



TOBY DOUGLAS  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

DATE: MARCH 1, 2013

DUALS PLAN LETTER 13-001

TO: ALL MEDI-CAL MANAGED CARE PLANS PARTICIPATING IN THE  
DUAL-ELIGIBLES DEMONSTRATION PROJECT

SUBJECT: DUAL-ELIGIBLE SPECIAL NEEDS PLANS MARKETING AND  
ENROLLMENT RESTRICTIONS

**PURPOSE:**

The purpose of this Duals Plan Letter (DPL) is to provide clarification regarding the restrictions on marketing and enrollment for Medicare Advantage Dual-Eligible Special Needs Plans (D-SNPs) as a result of the passage of Senate Bill (SB) 1008 (Committee on Budget and Fiscal Review, Chapter 33, Statutes of 2012).

**BACKGROUND:**

D-SNPs are Medicare Advantage health care plans that provide specialized care to Medicare beneficiaries who are also enrolled in the Medicaid (Medi-Cal) program (Duals). Consistent with the objective of integrating care across the continuum for Duals, the Department of Health Care Services (DHCS) is developing the Duals Demonstration Program (Demonstration) as part of the Coordinated Care Initiative (CCI) under the authority of the Patient Protection and Affordable Care Act of 2010 (Public Law 111-148—March 23, 2010), and Welfare & Institutions (W&I) Code 14132.275.

Pursuant to SB 1008, W&I Code Section 14132.275 was amended to add restrictions relating to permissible marketing and enrollment activities applicable to those D-SNPs that will also participate as Demonstration plans in the Demonstration during the 2013 calendar year. These restrictions were put in place, assuming that the Demonstration would begin in early 2013. The policy objective of the restrictions was to encourage enrollment of eligible duals into the Demonstration pursuant to the passive enrollment policy advanced by DHCS.

**ISSUE:**

As of the date of this DPL, DHCS does not anticipate that the Demonstration will begin in early 2013. Further, in light of the populations of Duals who are excluded from participation in the Demonstration, it is clear that Demonstration plans that are D-SNPs will continue to market to, and enroll, beneficiaries who are not eligible for enrollment in the Demonstration into their D-SNPs.

Therefore, DHCS is taking steps to make it clear that:

1. D-SNPs participating in the Demonstration may continue enrolling Duals into their D-SNPs prior to the Demonstration start date, currently scheduled no sooner than September 2013.
2. After the Demonstration start date, nothing in state law restricts the participating plans from enrolling Duals into the Demonstration or their D-SNP.

**ELIGIBILITY CRITERIA FOR THE DEMONSTRATION POPULATION**

To be eligible for coordinated Medicare and Medi-Cal benefits through the Demonstration, a beneficiary must:

- Live in one of eight counties: Alameda, San Mateo, Santa Clara, Los Angeles, Orange, San Bernardino, Riverside, and San Diego.
- Be age 21 or older.
- Have full benefits, meaning the beneficiary is enrolled in Medicare Parts A and B (including those who receive Parts A and B through a Medicare Advantage Plan) and is eligible for Medicare Part D, and has full Medicaid (Medi-Cal) coverage.
- If the beneficiary has a Medi-Cal share of cost, he/she must be a resident of a nursing facility or must be receiving In-Home Supportive Services or Multipurpose Senior Service Program services and meet his/her share of cost at the beginning of each month.

### GROUPS EXCLUDED FROM THE DEMONSTRATION

Even if a beneficiary meets the above criteria, the following Duals are NOT permitted to enroll in the Demonstration:

- Beneficiaries with other private or public health insurance.
- Beneficiaries with developmental disabilities receiving services through a Department of Developmental Services 1915(c) waiver; regional center; state developmental center; or intermediate care facilities for the developmentally disabled.
- Beneficiaries enrolled in the following 1915(c) waivers: Nursing Facility/Acute Hospital Waiver, Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) Waiver, Assisted Living Waiver, and In-Home Operations Waiver.
- Beneficiaries residing in 20 designated rural zip codes in San Bernardino, Los Angeles, and Riverside counties.
- Beneficiaries with End-Stage Renal Disease.
- Beneficiaries residing in a veterans' home of California.
- Beneficiaries under the age of 21,
- Beneficiaries with a Medi-Cal share of cost who do not qualify for the Demonstration as specified above.

If you have any questions regarding this DPL, please contact Cindy Macklin, Chief of Policy and Contracts Processing Section, at [cindy.macklin@dhcs.ca.gov](mailto:cindy.macklin@dhcs.ca.gov) or (916) 449-5039.

Sincerely,

Original Signed by *Margaret Tatar*

Margaret Tatar, Chief  
Medi-Cal Managed Care Division