

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



**Medicare Plan Payment Group**

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**DATE:** February 24, 2010

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

**FROM:** Thomas Hutchinson /s/  
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**SUBJECT: Advance Announcement of July 2010 Software Release**

The Centers for Medicare and Medicaid Services (CMS) is continuing to implement software improvements to the enrollment and payment systems that support the Medicare Advantage and Prescription Drug (MAPD) programs. This letter provides advanced information regarding the planned release of systems changes scheduled for July 2010. This release will focus on improving the efficiency of our systems with improvements that will also affect plan processing. The changes for this release are listed below and may require plan action.

CMS intends to provide the detailed information that Plans will require for implementation in early April 2010.

**Premium Withhold Option for Railroad Retirement Board (RRB) Members**

CMS, in conjunction with the Railroad Retirement Board, will be implementing the system changes necessary to allow the premium withhold option for RRB members. The process to enroll RRB plan members will mirror the current premium withhold option for Medicare members.

While the systems will be ready, the actual start date for the acceptance of withholds transactions for RRB members will not occur until sometime after the July Release. The RRB will announce the start date once their processes are complete. CMS will share that information with the plans at that time.

**Improved Synchronization between CMS and SSA Premium Data**

Effective with the July 2010 software release, enhancements will be made to MARx and the UI to only reflect premium withhold status after CMS has received a definitive response from SSA.

Currently, MARx will show a beneficiary in withholding or direct bill status based on the successful processing of a plan transaction in MARx. This is prior to CMS receiving a response from SSA. Effective with the July release, the premium withhold status will not be changed until SSA accepts the CMS transaction.

### **Acceptance of January 1<sup>st</sup> Effective Date after October Plan Data Due Date of Previous Year**

Generally, MARx accepts enrollment transactions for the Current Processing Month (CPM) plus two months prospectively. However activities necessary to transition from one contract year to another prevent this rule from being applied during the December CPM (the period between the October and November Plan Data Due dates). This change will allow plans to submit January 1<sup>st</sup> effective dates after the Plan Data Due date in October and will prevent “short- term” enrollments when a plan submits an enrollment in the current year for a PBP that is ending in the next plan year.

### **Do not Allow Retroactive Premium Withhold Requests on Normal Enrollment Transactions**

This planned system modification will align the MARx system to support the CPC policy of not allowing Plans to submit retroactive premium withholding requests on normal batch enrollment files. The retroactive requests cause out of sync issues between CMS and SSA systems and result in confusion for beneficiaries and Plans. When a retroactive premium withholding request is detected on a normal batch enrollment transaction (transaction types 61, 62, 71), the request will be converted automatically to direct billing and the Plan will be notified of the change by the Transaction Reply Report (TRR).

### **Remove Premium Withhold Option from the MARx Monthly Full Enrollment Data File**

This planned system modification will eliminate reporting of the Premium Withholding Option on the Monthly Full Enrollment File (FEF). A difference in report timing currently causes confusion about the current setting of the Premium Withholding Option. The FEF includes all active Plan membership on the date that the file is created. It reflects a snapshot that frequently does not coincide with other MARx reports whose production is tied to the monthly payment cycle.

### **Report Beneficiary Part B IRMAA Status to Part D Plans**

In the future, Part D sponsors may require information on beneficiaries’ Part B income related monthly adjustment amount (IRMAA) status to identify beneficiaries who would be ineligible for a proposed discount from pharmaceutical manufacturers for certain brand drugs during the coverage gap. To permit sponsors to evaluate beneficiary eligibility, CMS will add Part B IRMAA status data to the transaction reply report at enrollment and whenever IRMAA status changes occur.

We appreciate your continued support of the MAPD programs.