

will no longer be part of the service area the option of enrolling in the other plan(s) the MA organization offers in the location that is no longer part of the service area, however, no specific plan information for the following contract year may be shared with any beneficiaries prior to the plan marketing period for the next contract year, consistent with 42 CFR 422.2263 and 423.2263.

(2) *Special needs plans (SNPs)*. In addition to those described in paragraph (b)(1) of this section, SNPs may also perform the following types of crosswalks:

(i) *Chronic SNPs (C-SNPs)*. (A) Renewing C-SNP with one chronic condition that transitions eligible enrollees into another C-SNP with a grouping that contains that same chronic condition.

(B) Non-renewing C-SNP with one chronic condition that transitions eligible enrollees into another C-SNP with a grouping that contains that same chronic condition.

(C) Non-renewing C-SNP with a grouping that is transitioning eligible enrollees into a different grouping C-SNP if the new grouping contains at least one condition that the prior C-SNP contained.

(ii) *Institutional SNP*. (A) Renewing Institutional SNP that transitions enrollees to an Institutional/Institutional Equivalent SNP.

(B) Renewing Institutional Equivalent SNP that transitions enrollees to an Institutional/Institutional Equivalent SNP.

(C) Renewing Institutional/Institutional Equivalent SNP that transitions eligible enrollees to an Institutional SNP.

(D) Renewing Institutional/Institutional Equivalent SNP that transitions eligible enrollees to an Institutional Equivalent SNP.

(E) Non-renewing Institutional/Institutional Equivalent SNP that transitions eligible enrollees to another Institutional/Institutional Equivalent SNP.

(c) *Exceptions*. In order to perform a crosswalk that is not specified in paragraph (b) of this section, an MA organization must request an exception. Crosswalk exceptions are prohibited between different plan types. CMS re-

views exception requests and may permit a crosswalk exception in the following circumstances:

(1) When a non-network or partial network Private Fee-For-Service (PFFS) plan changes to either a partial network or to a full network PFFS plan, enrollees may be moved to the new plan when CMS determines it is in the interest of beneficiaries, considering whether the risks to enrollees are such that they would be better served by remaining in the plan, whether there are other suitable managed care plans available, and whether the enrollees are particularly medically vulnerable, such as institutionalized enrollees. Crosswalks from a network based PFFS plan to a non-network or partial network PFFS plan will not be permitted.

(2) When MA contracts offered by two different MA organizations that share the same parent organization are consolidated such that the separate contracts are consolidated under one surviving contract, the enrollees from the consolidating contracts may be crosswalked to an MA plan under the surviving contract.

(3) When a renewing D-SNP with a multi-state service area reduces its service area or, in the case of a D-SNP in an MA regional plan contract, non-renews and creates state-specific local preferred provider organization plans in its place to accommodate state contracting efforts in the service area, enrollees who are no longer in the service area may be moved into one or more new or renewing D-SNPs, offered under the same parent organization (even if the D-SNPs are offered by two different MA organizations), and for which the enrollees are eligible, as CMS determines is necessary to accommodate changes to the contracts between the state and D-SNP under § 422.107. For this crosswalk exception, CMS will permit enrollees to be moved between different contracts.

(4) When—

(i) A renewing D-SNP has another new or renewing D-SNP, and the two D-SNPs are offered to different populations, enrollees who are no longer eligible for their current D-SNP may be moved into the other new or renewing

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D-SNP offered by the same MA organization if they meet the eligibility criteria for the new or renewing D-SNP and CMS determines it is in the best interest of the enrollees to move to the new or renewing D-SNP in order to promote access to and continuity of care for enrollees relative to the absence of a crosswalk exception. For the crosswalk exception in this paragraph (c)(4)(i), CMS does not permit enrollees to be moved between different contracts; or

(ii) An MA organization creates a new MA contract when required by a State as described in § 422.107(e), eligible enrollees may be moved from the existing D-SNP that is non-renewing, reducing its service area, or has its eligible population newly restricted by a State, to a D-SNP offered under the D-SNP-only contract, which must be of the same plan type operated by the same parent organization. For the crosswalk exception in this paragraph (c)(4)(ii), CMS permits enrollees to be moved between different contracts.

(iii) For contract year 2027 and subsequent years, where one or more MA organizations that share a parent organization seek to consolidate D-SNPs in the same service area down to a single D-SNP under one MA-PD contract to comply with requirements at §§ 422.514(h) and 422.504(a)(20), CMS permits enrollees to be moved between different contracts.

(5) Renewing C-SNP with a grouping of multiple conditions that is transitioning eligible enrollees into another C-SNP with one of the chronic conditions from that grouping.

(d) *Procedures.* (1) An MA organization must submit all crosswalks in paragraph (b) of this section in writing through the bid submission process in HPMS by the bid submission deadline announced by CMS.

(2) An MA organization must submit all crosswalk exception requests in paragraph (c)(1) of this section in writing through the crosswalk exceptions process in HPMS by the crosswalk exception request deadline announced by CMS annually. CMS verifies the requests and notifies requesting MA organizations of the approval or denial

after the crosswalk exception request deadline.

[86 FR 6099, Jan. 19, 2021, as amended at 87 FR 27896, May 9, 2022; 89 FR 30826, Apr. 23, 2024]

Subpart L—Effect of Change of Ownership or Leasing of Facilities During Term of Contract

SOURCE: 63 FR 35067, June 26, 1998, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to subpart L of part 422 appear at 63 FR 35106, June 26, 1998.

§ 422.550 General provisions.

(a) *What constitutes change of ownership—*(1) *Partnership.* The removal, addition, or substitution of a partner, unless the partners expressly agree otherwise as permitted by applicable State law, constitutes a change of ownership.

(2) *Asset transfer.* Transfer of title and property to another party constitutes change of ownership.

(3) *Corporation.* (i) The merger of the MA organization's corporation into another corporation or the consolidation of the MA organization with one or more other corporations, resulting in a new corporate body, constitutes a change of ownership.

(ii) Transfer of corporate stock or the merger of another corporation into the MA organization's corporation, with the MA organization surviving, does not ordinarily constitute change of ownership.

(b) *Advance notice requirement.* (1) An MA organization that has a Medicare contract in effect and is considering or negotiating a change in ownership must notify CMS at least 60 days before the anticipated effective date of the change. The MA organization must also provide updated financial information and a discussion of the financial and solvency impact of the change of ownership on the surviving organization.

(2) If the MA organization fails to give CMS the required notice timely, it continues to be liable for capitation payments that CMS makes to it on behalf of Medicare enrollees after the date of change of ownership.