

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Medicare Plan Payment Group
Enterprise Systems Solutions Group

DATE: April 13, 2015

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

FROM: Cheri Rice /s/
Director, Medicare Plan Payment Group

Cathy Carter /s/
Director, Enterprise Systems Solutions Group

SUBJECT: Advance Announcement of the August 2015 Software Release

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the enrollment and payment systems that support Medicare Advantage and Prescription Drug (MAPD) programs. This letter provides advanced information regarding the planned release of systems changes scheduled for August 2015. This release focuses on improving the efficiency of CMS systems as well as Plan processing.

The August 2015 Release changes are as follows and may require Plan action:

1. [Amount of Data Populated to the Medicare Secondary Payer \(MSP\) Report](#)
2. [Eligibility for Enrollment and Involuntary Disenrollment Due to Incarceration Status](#)
3. [Expansion of the Number of Uncovered Months \(NUNCMO\) Field](#)
4. [New Disenrollment Reason Code for Employer Group Waiver](#)
5. [Quality Bonus Payment \(QBP\) for End Stage Renal Disease \(ESRD\) Post Graft](#)
6. [Report the Hospice Identifier on the Transaction Reply Report \(TRR\)](#)

In May 2015, CMS intends to provide the detailed information that Plans will require for implementation in August 2015.

1. Amount of Data Populated to the Medicare Secondary Payer (MSP) Report

CMS will make a change to the Medicare Secondary Payer Report. The period of time in which data is populated to the report will increase from 37 months to 48 months. Although, not all the data populated to the report is within the range of the payment adjustment period, CMS will be adjusting and paying the full amount of MSP dollars calculated according to the payment adjustment period.

2. Eligibility for Enrollment and Involuntary Disenrollment Due to Incarceration Status

Under sections 1851(b)(1)(A), 1860D-1(b)(1)(B)(i), and 1876(d) of the Social Security Act (the Act), individuals whose permanent residence is outside the plan's service area are ineligible to enroll in or to remain enrolled in Medicare Advantage (MA), Part D, or §1876 cost plans. Based on the definition of service area established in 42 C.F.R. §§ 417.1, 422.2 and 423.4, individuals who are incarcerated are considered out of the plan's service area. As such, individuals who become incarcerated while enrolled are ineligible to remain enrolled because they do not meet the eligibility criterion of residing in the plan's service area. As outlined in the Advance Announcement of May 2015 Software Release on January 13, 2015, CMS is making systems changes to effectuate ineligibility of Medicare health and Part D plan enrollment for incarcerated individuals.

The CMS continues to work on the various systems adjustments needed to implement this regulation. In the August 2015 release, CMS will implement the systems changes to establish the structural framework to populate the incarceration data. Incarceration data fields, such as MARx screens and the BEQ, will be displayed as blanks until full implementation is in effect. In the meantime, plans shall continue processing incarceration data following current policy guidelines. CMS will continue to send the TRC 155 (Incarceration Notification Received) until further notice.

The software change will include the implementation of the new TRCs that CMS will generate once all the system changes are complete. At this time, plans will not receive the new TRCs.

The CMS encourages plans to make changes to their internal systems in anticipation of receiving the data. Once CMS completes its internal implementation and data is available, we will move quickly to alert plans and start effectuating this process.

3. Expansion of the Number of Uncovered Months (NUNCMO) Field

The NUNCMO field (#13) on the Late Enrollment Penalty (LEP) Data File will be expanded from 2 to 3 positions. This change will align the NUNCMO on the LEP data file with the display in the MARx user interface and the length of the values Plans can submit on transaction 73 – NUNCMO Change Transaction.

4. New Disenrollment Reason Code for Employer Group Waiver

This change request will allow Employer Group Waiver Plans (EGWP) to provide a more accurate description of the reason for disenrollment from the EGWP program. EGWPs would like the ability to specify that the involuntary disenrollment is due to the loss of eligibility for the EGWP. Currently, EGWPs are leaving the Disenrollment Reason Code (DRC) field blank, which triggers the system to automatically populate DRC 99 – Other. Since DRC 99 is used for many different reasons, EGWPs need to be able to differentiate loss of eligibility from other involuntary disenrollment reasons.

5. Quality Bonus Payment (QBP) for End Stage Renal Disease (ESRD) Post Graft

Effective January 1, 2015, a 3.5% Quality Bonus Payment (QBP) for a ESRD Post Graft beneficiary shall be included for a Plan that is designated as new or low enrollment. Currently, this is not being calculated in the MARx system. The 3.5% QBP will be updated with the August 2015 Software Release.

6. Report the Hospice Identifier on the Transaction Reply Report (TRR)

Currently, hospice election information reported on the TRR includes a hospice indicator, a hospice start date, and a hospice termination date. Hospice data are reported at the time of the beneficiary's enrollment in a Part D Plan, or hospice election if that election is made later. Updated data are reported when the hospice start dates change to reflect a new benefit period or a termination date is added. With the implementation of the August 2015 release, the TRR will also display the beneficiary's hospice provider number. This will eliminate the need for sponsors to use the MARx UI to access this information. For this change request, the displaying of the effective dates for the Transaction Reply Code (TRC) 71 Hospice Status Set and TRC 72 Hospice Status Terminated will be changing. More information about this change will be in the detail August release memo.

Plans are encouraged to contact the MAPD Help Desk for any issues encountered during the systems update process. Please direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069 or e-mail at mapdhelp@cms.hhs.gov.