

## Health Plan Benefits Group/CBC

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To: Medicare +Choice Organizations  
Medicare Cost Plans  
Health Care Prepayment Plans  
Evercare, PPO, and SHMO Demonstrations

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Acting Director

Subject: "Medicare Advantage" Materials and Plan Names

The President signed the Medicare Modernization Act (MMA) on December 8, 2003. This legislation includes provisions to implement the Medicare Advantage program in 2006. As part of the new Medicare Advantage program, all Medicare+Choice organizations and plans become Medicare Advantage organizations and plans. Therefore, the purpose of this memorandum is to provide guidance on the transition of the terms "Medicare+Choice" to "Medicare Advantage" in all marketing materials, and to address the issue of plans using the name "Medicare Advantage".

### **Transition of Terminology from "Medicare+Choice" to "Medicare Advantage"**

As required by law, the transition of terminology from "Medicare+Choice" to "Medicare Advantage" in plan materials must be fully completed for all member and marketing materials for plan years beginning no later than 2006. This means that an organization has the option to begin the transition from "M+C" to "MA" now, but must complete the transition by the time they release any member/marketing materials for plan year 2006.

CMS intends to change its major publications (such as *Medicare & You*) and web site information (such as Medicare Personal Plan Finder) beginning in the Fall of 2004, in preparation for plan year 2005. This transition will involve introducing the Medicare Advantage program, explaining that "M+C" is now known as "MA," and changing all references from "M+C" to "MA." Some CMS publications that mention new programs (such as the Medicare-endorsed discount drug card program) will use the term "MA" instead of "M+C" earlier than the Fall of 2004. However, the majority of the transition will begin in Fall of 2004.

In order to ensure a consistent transition to the Medicare Advantage program, we recommend that all organizations make the change in their member and marketing materials at the same time as CMS. This means that we recommend that all organizations continue to use the term "Medicare+Choice" in plan materials for 2004, and that they transition to the term "Medicare Advantage" for all materials to be used in plan year 2005. However, as stated above, the organization has the option to begin the transition earlier.

If an organization chooses to begin the transition earlier than CMS, the organization needs to explain to members that until the national transition to Medicare Advantage is completed they may see the terms “Medicare Advantage” and “Medicare+Choice” used interchangeably in Medicare publications. An organization need not explain this in every member material and can instead include the explanation in a few focused areas, such as the member newsletter, the company web site, etc.

We will provide model language that all organizations may use as they transition to the new “MA” name. This language will be provided by early Summer of 2004. In the meantime, the Summary of Benefits (SB) will be revised to implement this transition in 2005. The new SB language will be available during beta testing in April.

When an organization changes its materials, as long as the changes are only to change “Medicare+Choice” references to “Medicare Advantage,” then it need not obtain a new approval of the materials from CMS.

### **Use of “Medicare Advantage” in Plan Names**

Now that we are moving toward implementation of the Medicare Advantage program, it is also necessary for us to provide guidance on use of the terms “Medicare” and “Advantage” in plan names. All plans can continue to have the term “Medicare” or the term “Advantage” in their plan names (now and in the future).

We are aware that there are some plans that currently do business with the name “Medicare Advantage.” All plans in existence as of January 1, 2004 who had the name “Medicare Advantage” may continue to use that name indefinitely. While not required, we encourage these plans to change their name prior to 2006 in order to avoid confusion with the implementation of the Medicare Advantage program. Furthermore, we will no longer allow new plans to do business under the name “Medicare Advantage.”

If an organization chooses to retain the Medicare Advantage plan name it must begin inserting the company name before “Medicare Advantage” (i.e., Acme Medicare Advantage plan) beginning with all 2005 plan year materials. This will help prevent any confusion with the national Medicare Advantage program.

Questions about this memorandum may be directed to your Regional Office contact. Thank you.