

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard, Mail Stop S3-16-16
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: December 20, 2006

TO: All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations and Demonstrations

FROM: Thomas Hutchinson /s/
Director

SUBJECT: Members Remaining in Plan Benefit Packages (PBPs) and Segments that Terminated at the End of 2006 – ACTION

This letter notifies you regarding the disposition of members still remaining in PBPs or Segments that are not active for 2007. This problem impacts approximately 33,000 beneficiaries in 73 plans with terminating PBPs and 4 plans with terminating Segments.

Since these PBPs/Segments are inactive, there are no rates applicable so impacted plans will not receive a January 2007 payment for involved members.

In these situations, plans are instructed each year in the Call Letter to either

- Crosswalk members of terminated PBPs/Segments to active PBPs/Segments in HPMS or
- Submit transactions to move members from the terminated PBPs/Segments to active ones to MARX or
- Submit disenrollments for members that wish to leave your organization to MARx.

The transactions were to have been submitted by the cutoff day in December 2006.

After MARx has processed all of the rollovers and plan transactions, the above members remain enrolled in terminated entities. Rather than disenrolling them to fee-for-service Medicare immediately, CMS will allow plans until the cutoff day in January to submit transactions to move these members to active PBPs/Segments.

CMS has posted on the HPMS website and provided with this memo a spreadsheet containing the terminated Contract/PBP/segment identifiers along with the number of members remaining. Plans are to review this listing to determine if any further action needs to be taken. If further action is required, follow the steps below as applicable.

- If the member is remaining with your organization and has applied to enroll in another PBP, submit a transaction type 71 with the new active PBP number for 2007. The effective date is 01/01/2007.

- If the member is remaining in the PBP, but is changing segments, submit a transaction type 72 with the new active segment for 2007. The effective date is 01/01/2007.
- If the member wishes to leave your organization, you need take no action. CMS will disenroll them effective 1/1/2007.

Payments and adjustments for the involved members will appear in your February payment.

If you have any questions or issues that you wish to discuss, please feel free to contact your Division of Payment Operations representative per the attached list.

cc: Mr. James Kerr, CMS
Mr. Thomas E. Hutchinson, CMS
Mr. David Lewis, CMS
Ms. Cynthia Tudor, CMS
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