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**Medicaid and CHIP Managed Care Final Rule (CMS 2390-F)**  
***Strengthening the Delivery of Managed Long Term Services and Supports***

April 25, 2016

On April 25, 2016, the Centers for Medicare & Medicaid Services (CMS) issued a final rule on managed care in Medicaid and the Children's Health Insurance Program (CHIP). The rule, which is the first overhaul of Medicaid and CHIP managed care regulations in more than a decade, advances the Administration's efforts to modernize the health care system to deliver better care, smarter spending, and healthier people. It supports state delivery system reform efforts, strengthens the consumer experience and key consumer protections, strengthens program integrity by improving accountability and transparency, and aligns key rules with those of other health coverage programs.

**Strengthening the Delivery of Managed Long Term Services and Supports**

As states increasingly turn to managed care to deliver long term services and supports (MLTSS) to seniors and people with disabilities enrolled in Medicaid, CMS has strengthened approaches to MLTSS programs and beneficiary protections, while allowing states flexibility in program design and administration. The final rule codifies these policies, which were first established in guidance released by CMS in 2013. Specifically, the final rule:

- Creates a structure for engaging stakeholders in the ongoing monitoring of MLTSS programs;
- Requires a deliberative state planning process, which includes standards for a state's readiness reviews of managed care plans and specific information to be provided to beneficiaries transitioning from fee-for-service to managed care;
- Provides that MLTSS programs must be implemented and operated consistent with federal laws, including the Americans with Disabilities Act;
- Encourages payment methodologies that reflect the goals of MLTSS programs to improve the health of populations, support beneficiaries' experience of care, support community integration of enrollees, and control costs;
- Requires the creation of an independent beneficiary support system that services as a centralized point of contact for choice counseling along with other services and supports to help individuals navigate the managed care delivery system;
- Requires person-centered processes to ensure that beneficiaries' medical and non-medical needs are met and that they have the quality of life and level of independence they desire;
- Establishes standards for coordination and referral by the managed care plan when services are divided between contracts or delivery systems to ensure that the beneficiary's service plan is comprehensive;
- Sets standards to evaluate the adequacy of the network for MLTSS programs, the qualifications and credentialing of providers, and the accessibility of providers to meet the needs of MLTSS enrollees;
- Requires managed care plans to participate in efforts by the state to prevent, detect, and report critical incidents that adversely impact enrollee health and welfare; and
- Requires states to incorporate MLTSS-specific elements into their quality strategies.

Given that few CHIP beneficiaries receive LTSS, the final rule does not require CHIP managed care to adopt LTSS provisions.

The final rule is available at <https://www.federalregister.gov/>.

For more information, visit <https://www.medicaid.gov/medicaid-chip-program-information/by-topics/delivery-systems/managed-care/managed-care-site.html>