MEMORANDUM

TO: NASIC Members

FROM: Commissioner Joel Ario
Chair, Managed Care and Health Insurance (B) Committee

Commissioner Jorge Gomez
Chair, Seniors Issues (B) Task Force

DATE: November 30, 2006

RE: Memorandum of Understanding with the Centers for Medicare and Medicaid Services (CMS)

Under the Medicare Modernization Act of 2003, federal law supersedes state laws and regulations for Medicare Part D prescription drug plans and Medicare Advantage plans, except for state licensing laws and state laws relating to plan solvency. State laws and regulations dealing with regulation of agents and brokers are not superseded.

To best serve consumers, both state and federal regulators have come to recognize that it would be to their advantage to share appropriate compliance-related information and documents. To this end, earlier this year, an NAIC working group comprised of a subgroup of members of the Senior Issues (B) Task Force was assigned to draft and negotiate a model Memorandum of Understanding (MOU) with CMS officials to permit such appropriate information-sharing. The resulting model MOU, which has been approved by the NAIC working group and CMS leadership, is attached for your state's consideration.

Each state will have to individually enter into this MOU with CMS. Once signed, this MOU will facilitate and permit information-sharing between state and federal regulators as it relates to Medicare Managed Care programs (including Medicare Advantage) and Medicare Part D prescription drug plans.

States are encouraged to begin working with CMS quickly so that both states and CMS may begin sharing this information at the earliest possible date. The contact at CMS who will coordinate this project is Sue Chance, with the Division of Health Plan Accountability, and she can be reached at (410) 786-2896 or sue.chance@cms.hhs.gov. Ms. Chance will also be making a presentation on the model MOU at the Senior Issues (B) Task Force meeting which will be held on Saturday, December 9, 2006 from 3:00 p.m. - 5:00 p.m. in San Antonio, Texas.

If you require any additional information, contact Jane Sung (NAIC) at (202) 624-8815 or by email at jsung@naic.org.