



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: November 14, 2011

TO: All Medicare Advantage Organizations

FROM: Danielle R. Moon, J.D., M.P.A., Director

SUBJECT: Corrections to Chapter 10 of the Medicare Managed Care Manual

The revised Chapter 10 of the Medicare Managed Care Manual, “MA Organization Compliance with State Law and Preemption by Federal Law” may be accessed at <https://www.cms.gov/manuals/downloads/mc86c10.pdf>.

We noted two errors in the August 25, 2011 version of Chapter 10 and made the following corrections. First, we corrected a sentence in section 30.1 that was missing the word “not,” thus changing the intended meaning. It now reads:

*State laws and regulations that are **not** pre-empted because they relate to “State licensing” are limited to State requirements for becoming State licensed, and do not extend to any requirement that the State might impose on licensed health plans that, in the absence of Federal preemption, must be met as a condition for maintaining a State license.*

We also corrected section 40 so that it refers readers to section 130 of Chapter 4 of the Medicare Managed Care Manual to find more information on Medicare Secondary Payer regulations.

These changes reflect current CMS preemption policy and further clarify this issue for MA organizations. If you have any questions about Chapter 10, please contact your Regional Office Account Manager.