

October 25, 2001

NOTE TO: Medicare Contracting Managed Care Organizations Who are Subject to Physician Incentive Plan Disclosure Requirements

FROM: Director, Health Plan Benefits Group, CBC

SUBJECT: Physician Incentive Plan Regulation Requirements for 2002

This is to inform you that the Physician Incentive Plan (PIP) disclosure for 2002 is delayed until further notice. We are currently working to modify the regulations for disclosure as part of the CMS effort to reduce administrative burdens on managed care organizations. Typically, the PIP disclosure was required by April 30; we will inform you of any different requirements during 2002.

The regulation at 42 CFR 422.208/10 remains in effect, thus you must comply with the mandated stop-loss insurance for physician groups and physicians and disclosure to Medicare beneficiaries who request PIP information. You must also continue to include in your marketing materials a statement to inform these beneficiaries of their option to request PIP information. Customer satisfaction surveys of beneficiaries, enrolled and disenrolled, are not required because CMS is conducting standard surveys of this population.

If you have questions about the PIP requirements, you may call Sylvia Hendel at 410-786-1126, Eric Nevins at 410-786-1162, or Frank Szefflinski at 303-844-5738.

Thank you for your continued cooperation in complying with the PIP requirements.

/s/
Gary A. Bailey