

Cost Plan Policy Issue

03-007

Question

Are 1876 cost contractors required to submit employer group marketing material to the ROs for approval?

Answer

Medicare cost organizations are required to have the Medicare portion of any employer group marketing materials reviewed and approved by CMS under the authority outlined in 42 CFR 417.428(a)(3) and the section 1876(c) of the Social Security Act.

Section 617 of The Benefits Improvement and Protection Act of 2000 provided CMS with the authority to waive certain requirements for Medicare +Choice employer group plans. As a result, CMS has granted a waiver of review of employer group materials for these organizations. However, the agency does not have the legal authority to extend this waiver to Medicare cost organizations.