CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

Steven L. Beshear
Governor

275 East Main Street, 6W-A
Frankfort, KY 40621
www.chfs.ky.gov
P: (502) 564-4321
F: (502) 564-0509

Audrey Tayse Haynes
Secretary

Lawrence Kissner
Commissioner

February 12, 2013

TO: All Medicaid Providers
All Medicaid Hospitals

RE: Prohibited "White Coat" Marketing

It has come to the attention of the Department for Medicaid Services (DMS) that some Medicaid enrolled providers may be engaging in inappropriate marketing practices. Since Medicaid Managed Care is new to Kentucky, we thought it best to inform all providers of prohibited marketing practices.

Marketing is any activity conducted by or on behalf of the Medicaid Managed Care Organizations (MCO's), in which information regarding services offered by the MCO is disseminated. Federal regulations define marketing to include **any communication** from an MCO **or provider to a Medicaid recipient that can reasonably be interpreted as intended to influence the recipient to enroll in that particular MCO, or either to not enroll in, or to dis-enroll from, another MCO.**

Specific prohibited marketing activities include, but are not limited to, face-to-face marketing by the MCO, or their providers. In addition, the MCO or provider shall not provide gifts or incentives to members or potential members unless such gifts or incentives are 1) also provided to the general public, 2) do not exceed $10 per gift, and 3) have been approved by DMS.

All Medicaid MCO's must abide by the requirements in the Code of Federal Regulations 42 CFR 438.104 regarding marketing activities. These federal regulations demand that MCO's maintain a system of control over the content, form, and method of dissemination of its marketing and information materials. Any marketing materials MUST be approved, in writing, by DMS prior to dissemination. More specifically, MCO's shall require its subcontractors **and providers** to submit **any marketing or information materials which relate to Medicaid**. DMS has the same approval authority over materials you may produce that reference Medicaid or managed care organizations as we do for materials produced directly by the MCO. Please make sure any Medicaid material available to the public in your offices has been approved by DMS. Approved material contains a DMS approval number on the bottom of the document.

Please understand that if DMS investigates and documents instances of prohibited "white coat marketing", DMS will take appropriate action, up to and including, the suspension or termination of your Medicaid enrolled participation. We strongly encourage you to self-audit any marketing materials you may have in your offices, lobbies or waiting areas for public consumption.

Sincerely,

Lawrence Kissner
Commissioner