



CENTER FOR BENEFICIARY CHOICES

Date: November 3, 2006

Memorandum To: All Part D Sponsors

Subject: 2007 Readiness Checklist Monitoring Tool

From: Cynthia Tudor, Director, Medicare Drug Benefit Group

On September 8, 2006, CMS released a 2007 Readiness Checklist to all Part D Sponsors. As open enrollment approaches, we are now asking Sponsors to report back to CMS on their readiness to accomplish the tasks outlined in the September 8 memo. The purpose of asking all Part D Sponsors to provide a status report on each readiness item is to allow CMS to assess if there are any particular areas causing problems or confusion to enable us to provide better guidance before the new benefit year begins. Additionally, the responses will provide the Part D Account Managers with a tool to assist Sponsors in their efforts to prepare for open enrollment and the upcoming contract year.

Please complete the Readiness Checklist Monitoring Tool electronically in HPMS according to the instructions on the following page by *November 13, 2006*. The module to complete the tool will be available in HPMS by Wednesday, November 8. An advance copy of the monitoring tool is attached so that you may begin to compile responses from your organizational components as soon as possible.

Thank you, in advance, for completing this tool. Each of the items stated on the readiness checklist has a significant impact on the success of the Part D benefit. Your organization's failure to meet these requirements will be reflected quickly in systems failures and complaints from beneficiaries and those who assist them in obtaining their benefits. CMS may react to this information by conducting an audit of your organization's Part D operations. The findings from such audits may form the basis for the imposition of intermediate sanctions or contract termination. Thus, we hope that by working closely with you now, we can proactively address any concerns, minimize potential complaints, and help ensure the smoothest possible annual enrollment season and start of the new 2007 benefit period. If you do not complete the monitoring tool, we will assume that you are not ready across a broad spectrum of areas. In that case, we will proceed accordingly to audit or investigate your readiness through other avenues available to us.

We look forward to our continued partnership in making this program a success. Thank you.

Instructions for Completing the Readiness Checklist Monitoring Tool in HPMS

In HPMS, navigate to the tool via the following path: HPMS Homepage > Contract Management > 2007 Readiness Checklist.

For each item, select “Yes” if your organization is currently fully prepared to accomplish the task or has already done so. Otherwise, select “No” and in the text box please include an explanation of the problems you are facing or the reason for the delay, and when you expect to be ready to accomplish the task. Our expectation is that all tasks will be accomplished and/or appropriate processes and systems will be in place for 2007 activities no later than December 22.

Please complete the Readiness Checklist Monitoring Tool in HPMS by 11:59 p.m. on November 13, 2006. If you are having technical difficulties accessing or using the tool, please contact the HPMS Help Desk at either 1-800-220-2028 or hpms@cms.hhs.gov. To expedite receiving assistance on any tasks checked “No”, you are encouraged to submit a copy via email or fax (printed from the HPMS screen or separately completed in a file or hardcopy) to your Part D Account Manager, in addition to completing the tool in HPMS.

If you have questions about any of the Readiness Checklist items, please contact your Part D Account Manager. Thank you.

CUSTOMER SERVICE:

1. Have you ensured that call centers will be staffed appropriately to handle increased call volume during the annual enrollment period and the first 60 days of 2007 operations? Part D sponsors must meet CMS standards for timely call center performance (80% of all incoming calls answered within 30 seconds; abandonment rate does not exceed 5%).

- i. Beneficiary call center requirement during the Annual Enrollment Period plus 60 days; 8:00AM to 8:00PM - 7 days a week.
- ii. Pharmacy technical support requirement: Open if any network pharmacy is open.

Yes

No. (Please explain):

2. Do you have a process in place that will maintain timely resolution of beneficiary complaints? "Immediate Action" complaints must be resolved within two business days.

Yes

No. (Please explain):

DATA:

3. **For New Sponsors only:**

Have you established connectivity with CMS systems, fulfilling all testing requirements established by the Office of Information Systems?

Yes

No. (Please explain):

4. As a Part D sponsor, are you ready to provide CMS with reports on the availability of 4Rx data for all of your enrollees? These reports should verify that:

- i. For existing enrollments, the plan must demonstrate the ability to have 4Rx data in place for a minimum of 95% of its current enrollees (measured on the 3rd of each month). Note: most plans are exceeding the 95% minimum; the current average is 98%.
- ii. For prospective auto-enrollments, a plan must demonstrate the ability to have 4Rx data in place for 95% of its prospective dual eligible enrollees by 3 days before the end of the month preceding the effective date of enrollment.

Yes

No. (Please explain):

5. As a Part D sponsor, have you demonstrated or will you be able to demonstrate the ability to process bi-weekly LIS matching files received from CMS within 72 hours of receipt? Plans must achieve a 95% match rate between their files and those of CMS. Non-matches must be resolved within 72 hours. (Those plans receiving auto enrollments must report their percent matching to CMS on a monthly basis.)

Yes

No. (Please explain):

6. Did you submit timely and accurate CY'07 pricing data for posting on the Drug Plan Finder? The initial CY'07 data submission for live/public data was October 4, 2006 - the data was published on October 12, 2006.

Yes

No. (Please explain):

ENROLLMENT / DISENROLLMENT:

7. Will you be able to transmit enrollment and disenrollment transactions to CMS within 14 calendar days of receipt?

Yes

No. (Please explain):

8. For enrollments, will you be able to send individuals an acknowledgment notice within 7 business days of receiving an enrollment request from that individual, as well as a confirmation notice within 7 business days of receiving confirmation of enrollment from CMS?

Yes

No. (Please explain):

9. For disenrollments, will you be able to send individuals an acknowledgment notice within 7 business days if you receive the disenrollment request directly from the individual? If a sponsor only learns of disenrollment from CMS confirmation (e.g. as a result of enrollment with another sponsor), the sponsor must send a notice confirming disenrollment within 7 business days.

Yes

No. (Please explain):

10. At a minimum, do you have a paper enrollment form available for potential enrollees to request enrollment during valid periods? If allowing enrollment requests through other optional mechanisms such as telephone or internet, the sponsor must meet additional requirements per CMS guidance, e.g. must provide evidence of internet receipt, must record and maintain telephone enrollments.

Yes

No. (Please explain):

11. Does your enrollment process allow for appropriate up front plan denial or CMS rejection in accordance with CMS requirements e.g. providing beneficiary notices within specific timeframes?

Yes

No. (Please explain):

12. **For Existing Sponsors only:**

Have you reviewed CMS transaction reports and taken appropriate actions as required in CMS guidance?

Yes

No. (Please explain):

13. Do you have an established process to request enrollment and disenrollment corrections in accordance with CMS requirement?

Yes

No. (Please explain):

14. For those plans that have opted to utilize the Online Enrollment Center, have you established a process to download enrollment on at least a daily basis?

Yes

No. (Please explain):

MARKETING:

15. CY 2007 marketing began on October 1, 2006. Are you marketing CY 2007 benefits to Medicare beneficiaries using CMS-approved and CMS-File & Use accepted marketing materials?

Yes

No. (Please explain):

16. **For Existing Sponsors only:**

CY 2007 marketing can begin on October 1, 2006. Have you ceased marketing CY 2006 plans if you have begun marketing CY 2007 plans? CY 2006 plan marketing must cease by October 31, 2006.

Yes

No. (Please explain):

17. Did your members receive: CY 2007 Annual Notice of Change (ANOC) / Summary of Benefits (SB) / Formulary by October 31, 2006?

Yes

No. (Please explain):

18. Can you ensure that CY 2007 Evidence of Coverage (EOCs) will be mailed to members by January 31, 2007?

Yes

No. (Please explain):

TRANSITION / POINT OF SALE (POS SUPPORT):

19. Can you ensure that sponsor staff is trained on any information systems that are in place to accommodate administration of the transition policy? This includes adoption of necessary information system overrides.

Yes

No. (Please explain):

20. Are you ready, where appropriate, to extend transition periods beyond 30 days for enrollees using non-formulary drugs that have not been transitioned to a formulary drug or gone through the plan exception process within 30 days?

Yes

No. (Please explain):

21. Have you or will you be able to establish and operate a system during the first couple months of 2007 that can assure that claims can be filled at POS for all enrollees, including a 24/7 pharmacy technical support hotline, 24/7 access to senior management authorized to make coverage determinations, and appropriate system overrides?

Yes

No. (Please explain):

SPONSOR CONTACT INFORMATION:

22. Have you provided all sponsor contact information in HPMS for the 2007 contract year? Changes to any HPMS contacts should be made immediately upon the effective date of the responsibility transfer.

Yes

No. (Please explain):

OTHER:

23. Can you ensure timely payment to pharmacies, as per the sponsor's contracting terms with pharmacies?

Yes

No. (Please explain):

24. Have you followed all requirements as laid out in CMS' application, contract, guidance, and other advisory materials?

Yes

No. (Please explain):
