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MEMORANDUM

Date: July 15, 2010

To: All Medicare Advantage Organizations, Prescription Drug Plans, Cost, and Demonstration Organizations

From: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

Subject: Report on Timely Processing of Plan Generated Enrollment Requests

This memorandum is to inform Medicare Advantage (MA) and Medicare Prescription Drug Plan (PDP), Cost, and Demonstration Organizations that the Centers for Medicare & Medicaid Services (CMS) released a new report in the Health Plan Management System (HPMS) entitled “Timely Processing of Plan Generated Enrollment Requests.” This monthly report indicates the timeliness with which MA and PDP organizations submit plan generated enrollments to CMS.

MA and PDP organizations are required to submit plan generated enrollments to CMS “within 7 calendar days of receipt of the completed enrollment request”.¹ We expect MA and PDP organizations to implement internal controls to ensure that enrollment transactions are submitted to CMS within this timeframe. The data available for CMS to measure compliance with this requirement is the difference between application date and transaction submission date. We assume that the vast majority applications are completed at the time the application is filled. Accordingly, the new report measures the percentage of applications during the reporting month submitted to CMS within 7 days of the application date. PACE contracts are excluded from this report. Enrollment transactions for the beneficiaries enrolled in employer groups and/or beneficiaries in the Initial Coverage Election Period (ICEP) are excluded from the reports as well.

CMS acknowledges that some applications may be incomplete upon receipt by the MA organization or Part D sponsor. Therefore it may not be possible for an organization to achieve 100% compliance using the application date as a proxy for a completed enrollment request. As such, we are establishing a threshold of 90% as the compliance target for assessing enrollment processing timeliness, as opposed to a more typical compliance standard of 95% or 99%.

¹ Medicare Managed Care Manual, Chapter 2, Medicare Advantage Enrollment and Disenrollment (8/19/2009) 40.3, and Medicare Prescription Drug Benefit Manual, Chapter 3, Eligibility, Enrollment and Disenrollment (8/19/2009) 30.3.

Organizations are expected to review the monthly report and take remedial action if it indicates that they are not meeting the 90% standard. In the next few months, CMS will begin issuing compliance letters to sponsors that are not meeting this standard. The Timely Processing of Plan Enrollment Requests report can be found in HPMS at:

HPMS Homepage > Quality and Performance > Part D Performance Metrics and Reports > Timely Processing of Plan Generated Enrollment Requests

Technical notes located at the bottom of the report provide further guidance on how to interpret the report data.

Thank you for your continued work to provide timely information to CMS. Please direct any inquiries related to this memo via e-mail to Nancy Zhang at nancy.zhang@cms.hhs.gov and include “Enrollment Timeliness” in the subject line.