
42 C.F.R. § 438.54

Managed care enrollment.

(a) *Applicability.* The provisions of this section apply to all Medicaid managed care programs which operate under any authority in the Act.

(b) *General rule.* The State must have an enrollment system for its managed care programs, voluntary and mandatory, as appropriate.

(1) Voluntary managed care programs are those where one or more groups of beneficiaries as enumerated in section of 1905(a) of the Act have the option to either enroll in a MCO, PIHP, PAHP, PCCM or PCCM entity, or remain enrolled in FFS to receive Medicaid covered benefits.

(2) Mandatory managed care programs are those where one or more groups of beneficiaries as enumerated in section 1905(a) of the Act must enroll in a MCO, PIHP, PAHP, PCCM or PCCM entity to receive covered Medicaid benefits.

(3) States must provide the demographic information listed in § 438.340(b)(6) for each Medicaid enrollee to the individual's MCO, PIHP, PAHP, or PCCM entity at the time of enrollment.

(c) *Voluntary managed care programs.* (1) States that have a voluntary managed care program must have an enrollment system that:

(i) Provides an enrollment choice period during which potential enrollees may make an active choice of delivery system and, if needed, choice of an MCO, PIHP, PAHP, PCCM or PCCM entity before enrollment is effectuated; or

(ii) Employs a passive enrollment process in which the State enrolls the potential enrollee into a MCO, PIHP, PAHP, PCCM or PCCM entity and simultaneously provides a period of time for the enrollee to make an active choice of delivery system and, if needed, to maintain enrollment in the MCO, PIHP, PAHP, PCCM or PCCM entity passively assigned or to select a different MCO, PIHP, PAHP, PCCM or PCCM entity.

(2) A State must provide potential enrollees the opportunity to actively elect to receive covered services through the managed care or FFS delivery system. If the potential enrollee elects to receive covered services through the managed care delivery system, the potential enrollee must then also select a MCO, PIHP, PAHP, PCCM, or PCCM entity.

(i) If the State does not use a passive enrollment process and the potential enrollee does not make an active choice during the period allowed by the state, then the potential enrollee will continue to receive covered services through the FFS delivery system.

(ii) If the State uses a passive enrollment process, the potential enrollee must select either to accept the MCO, PIHP, PAHP, PCCM, or PCCM entity selected for them by the State's passive enrollment process, select a different

MCO, PIHP, PAHP, PCCM, or PCCM entity, or elect to receive covered services through the FFS delivery system. If the potential enrollee does not make an active choice during the time allowed by the state, the potential enrollee will remain enrolled with the MCO, PIHP, PAHP, PCCM, or PCCM entity selected by the passive enrollment process.

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