

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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## **CENTER FOR BENEFICIARY CHOICES**

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May 2, 2006

To: Prescription Drug Plans  
Medicare Advantage Plans  
1876 Cost Plans  
PACE Organizations

From: Anthony J. Culotta, Director  
Medicare Enrollment and Appeals Group

Subject: Ensuring Beneficiary Elections Prevail over Facilitated Enrollments into PDPs

The first round of facilitated enrollments took effect May 1, 2006. CMS has received reports of cases where facilitated enrollments have “trumped” a beneficiary election. We have identified two causes for such problems: (1) the plan elected by the beneficiary had not submitted an enrollment transaction, or the transaction was not successfully processed and confirmed by MARx, by the time that CMS processed the facilitated enrollments, and (2) there was a separate, isolated CMS processing error. This memo explains these issues in more detail and outlines plan and CMS responsibilities for resolution.

### **Need to Ensure Enrollment Transactions Are Confirmed Processed**

In most instances where facilitated enrollments apparently “trumped” a beneficiary election, further research revealed that either the enrollment had not been submitted by the plan before CMS processed the facilitated enrollment or the transaction had not been confirmed by MARx before that time. Thus, the plan’s system would have showed that the beneficiary elected the plan, and the plan would be providing benefits, but the beneficiary would have not have been on CMS’ systems in time to prevent the facilitated enrollment.. As a result, affected LIS-eligible beneficiaries were assigned to a PDP effective May 1, 2006, because CMS records did not reflect any enrollment in a Part D plan. There would be no notification to the plan elected by the beneficiary (e.g., a disenrollment transaction) because MARx would not show any beneficiary election. This situation can occur with any Part D plan elected by a beneficiary, including Medicare Advantage organizations, 1876 cost plans, and PACE organizations.

To prevent this from happening or resolving it when it does, Part D plans should:

- **Submit enrollment transactions on a flow basis.**

This will resolve many issues that arise due to timing, i.e., a recent beneficiary election that simply had not been submitted at the point in time facilitated enrollment happened. When the enrollment transaction is submitted and successfully processed by MARx, the

normal processing rules ensure that the beneficiary election will prevail. The plan into which the beneficiary had been facilitated enrolled will be notified via the Transaction Reply Report (TRR) that the person has been disenrolled.

- **Resolve issues on transactions suspended or rejected on a timely basis.**  
In cases where the enrollment transaction has been submitted but not successfully processed, plans must work diligently to ensure re-submission if necessary. When the enrollment transaction is successfully processed by MARx, the normal processing rules ensure that the beneficiary election will prevail. The plan into which the beneficiary had been facilitated enrolled will be notified via the Transaction Reply Report (TRR) that the person has been disenrolled.

If every effort has been made, and the transaction is still not processed successfully, submit a Trouble Ticket to the MMA Help Desk by contacting [MMAHelp@cms.hhs.gov](mailto:MMAHelp@cms.hhs.gov) or call 1-800-927-8069. CMS is making every effort to resolve these issues as expeditiously as possible.

### **Corrections for CMS Processing Errors for March Facilitated Enrollments (May 1 Effective Date)**

As explained in the Part D User Group calls, the MARx processing errors were corrected on March 28, for facilitated enrollments effective May 1. CMS restored beneficiaries to the plan they elected, and no further action is needed on the part of the plan the beneficiary originally elected or beneficiaries themselves. CMS was able to ensure that most of the beneficiaries affected by the error did not receive the green notice from CMS. We are implementing a solution to prevent this from occurring in future facilitated enrollments; in the interim, we continue to correct immediately the error when it occurs.

As a reminder, the PDP who received facilitated enrollments in error received an auto-disenrollment on the April 1, 2006 weekly Transaction Reply Report. PDPs should process these actions and update their systems accordingly. No additional communication is required to the beneficiary. However, if the PDP sent confirmation notices to beneficiaries erroneously facilitated enrolled to the plan, it should ensure that its Customer Service Representatives are informed of this situation, so that they can respond appropriately to beneficiaries who have questions.

The plan the beneficiary elected would not have seen an auto-disenrollment and would therefore not see a transaction re-instating these beneficiaries. In addition, these beneficiaries were not included in the enrollment reconciliation file.

If you have any questions, please contact Sharon Donovan at (410) 786-2561, or [Sharon.Donovan@cms.hhs.gov](mailto:Sharon.Donovan@cms.hhs.gov). For questions on specific transactions, please contact the MMA Help Desk by contacting at [MMAHelp@cms.hhs.gov](mailto:MMAHelp@cms.hhs.gov) or call 1-800-927-8069.