



MEDICARE PLAN PAYMENT GROUP

DATE: November 21, 2007

TO: All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations and Demonstrations

FROM: Thomas Hutchinson /s/
Director

SUBJECT: Medicare Advantage Prescription Drug System (MARx) December 2007 Payment – INFORMATION

This letter provides information related to the December 1, 2007 payment which you will receive on November 30, 2007. It also includes a reminder related to the processing of 2007/2008 PBP rollovers.

2006 Part D Payment Reconciliation

The results of the reconciliation of your 2006 Part D payments were included in the November payment. If sufficient Part D funds were still unavailable to allow the full adjustment, even after collecting amounts from other contracts within your legal entity, the remainder will be offset from your December payment. If, after this adjustment is applied to the December payment your plan still owes funds to CMS, you will receive a demand letter containing instructions on how to submit them.

End of Year Processing/PBP-Level Rollovers

This is a reminder that plans **must** submit transaction type 71s (PBP changes) for actions that cannot be supported by the HPMS crosswalk by the MARx cut-off day in December (12/7).

The crosswalk **does not** support actions where only a portion of the members enrolled in a PBP (e.g., members covered by a specific provider grouping) would be moving to the new PBP or if members of a PBP are moving to multiple new PBPs.

The crosswalk **does** support actions where the entire membership of a PBP is moving to another PBP or the entire memberships of multiple PBPs are moving to one new PBP.

Also, if a PBP is terminating in 2007, failure to submit 71 transactions timely will result in the disenrollment of impacted members effective 12/31/2007. If this occurs, plans should:

- Submit a transaction type 61 to re-enroll the member,
- Include the new 2008 PBP number,

- Include 01/01/2008 as the effective date and
- Use X as the election type.

These transaction type 61s MUST be submitted by the MARx cut-off day in January 2008. Payments for impacted members will resume in the February payment; i.e., An adjustment payment for January and a prospective payment for February.