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MEMORANDUM

TO: All Part D Plan Sponsors

FROM: Gary Bailey, Deputy Director

RE: Plan-to-Plan EOB Transfer

DATE: April 4, 2006

In an effort to facilitate the required coordination of benefits between plans, and the plan-to-plan transfer of true out-of-pocket (TrOOP) and total drug spend balances for beneficiaries affected by the Enrollment Reconciliation process, CMS is implementing a process for plans to use to support the transfer of explanation of benefits (EOBs) between Part D plans.

As of April 3, 2006, CMS has modified the Health Plan Management System (HPMS) to add a location for an “EOB Transfer Contact.” Part D plans are requested to populate the requisite contact information by midnight Eastern Time Friday, April 7, 2006. To enter your organization's EOB Transfer Contact in HPMS, please follow this navigation path: HPMS Homepage > Contract Management > Contract Management > Select Contract Number > Contact Data > EOB Transfer Contact.

CMS will be following up with more detailed instructions on the process by April 7, 2006. We envision the process timeframes will be approximately as follows:

- On or about April 7, 2006, CMS will provide an updated enrollment reconciliation file with an updated plan of record identifying which plan (by contract number) should be sent an EOB by the Transfer Out plan (the plans from which the beneficiary disenrolled).
- As part of the Enrollment Reconciliation process, Transfer Out plans must generate EOBs (or alternative electronic files that CMS will define) specifying, at a minimum, the TrOOP and gross drug spend balances related to costs incurred through April 30, 2006 by affected beneficiaries.
- Transfer Out plans must send this information in a format specified by CMS on all affected beneficiaries to the EOB Transfer Contact at the plan of record on or before May 15, 2006.
- Plans of record must use the EOB data to adjust TrOOP and gross drug spend balances for all beneficiaries on their enrollment reconciliation file. These adjustments must be completed as quickly as possible, but not later than May 30, 2006.

If you have any questions about this issue, please contact your account manager. Thank you for your continued assistance with the implementation of the Part D benefit.