices shall include a listing of available plans and direction to select a new plan within sixty (60) days of the date of the letter and shall clearly state that enrollees who do not select a plan within sixty (60) days, will be auto-assigned to a new MLTC plan. Members will be provided with information on all available product types, but any necessary auto-assignment will be to a Partially Capitated MLTC Plan. The Department will take steps to preserve enrollee – provider relationships with any necessary auto assignment. Notices will be issued by NYMC and enrollees will be provided with written information on plan choice and will be directed to NYMC for education on available options. MLTC plan network overlap analysis will be conducted, and NYMC will provide transferring enrollees with information on provider network relationships. The Department will determine the need to stagger mailings to impacted membership based on the number of enrollees that need to be transferred.
3. Transition of Enrollees. Enrollees may not be transitioned until the request for reduction in service area and all member notifications have been approved by the Department. In all cases of market withdrawal, enrollees will be directed to contact NYMC, and NYMC will process

the transfer to the new plan of choice via a ‘warm transfer’ process, meaning that both the transferring plan and the receiving plan are simultaneously communicating with NYMC. NYMC will subsequently process the enrollment transaction to the receiving plan. The plan that is withdrawing must provide the new plan of choice with detailed information on the enrollee’s plan of care within five (5) business days of notification of the selection.

The new plan must accept the transfer enrollment of all enrollees that select the plan. These transferring enrollees are presumed to meet the eligibility requirements for MLTC and are not required to be assessed prior to enrollment.

The new plan must continue to provide services under the enrollee’s existing plan of care, and utilize existing providers, for the earlier of the following: (i) one hundred twenty (120) days after enrollment; or (ii) until the new plan has conducted an assessment and the enrollee has agreed to the new plan of care. The new plan is required to conduct an assessment within 30 days of the transfer enrollment effective date, unless a longer time frame has been expressly authorized by the Department in its sole discretion.

Permanent nursing home residents shall be allowed to remain in their nursing homes and be accommodated through an out-of-network arrangement if the nursing home is not part of the receiving plan’s network.

C. Mergers, Acquisitions, and Other Arrangements Approved by the Department

1. Requests. Requests to withdraw from the market by merging with, or being acquired by, another MLTC plan must be formally submitted to the Department, and receive specific endorsement, prior to any action on the part of either plan. The Department will consider for approval, and reserves the right to approve, other proposed arrangements. A formal request must include a proposed date for implementation, and a detailed transition/termination plan that includes timelines. The Department must approve any request for a merger, acquisition, or other proposed arrangement with another MLTC plan.
2. Notices. A draft of all proposed enrollee notifications must be included with any request to withdraw from the market through merger, acquisition, or other proposed arrangement with another MLTC plan. Notices shall contain an announcement notice of the upcoming change, written information on plan choice and contact information for NYMC for education on other available options. Notices will be issued by NYMC and enrollees will be provided with written information on plan choice and will be directed to NYMC for education on available options. MLTC plan network overlap analysis will be conducted, and NYMC will provide transferring enrollees with information on provider network relationships. The Department will determine the need to stagger mailings to impacted membership based on the number of enrollees that need to be transferred.
3. Transition of Enrollees. Enrollees may not be transitioned until the request for merger, acquisition, or other acceptable arrangement and all member notifications have been approved by the Department. Enrollees will be provided with information on plan choice and may elect to transfer to any other MLTC, within a sixty (60) day selection period. Market reduction that relates to an approved acquisition, merger, or other acceptable arrangement will result in

transfer of remaining enrollees to the designated receiving plan.

The new plan must accept the transfer enrollment of all enrollees that select the plan. These transferring enrollees are presumed to meet the eligibility requirements for MLTC and are not required to be assessed prior to enrollment.

The new plan must continue to provide services under the enrollee's existing plan of care, and utilize existing providers, for the earlier of the following: (i) one hundred twenty (120) days after enrollment; or (ii) until the new plan has conducted an assessment and the enrollee has agreed to the new plan of care. The new plan is required to conduct an assessment within 30 days of the transfer enrollment effective date, unless a longer time frame has been expressly authorized by the Department in its sole discretion.

Permanent nursing home residents shall be allowed to remain in their nursing homes and be accommodated through an out-of-network arrangement if the nursing home is not part of the receiving plan's network.

PLEASE NOTE: MLTC enrollees will continue to have the opportunity to pursue a voluntary plan-to-plan transfer at any time.

D. Rate Adjustments

1. Plan Closures. No immediate premium rate adjustment will be made, because members are dispersed throughout the entire network area and will be accounted for in the next rate cycle. The Department will track the membership and dispersion and adjust rates prior to the next rate cycle if necessary.
2. Service Area Reduction. No immediate premium rate adjustment will be made, because members are dispersed throughout the entire network area and will be accounted for in the next rate cycle. The Department will track the membership and dispersion and adjust rates prior to the next rate cycle if necessary.
3. Mergers, Acquisitions, and Other Arrangements Approved by the Department. The Department will blend the most recent premium rates (draft or approved) of the consolidating plans. The blend will occur in the development process utilizing the community portion of the rate. The blend will utilize the most recent projected community enrollment to develop the blended community rate.

Additionally, the Nursing Home Transition (NHT) add-on will also be recalculated based on the combined projected nursing home and community enrollment of both plans.

The new blended rate must be actuarially sound as determined by the Department's actuary.

Note: Different financing arrangements other than those specified above may be required for any of the member transition scenarios.