

# Operational Policy Letter #24

Department of Health & Human Services

Health Care Financing Administration

Medicare Managed Care

July 20, 1995

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## COST REIMBURSEMENT FOR CERTAIN SERVICES

### Operational Policy Question:

May Medicare-contracting plans paid on a cost basis be reimbursed for self-care handbooks for beneficiaries, a 1-800 phone line to answer beneficiaries questions, and a monthly newsletter with up-to-date topics concerning health care?

### Analysis:

**Self-care Handbook** Self-care handbooks provided to new enrollees at the time of enrollment, or to enrollees who prior to release of this policy letter had not been provided a handbook may be reimbursable if certain criteria are met. Self-care handbooks should address a comprehensive range of common health conditions and should include clear and concise information on descriptions of conditions, prevention of conditions, simple treatments for conditions, and suggestions on when to seek medical attention. The self-care handbooks must not in any way be construed as a substitute for, or barrier to access to, appropriate medical care. The handbooks should, instead, be used as a tool in coordination with other services provided by the plan to promote member wellness and to empower members to be active participants in their own health care. 417.534(a) of the regulations provides for reimbursement of costs, such as marketing, enrollment, membership, and operation of the HMO or CMP that are peculiar to managed care plans. This cost may be apportioned per 417.564(a) as a plan administrative cost which does not directly relate to services rendered.

**Phone Line** We may reimburse for a 1-800 phone line if certain criteria are met. 417.534(a) of the regulations provides for reimbursement of costs, such as marketing, enrollment, membership, and operation of the HMO or CMP that are peculiar to managed care plans. If medical advice is being provided by a physician, physician assistant, or nurse practitioner or incident to services provided by those practitioners in conformance with 1861(s)(2)(H)(i) of the Social Security Act, the phone triage line may be considered as part of the administrative cost that a HMO/CMP incurs in providing medical services per 417.560 of the regulations. For HCPPs, only medical advice from a physician may be

considered reimbursable. If the advice is not medical in nature, but, instead, directs members on how to receive services, the phone line may be considered a plan administrative cost which does not directly relate to services rendered.

**Newsletter** Newsletters conveying general information are not reimbursable because they would not meet the definition of allowable costs at 417.534(a) of the regulations which provides for reimbursement of costs that are peculiar to managed care plans. Newsletters are not exclusive to health care prepayment organizations.

The above policies apply to cost reports not settled as of the date shown.

Contact:  
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