

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: January 25, 2012

TO: All Medicare Advantage Organizations, Sections 1833 and 1876 Cost Plans

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

SUBJECT: Guidance for Reward and Incentive Activities for Zero Cost-Share Preventive Services.

The purpose of this memorandum is to provide guidance to Medicare Advantage Organizations (MAOs) and Sections 1833 and 1876 Cost Plan sponsors surrounding their activities intended to promote health and wellness through rewards and incentives. The *Medicare Marketing Guidelines* establishes specific boundaries and provides a list of “targeted” zero cost-share services in **§70.1.2-General Guidance about Rewards and Incentives** that plan sponsors may chose for the purpose of rewarding or incentivizing its current enrollees.

Since October 14, 2011, several new preventive services that have zero cost-sharing under original Medicare have been identified in National Coverage Determinations (NCDs). We released an HPMS Memo on November 25, 2011 (“*Clarification of Policy Regarding Implementation of National Coverage Determinations and Updates to Medicare-covered Preventive Services*”) describing these changes in detail.

Effective immediately, these new zero cost-share preventive services are included in the list of “targeted” services in §70.1.2 without additional CMS approval. Moreover, as future zero cost-sharing preventive services are added, plan sponsors may consider them eligible for inclusion in their reward and incentive program. As stated in the November 25, 2011 HPMS Memo, we expect MAOs and Cost Plan sponsors to stay apprised of NCD changes and other changes in Medicare coverage, by monitoring the following CMS Coverage and CMS Transmittal Websites:

Coverage email updates page, sorted by year -
<https://www.cms.gov/CoverageGenInfo/EmailUpdates/list.asp#TopOfPage>

Program Transmittals page - <http://www.cms.gov/Transmittals/>

If you have any questions about information or guidance in the memorandum, please contact Melissa Moreno at Melissa.Moreno@cms.hhs.gov or (410)786-4790.