



OFFICE OF INFORMATION SERVICES

DATE: May 10, 2006

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

FROM: Henry Chao, /s/
MA/Part D Implementation Manager

SUBJECT: Special TRR Communication

CMS is preparing a number of Special TRRs for distribution to the Plans this week. This memo provides information on a Special TRR that will address transactions impacted by TRC165 along with two Special TRRs to address Payment Withhold issues.

Special TRR for TRC165 Cleanup – Sending to Plans 5/10/06 and 5/11/06

A Special TRR will be sent to Plans tonight (May 10) to continue the process of addressing Plan transactions that received TRC165, which indicates a system delay in processing the transaction. Please note, not all Plans will receive this Special TRR; only those Plans with transactions/beneficiaries that were impacted by the clean-up.

The target population of transactions for the TRC165 TRR is all remaining enrollment transactions (Transaction Type 60, 61 and 71). CMS has reprocessed all transactions that had been delayed by TRC165 and will send the results to the Plans on this TRR. As a result, Plans will see the following results:

- For most transactions, the Plans will see legitimate acceptance or rejection TRCs other than the TRC165.
- For any transaction that was reprocessed and resulted in a disenrollment being generated by the system, the Plan will receive a TRC199. This informs the Plans that the enrollment was not processed and the Plan needs to analyze and resubmit these transactions as appropriate. **TRC199 rejects will not be included on tonight's TRR but will be sent to Plans tomorrow, Thursday, May 11.**
- For any enrollment transactions that again resulted in a TRC165 (a relatively small amount), nothing will be sent to the Plans. These transactions are still being analyzed and will be addressed in a later TRR.

Special TRRs to address the TRC165 for other transactions types (01, 72, 51) are scheduled for the coming weeks. Plans will be notified when these will be sent.

Special TRRs for Payment Withhold Changes – Sending to Plans this week

During the week of May 7th, your plan may receive up to 2 special Transaction Reply Reports (TRRs) related to the premium withhold process.

The first TRR you may receive contains a set of premium withhold transactions that are being returned to you to be processed as direct bill situations. Most of these represent transactions recently sent to SSA that would result in 4 or more months of withheld premiums. Others are related to a recent clean up on a number of enrollment transactions and still others are related to retroactive enrollments and data matching issues. Such deductions will cause severe hardship to beneficiaries; so CMS will cancel the withhold option at SSA and notify you to directly bill the member for the premiums. You will need to arrange alternative premium payment plans for the identified beneficiaries on this TRR.

Effective immediately, CMS will no longer transmit withhold requests to SSA that would result in 4 or more months of withhold to protect beneficiaries from financial impacts. You will be notified that the beneficiary has been switched to direct bill via the normal Saturday TRRs.

Secondly, as part of our normal processing of the monthly withhold amounts that are sent to us by SSA, we compare, at a beneficiary level, the amount we were sent to the amount we expected. When the SSA withheld amount does not equal the exact premium amount due, we notify the plan to revert the beneficiary to direct bill, and notify SSA to cancel withholding. SSA then refunds the withheld amounts to the beneficiary. As a result of a variety of factors, recent volume of these transactions has increased significantly. CMS will send the transactions that resulted from this scenario on a separate special TRR.

We encourage plans to work with beneficiaries who owe back premiums and set up a schedule of affordable payments when appropriate. You should be aware that, in some cases, beneficiaries have had premiums withheld and CMS was not able to pass them on to the plan as explained above. Consideration should be given when billing such members until they receive their refunds from SSA. In either situation mentioned above, once you have reconciled past premium payments with the affected member, you may resubmit a premium withhold request with a prospective effective date if they want to resume premium withholding.

Further information concerning the exact date of these Special Payment Withhold TRRs and the naming convention that will be used for them will be forthcoming.

Please direct questions or concerns to the MMA Help Desk at mmahelp@cms.hhs.gov or 1-800-927-8069.