

To: All Part D Plans
From: The CMS Office of Financial Management
Date: Tuesday, January 24, 2006
Re: Absence of BINs and PCNs in the COB File

A number of Part D plans have voiced concern over the absence of BINs and PCNs in records of Other Health Insurance (OHI) contained in COB files they have received. The CMS has previously announced that the COB contractor will not always be able to collect the BIN and PCN for all OHI. When the COB contractor is unable to collect these numbers, it will post the record to MBD regardless. We do this because CMS believes that the plan should know about the existence of OHI whenever it has been discovered so that benefits can be paid correctly.

In addition, many forms of health insurance do not use electronic routing numbers that can be billed at the point of sale. Examples are incident related benefits, such as worker's compensation, auto, no-fault, and liability. When the COB contractor builds a record of this type of OHI, it will rarely have a BIN or PCN. Many of the COB files already received by the plans include data about these forms of OHI.

In summary, although the COB contractor makes every effort to collect the BIN and PCN where one exists, the COB contractor will post the record to MBD if it is not able to collect these numbers within a reasonable amount of time so that claims can be paid correctly the first time. Plans should not expect the BIN and PCN at all times. The CMS believes the absence of a BIN or PCN does not prevent the plan from making appropriate payment order determinations.