

May 7, 2026

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Gary Bacher

Director, Federal Coordinated Healthcare Office (FCHCO)
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Dear Directors Klomp, Brillman, and Bacher,

The National MLTSS Health Plan Association (MLTSS Association) strongly supports CMS's interest in leveraging enrollment mechanisms to connect beneficiaries with higher-quality, more coordinated coverage options. We are encouraged by the Administration's recent interest in exploring whether Medicare beneficiaries who do not make an active coverage election should be defaulted into Medicare Advantage (MA) plans rather than traditional fee-for-service Medicare. We write today to urge CMS to promote and expand auto-enrollment flexibilities specifically for dually eligible individuals as a targeted, tested, and operationally feasible first step toward CMS's broader enrollment modernization goals.

The MLTSS Association represents managed care organizations (MCOs) that provide long-term services and supports (LTSS) within Medicaid through risk-based arrangements with states.¹ Our members are leaders in integrated care for individuals who are dually eligible for Medicare and Medicaid. Integrated care aligns the delivery, payment, and administration of Medicare and Medicaid benefits and is provided primarily through Dual Eligible Special Needs Plan (D-SNPs). These plans provide dually eligible individuals with enhanced care coordination, comprehensive supplemental benefits, and wraparound services, including LTSS and behavioral health.

¹ Members include Aetna, AlohaCare, AmeriHealth Caritas, CareSource, Centene, Commonwealth Care Alliance, Elevance Health, Florida Community Care, Humana, LA Care, Molina Healthcare, Neighborhood Health Plan of Rhode Island, VNS Health, UnitedHealthcare, UPMC Community Health Choices.

The Problem: A Fragmented Enrollment System Leaves the Most Vulnerable Behind

Roughly 13 million Americans are dually eligible for both Medicare and Medicaid.² This population is characterized by complex chronic conditions, functional limitations, high rates of behavioral health needs, and disproportionate social risk. This population stands to benefit most from integrated care, yet enrollment in fully integrated plans remains stubbornly low at 10 percent of dual eligible individuals.³ Complex and confusing enrollment processes may deter individuals from selecting integrated plans.

More than 73 percent of dually eligible individuals are eligible for full Medicaid benefits and could benefit from the enhanced care coordination D-SNPs provide, but less than half of this population are currently enrolled in a D-SNP. The remaining individuals navigate a fragmented patchwork of Medicare and Medicaid coverage, often in traditional fee-for-service in one or both programs. This can lead to poor care coordination and avoidable hospitalizations. Dually eligible individuals, while accounting for only 19 percent of Medicare enrollees and 13 percent of Medicaid enrollees, account for 1/3 of each program’s spending,⁴ which underscores the importance of integrated care.

Evidence Base: Lessons from the Financial Alignment Initiative

The Financial Alignment Initiative (FAI) provides clear proof of concept for auto-enrollment among dually eligible individuals. The FAI was a Center for Medicare and Medicaid Innovation (CMMI) demonstration that aimed to integrate primary, acute, behavioral health, and LTSS for dually eligible individuals. Passive enrollment was used to auto-assign individuals who had not made an active coverage decision, and enrollees retained the right to opt out at any time. According to the Medicaid and CHIP Payment and Access Commission (MACPAC), passive enrollment was a key factor in achieving higher enrollment rates in the demonstration.⁵ The demonstration also showed that passively enrolled beneficiaries were generally less likely to opt out than those who had never received active outreach.

Proposal: Promote and Expand Auto-Enrollment Flexibilities for Dually Eligible Individuals

Prominent health policy experts support the use of auto-enrollment into Medicare Advantage as a way to increase care coordination, improve clinical outcomes, and consumer choice and competition.⁶ Promoting and expanding auto-enrollment for dually eligible individuals aligns with recent comments by members of the administration to explore the use of auto-enrollment in

² [How Does Use of Medicaid Wraparound Services by Dual-Eligible Individuals Vary by Service, State, and Enrollees’ Demographics? | KFF](#)

³ [Special Needs Plan Comprehensive Report, CMS Health Plan Management System](#)

⁴ [A Profile of Medicare-Medicaid Enrollees \(Dual Eligibles\) | KFF](#)

⁵ [The Complex Art of Making It Simple: Factors Affecting Enrollment in Integrated Care Demonstrations for Dually Eligible Beneficiaries \(MACPAC\)](#)

⁶ [Improving Medicare Through Medicare Advantage \(Paragon Institute\)](#), [Why Medicare Advantage Is the Basis for Medicare Reform \(The Heritage Foundation\)](#), [Mandate for Leadership – The Conservative Promise – Project 2025 \(the Heritage Foundation\)](#)

accountable arrangements including Medicare Advantage. We believe that states should be empowered, through regulatory authority, to use enrollment processes that connect dually eligible individuals to Medicaid managed care and affiliated D-SNPs that are built to meet their specific needs.

To achieve this goal, the MLTSS Association urges CMS to promote and expand auto-enrollment flexibilities for dually eligible individuals.

Specifically, we urge CMS to act in two complementary directions:

1. Expand auto-enrollment authority to facilitate aligned enrollment based on an individual's Medicaid MCO enrollment choice/assignment:

- For full benefit dually eligible individuals enrolled in a Medicaid MCO, who are also enrolled in Medicare FFS, **grant states additional auto-enrollment authority** to automatically align dually eligible individuals to an affiliated integrated D-SNP in accordance with federal guidelines for beneficiary notice and protections.

2. Promote the use of existing authority to facilitate aligned enrollment based on an individual's Medicare D-SNP enrollment choice:

- For full benefit dually eligible individuals who elect to receive Medicare coverage through a D-SNP, **encourage states to leverage state Medicaid managed care enrollment authority** at 42 CFR 438.54 to auto-enroll these individuals into an affiliated Medicaid MCO when available.

The MLTSS Association supports giving states flexibility to implement the auto-enrollment approach that works best for their programs and populations, recognizing that advancing integrated care will look different across states. Critically, this proposal requires no new Congressional action. CMS has the authority today to issue guidance to expand auto-enrollment authority under the Medicaid pathway and to encourage states to utilize existing Medicare auto-enrollment tools under the Medicare pathway.

Consumer Protections and Guardrails

The MLTSS Association recognizes that auto-enrollment, even in the targeted context of dually eligible individuals, must be accompanied by robust beneficiary protections. We are aware of concerns about broad Medicare Advantage auto-enrollment policies, including risks related to continuity of care, prior authorization, and beneficiary lock-in. However, our proposal is narrowly scoped to dually eligible individuals, a population that largely already relies on Medicaid managed care as a primary coverage vehicle and for whom D-SNPs are specifically designed.

Under our proposal, all enrollees would have a 60–90 day opt-out period with the ability to return to prior coverage without penalty. Individuals who have already made an active plan

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selection would not be moved through passive enrollment, preserving the primacy of beneficiary choice. Consumer protections would follow the Medicare-Medicaid Plans (MMPs) guidelines established through the Financial Alignment Initiative which is the federal standard for beneficiary notice and rights in integrated demonstrations.

When individuals are auto-enrolled into a D-SNP aligned with their Medicaid managed care plan, additional protections apply: D-SNPs must notify enrollees at least 60 days before their effective enrollment date with plain-language information on all available D-SNP options and a direct link to Medicare Plan Finder. For D-SNPs to qualify to receive auto-enrolled individuals, they must maintain a 3-star quality rating or higher. There also must be at least two D-SNPs operating in a service area for auto-enrollment to apply. Auto-enrollment eligible plans must be highly (HIDE-SNP) or fully (FIDE-SNP) integrated special needs plans with Medicaid contracts covering a comprehensive set of LTSS. New plan enrollees must also receive a transition supply of Part D drugs to prevent any gap in therapy. Plans must honor existing prior authorizations for new enrollees with a minimum 90-day treatment continuity period. In models where D-SNP enrollment leads, parallel continuity-of-care protections apply on the Medicaid side.

Our proposal is not passive enrollment into an arbitrary plan. It is a structured, notice-based process with robust opt-out rights that is designed specifically to deliver the benefits of integrated care while protecting the individuals it is meant to serve.

Requested Actions

We urge CMS to take the following steps:

- Issue sub-regulatory guidance to states and health plans clarifying the full scope of existing auto-enrollment authority, including the use of 42 CFR 438.54 to auto-enroll dually eligible individuals into Medicaid MCOs affiliated with their D-SNP election.
- Pursue all available avenues, including rulemaking or sub-regulatory guidance to expand auto-enrollment authority, allowing states to auto-enroll full-benefit dually eligible individuals currently in Medicare FFS into affiliated D-SNPs, with the beneficiary protections and guardrails described above.
- Provide guidance to states and health plans highlighting best practices for the use of enrollment authorities, including adequate education for members and health plans and timely notifications.

The MLTSS Association and our member plans stand ready to partner with CMS on implementation and to provide technical input as this work moves forward.

Thank you for your commitment to improving care for dually eligible individuals and for your leadership during this critical period for integrated care. We look forward to continued collaboration with CMS and the FCHCO as we work together toward a more seamless, efficient, and person-centered system for America's most vulnerable beneficiaries.

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Sincerely,

A handwritten signature in black ink, appearing to read "Mary Kaschak". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mary Kaschak

Chief Executive Officer

National MLTSS Health Plan Association