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DATE: April 10, 2020

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

FROM: Jennifer R. Shapiro, Director, Medicare Plan Payment Group
Center for Medicare

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SUBJECT: Announcement of the June 2020 Software Release

This letter provides detailed information regarding the planned release of systems changes scheduled for June 2020. The updates described in this communication will be included in the upcoming Plan Communications User Guide scheduled for the end of May 2020.

As CMS continues to improve its procedures concerning software enhancements, and the communication thereof, CMS software release procedures will no longer utilize a quarterly scheduled (February, May, August, and November) timeframe and has moved to an agile methodology, which allows faster implementation. Because of this improvement, CMS will implement Medicare Advantage/Prescription Drug (MARx) system enhancements in shorter and more frequent intervals. Also, plans will no longer receive an advance notice letter for upcoming releases, but rather receive a detailed letter prior to the implementation of the release, giving plans time to adjust or update their systems.

As described below, the June 2020 software release will include the following:

- [Updates to Premium Withhold Transaction Reply Codes \(TRCs\)](#)
- [Changes to MARx Plan Transaction Processing](#)

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.

Updates to Premium Withhold Transaction Reply Codes (TRCs)

TRC 392 (*Premium Payment Option (PPO) changed to Direct Bill; Beneficiary Identification Code (BIC) of M or T*):

Beginning in January 2020, CMS converted to using the Medicare Beneficiary Identifier (MBI), authorized by the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) (Pub. L. 114-10). In some instances, the Medicare Advantage Prescription Drug (MARx) system is not clear in communicating transaction reply codes (TRCs) when an MBI crosswalks to a Health Insurance Claim Number (HICN) containing a BIC of M or T. In these cases, the system responded by communicating TRC 144 (*Premium Payment Option Changed to Direct Bill*) to the plan.

Beneficiaries with HICNs containing a BIC of M or T do not receive Social Security benefits, and thus cannot have a Part C/D premium withheld. For most cases prior to the conversion, plans would self-detect the BIC of M or T and refrain from sending MARx a Premium Payment Option (PPO) transaction to set it to Social Security Administration (SSA) premium withhold. To alleviate confusion for the plans, and because plans can no longer detect HICNs that contain a BIC of M or T, CMS will implement MARx software enhancements through the use of TRCs.

In the future, if a plan submits a transaction where MARx detects that a beneficiary's BIC is M or T, and PPO set to SSA withhold, the system will utilize a new TRC 392 (*PPO changed to Direct Bill; BIC of M or T*) to communicate back to the plan. TRC 144 will no longer be utilized in this situation. The description below is found in Section 5 (Premium) of the Plan Communication User Guide.

| Code | Type | Title | Short Definition | Definition |
|------|------|---|------------------|---|
| 392 | M | PPO changed to Direct Bill; BIC of M or T | BIC M or T | <p>CMS has set the Premium Payment Option specified on the transaction to "D – Direct Bill" because the beneficiary has a BIC of M or T and chose "SSA" as the withhold option. SSA cannot withhold premiums for these beneficiaries (there is no benefit check to withhold from).</p> <p>This TRC may be generated in response to an accepted:</p> <ul style="list-style-type: none">• Enrollment or PBP Change (Transaction Type 61) submitted with a PPO of 'S' (SSA Withholding)• Premium Payment Option Change (Transaction Type 75) submitted with a PPO of 'S' (SSA Withholding) <p>The value in Daily Transaction Reply Report data record field 39 will contain the new PPO value. The effective date of the change is reported in field 18.</p> <p>Plan Action: Update the Plan's beneficiary records to reflect the direct bill payment method. Take the appropriate actions as per CMS enrollment guidance.</p> |

TRC 393 (*PPO changed to Direct Bill; Out of Area*):

CMS systems are designed to automate the assignment of a segment for MA organizations. For a plan that has established a segmented contract/Plan Benefit Package (PBP), each state and county code (SCC) in a plan's service area is related to a specific segment, and MARx will automatically assign a segment according to a beneficiary's SCC. In addition, the MARx-selected segment is communicated to the plan via the Daily Transaction Reply Report (DTRR).

When a plan-submitted transaction contains an invalid segment or no segment value, and the PPO value on the transaction requests to set the beneficiary to premium withhold for SSA, MARx will interpret that this segment is out of area for the plan and automatically assign a default segment, and change the PPO to direct bill. Prior to this software enhancement, the system responded to plans utilizing TRC 144 (*Premium Payment Option Changed to Direct Bill*).

In the future, the system will utilize a new TRC 393 (*PPO changed to Direct Bill; Out of Area*) to communicate back to the plan. TRC 144 will no longer be utilized in this situation. The description below is found in Section 5 (Premium) of the Plan Communication User Guide.

| Code | Type | Title | Short Definition | Definition |
|------|------|---|------------------|--|
| 393 | M | PPO changed to Direct Bill; Out of Area | Out of Area | <p>CMS has set the Premium Payment Option specified on the transaction to "D – Direct Bill" because CMS has information that the beneficiary is no longer in the service area for a segmented plan and the Plan chose "SSA" as the withhold option. SSA cannot withhold premiums for these beneficiaries.</p> <p>This TRC may be generated in response to an accepted:</p> <ul style="list-style-type: none">• Enrollment or PBP Change (Transaction Type 61) submitted with a PPO of 'S' (SSA Withholding)• Premium Payment Option Change (Transaction Type 75) submitted with a PPO of 'S' (SSA Withholding) <p>The value in Daily Transaction Reply Report data record field 39 will contain the new PPO value. The effective date of the change is reported in field 18.</p> <p>Plan Action: Update the Plan's beneficiary records to reflect the direct bill payment method. Take the appropriate actions as per CMS enrollment guidance.</p> |

TRC 186 (*Withholding Agency Rejected Transaction*):

MARx exchanges PPO data with SSA/Railroad Retirement Board (RRB) in order to establish withholding of a beneficiary's premium from their benefit check or to change a withhold status to direct bill by the plan. When data is rejected by the withholding agency, MARx will utilize TRC 186 (*Withholding Agency Rejected Transaction*) to communicate back to the plan via the DTRR. As part of the June software release, CMS will populate the withholding agency's rejection code in Field 24 (ff) (*Withholding Agency Rejection Code*) of the TRC 186 record. CMS' intention is to provide clear information regarding reasons why PPO transactions are rejected by a withholding agency.

The description below is updated and can be found in Section 5 (Premium) of the Plan Communication User Guide.

| Code | Type | Title | Short Definition | Definition |
|------|------|---|------------------|--|
| 186 | R | Withholding Agency Rejected Transaction | WH AGCY REJCT | <p>CMS submitted information on a beneficiary to SSA/RRB (See TRC 120). This data transmittal was rejected by SSA/RRB.</p> <p>This is exclusive to the communication between CMS and SSA/RRB. CMS will continue to interface with SSA/RRB to resolve the rejection.</p> <p>If CMS is unable to resolve this rejection and the Beneficiary-requested Premium Payment Option is changed, the Plan may receive TRC 144.</p> <p><i>A reason code (based on the rejection code received from the agency) will be provided in Field 24.</i></p> <p>Plan Action: No action required.</p> |

The DTRR file layout will be updated to include the withholding agency rejection code in Field 24. (Section 3 of the PCUG)

| Item | Field | Size | Position | Description |
|---------|-----------------------------------|------|----------|---|
| 24 (ff) | Withholding Agency Rejection Code | 5 | 85 – 89 | Rejection code received from the withholding agency. Will only be present when the Transaction Reply Code is 186. |

SSA Rejection Codes and Descriptions (Section 5 of the PCUG)

| SSA Rejection Reason Code Populated on DTRR Field 24 | SSA Reason Code Description |
|--|---|
| V001 | Premium Withhold Request Rejected because the beneficiary's Social Security Number on the CMS transaction does not match a Claimant's Own Social Security Number on the SSA Medicare Database |
| V002 | Premium Withhold Request Rejected because the HIC/RRB (SSN/BIC or RRB number) on the CMS transaction does not match the HIC/RRB on the SSA Medicare Database under the matching Claimant's Own Social Security Number |
| V003 | Premium Withhold Request Rejected because the Beneficiary's Date of Birth does not match SSA's Medicare Database. |
| D0002 | Premium Withholding Request Rejected Due to Deferral |
| E0002 | Premium Withholding Request Rejected - Reason Not Specifically Related to the CMS Enrollment Change |
| I0002 | Premium Withholding Request Rejected Due to Insufficient Funds |
| S0002 | Premium Withholding Request Rejected Due to Suspension of Benefits |
| T0002 | Premium Withholding Request Rejected Due to Termination of Benefits |
| E0003 | Premium Withholding Request Rejected Due to Invalid Payment Status |
| E0004 | Premium Withholding Request Rejected Due to Dual Entitlement |
| E0005 | Premium Withholding Request Rejected - RRB Jurisdiction |

RRB Rejection Codes and Descriptions (Section 5 of the PCUG)

| RRB Rejection Reason Code Populated on DTRR Field 24 | RRB Reason Code Description |
|---|--|
| S100 | Withholding/Refund at RRB unable to occur because the beneficiary is in suspense |
| T100 | Withholding/Refund at RRB unable to occur because the beneficiary's benefits are terminated |
| C100 | Withholding at RRB unable to occur because the beneficiary has changed jurisdiction to SSA |
| I100 | Withholding at RRB unable to occur because of insufficient funds |
| D100 | Withholding/Refund at RRB unable to occur because beneficiary is deceased |
| M100 | Withholding/Refund at RRB unable to occur because of a reject in the RRB Check Writing process |
| W100 | Withholding/Refund at RRB unable to occur because RRB systems are out of sync |
| E999 | Withholding/Refund at RRB unable to occur because of an unforeseen error condition |
| E300 | SSN and Date of Birth for RRB number on CMS Premium Request File do not match SSN and Date of Birth on RRB database. |
| E310 | HICN on CMS Premium Request File does not match a HICN on RRB database. |

Changes to MARx Plan Transaction Processing

Batch Input Transaction Data File Name

As announced in the *May 2019 Detailed Release Memo*, issued through the Health Plan Management System (HPMS) on 04/11/2019, CMS installed changes so that the Enterprise Identity Management (EIDM) User ID is used when sending the Batch Input Transaction Data File to MARx. In order for the Batch Input Transaction Data File to process successfully, and to receive a Batch Completion Summary Report (BCSS), plans should not submit files with the same date and time in the file name. This will cause a MARx system error and prevent the system from generating the BCSS.

Extension of the Transition Period for Submitting MARx Batch Input Header Record

CMS is extending the transition to December 31, 2020 for plan submitters to use both the old and new MARx Batch Input Detail submission files.

Questions or concerns about any of the information within this letter should be directed to the MAPD Help Desk at MAPDHelp@cms.hhs.gov, or 1-800-927-8069.