
42 C.F.R. § 422.514

Enrollment requirements.

(a) *Minimum enrollment rules.* Except as provided in paragraph (b) of this section, CMS does not enter into a contract under this subpart unless the organization meets the following minimum enrollment requirement —

(1) At least 5,000 individuals (or 1,500 individuals if the organization is a PSO) are enrolled for the purpose of receiving health benefits from the organization; or

(2) At least 1,500 individuals (or 500 individuals if the organization is a PSO) are enrolled for purposes of receiving health benefits from the organization and the organization primarily serves individuals residing outside of urbanized areas as defined in § 412.62(f) (or, in the case of a PSO, the PSO meets the requirements in § 422.352(c)).

(3) Except as provided for in paragraph (b) of this section, an MA organization must maintain a minimum enrollment as defined in paragraphs (a)(1) and (a)(2) of this section for the duration of its contract.

(b) *Minimum enrollment waiver.* For a contract applicant that does not meet the applicable requirement of paragraph (a) of this section at application for an MA contract, CMS may waive the minimum enrollment requirement for the first 3 years of the contract. To receive a waiver, a contract applicant must demonstrate to CMS's satisfaction that it is capable of administering and managing an MA contract and is able to manage the level of risk required under the contract during the first 3 years of the contract. Factors that CMS takes into consideration in making this evaluation include the extent to which —

(1) The contract applicant management and providers have previous experience in managing and providing health care services under a risk-based payment arrangement to at least as many individuals as the applicable minimum enrollment for the entity as described in paragraph (a) of this section; or

(2) The contract applicant has the financial ability to bear financial risk under an MA contract. In determining whether an organization is capable of bearing risk, CMS considers factors such as the organization's management experience as described in paragraph (b)(1) of this section and stop-loss insurance that is adequate and acceptable to CMS; and

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)