DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CMS/
CENTERS for MEDICARE & MEDICAID SERVICES

CENTER FOR BENEFICIARY CHOICES

DATE: September 20, 2007

TO: All Part D Plan Sponsors

FROM: Anthony Culotta, Director
               Medicare Enrollment and Appeals Group

SUBJECT: **Reassignment of Low Income Subsidy Beneficiaries for 2008**

OVERVIEW OF THE REASSIGNMENT PROCESS

In early October, CMS will conduct reassignment of certain beneficiaries eligible for the Part D low income subsidy (LIS), including both those being randomly assigned to a plan offered by a different PDP sponsor and those being reassigned to another Plan Benefit Package (PBP) offered by the same sponsor. As in the past, individuals who no longer qualify for LIS will not be reassigned under any circumstances, nor will LIS-eligible individuals who have chosen a plan on their own, outside of the CMS auto/facilitated enrollment procedures. For further guidance on the reassignment process, please refer to §30.1.5 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment, available at:

http://www.cms.hhs.gov/MedicarePresDrugEligEnrol/Downloads/PDPEnrollmentGuidanceUpdate.pdf

Key information about this year's process is outlined below, including details about our plan and beneficiary notification schedule, a reassignment timeline, and technical details about the file formats to be used in the plan notification process.

Preliminary Notification to PDP Sponsors in September

On September 18, CMS sent a file to PDPs losing beneficiaries because their 2008 Part D premium will no longer be at or below the LIS regional low income benchmark (or within a $1 deminimis amount of that benchmark).   Please see Attachment 1 for the file format.

The file provides a preliminary list of the beneficiaries that will be reassigned due to premium increase, in order to help PDPs get the appropriate annual notice of change (ANOC) to these individuals on a timely basis. Plans may use the file only for the following purposes:
    1) In situations where beneficiaries will be reassigned to a different organization, this
        file may be used to identify beneficiaries that may receive an alternate ANOC,

consistent with Exhibit 30 of the PDP Guidance on Eligibility, Enrollment and Disenrollment.

2) In situations where beneficiaries will be reassigned to a different plan within the same organization, this file may be used to identify those who can receive the ANOC of the gaining plan. i.e.; instead of their current 2007 plan.

Please note that the file does not include individuals who regain deemed status in early October (and thus will qualify for reassignment), nor those whom a State Pharmaceutical Assistance Program (SPAP) may reassign if it has authority to enroll on behalf of its members.

This preliminary notification can be identified by the following:

File Name: P.Rxxxxx.APDP5.PRLIM.Dyymmdd.Thhmmsst.pn
                zzzzzzzz.Rxxxxx.APDP5.PRLIM.Dyymmdd.Thhmmsst
                [directory]Rxxxxx.APDP5.PRLIM.Dyymmdd.Thhmmsst

KEY
xxxxx = 5 character contract id
yymmdd = two digit year, month, day
hhmmsst = hour/minute/second/tenths of second
pn = process number
zzzzzzzz = Plan-provided high level qualifier
[directory] = optional directory specified from non-mainframe C:D clients

Interim Notification to PDP Sponsors in October

After CMS conducts reassignment, CMS will provide "losing" PDPs with a preliminary listing of their members who will be reassigned effective January 1, 2008. This listing can be identified by:

> File name: "P.Rxxxxx.APDP5.LOSS.Dyymmdd.Thhmmsst.pn" (Gentran Mailbox)
> "zzzzzzzz.Rxxxxx.APDP5.LOSS.Dyymmdd.Thhmmsst" (C:D mainframe)
> "[directory]Rxxxxx.APDP5.LOSS.Dyymmdd.Thhmmsst" (C:D non-mainframe)
> Header Code: "MMAPDPLH"
> Trailer Code: "MMAPDPLT"

We will also provide "gaining" PDPs with a preliminary reassignment notification file displaying:

> File name: : "P.Rxxxxx.APDP5.GAIN.Dyymmdd.Thhmmsst.pn" (Gentran Mailbox)
> "zzzzzzzz.Rxxxxx.APDP5.GAIN.Dyymmdd.Thhmmsst" (C:D mainframe)
> "[directory]Rxxxxx.APDP5.GAIN.Dyymmdd.Thhmmsst" (C:D non-mainframe)

> Header Code; "MMAPDPGH"

Trailer Code: "MMAPDPGT"

KEY
xxxxx = 5 character contract id
yymmdd = two digit year, month, day
hhmmsst = hour/minute/second/tenths of second
pn = process number
zzzzzzzz = Plan-provided high level qualifier
[directory] = optional directory specified from non-mainframe C:D clients

The format of the one-time listing for both gaining and losing PDPs will be the same as the "PDP Auto-Enrollment Notification File" (see Attachment 2) that is now used to communicate the current monthly auto-assign beneficiaries and their respective addresses to plans. We estimate the file will be transmitted October 10, but will notify you separately of the exact file transmission date.

Note: For beneficiaries reassigned to a different plan within the same PDP Sponsor, the PDP Sponsor will receive two files: one identifying beneficiaries in "losing" PDPs and one identifying beneficiaries in "gaining" PDPs.

For 2008, CMS will use the beneficiary's current address to determine where the beneficiary needs to be reassigned. It is possible that, since last year, a beneficiary's address had changed with the result that s/he must be reassigned to a new region. Any PDPs with a basic benefit and a premium below the region-specific low income premium subsidy amount in that region will receive a "gaining beneficiary" file notifying them of this reassignment. Thus, PDPs may receive such files even if none of the PDPs in the new region are losing beneficiaries to reassignment.

This preliminary listing will include the beneficiaries' LIS premium and copayment levels as well as their addresses, and will help your plan to expedite submission of the 4Rx records for these beneficiaries. However, you must wait until **after** the Transaction Reply Report (TRR) that will arrive in late November—which will contain confirmed enrollments resulting from the reassign process—before submitting the 4Rx records for those beneficiaries. This is because this interim list may not exactly match the list of beneficiaries who are ultimately enrolled in your plan, since voluntary plan elections may occur after the preliminary file is created.

CMS Notification to Beneficiaries

CMS will mail notices printed on blue paper to the affected beneficiaries during the first week of November. These notices will instruct beneficiaries who are being reassigned of their prospective plan, indicate the premium of their current plan, and instruct them to contact their current plan if they wish to remain with the plan for 2008. We will provide you with a sample copy of these notices once they are finalized.

We will use the following data elements from HPMS to populate these beneficiary notices: 1) Organization Marketing Name, 2) Organization Website Address, and 3) Customer Service Number. **Please Note:** CMS will use the "Auto-Enrollment Customer Service Number" if that field is populated in HPMS. If not, we will use the "Customer Service for Prospective Members - Part D" information. **Please be sure these data are entered accurately into HPMS by close of business September 25, 2007.**

To verify/update your Organization Marketing Name and Organization Website Address in HPMS, follow this path: Contract Management>Contract Number>Organization Marketing Data (under "General Information").

To verify/update your plans' customer service phone numbers in HPMS, follow this path: Plan Bids>Bid Submission>CY 2008>Manage Plans>Edit Contact Data.

Plan Communication to Affected Beneficiaries

"Losing" PDPs are responsible for sending an appropriate ANOC. Plans that are losing beneficiaries to another PDP sponsor may use the alternative ANOC (see Exhibit 30 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment), or termination notices as described below. "Gaining" PDPs are responsible for providing enrollment confirmation (see Exhibit 29 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment) and enrollment materials to beneficiaries in a timely manner. Losing plans who want to use the alternative ANOC must notify their account manager of their intention to do so by September 21, 2007.

Identifying Reassignments on the Transaction Reply Report (TRR)

Once CMS processes reassignment transactions in late November, plans will be able to identify affected beneficiaries as follows:

Application date:
- All LIS beneficiaries reassigned due to a premium increase will have an application date of June 1, 2007.
- All LIS beneficiaries reassigned due to a plan or contract non-renewal will be identified by an application date of September 30, 2007.

Enrollment source code = H (reassign)
Transaction reply codes = TRR-212 A – Re Assignment Enrollment Accepted – Re-assignment enrollment request for a beneficiary into a Part D plan submitted by CMS or Plan is accepted.

Requests for "Re-Enrollment" in the "Losing" Plan

As noted above, the CMS blue notices to affected beneficiaries will instruct them to contact you if they wish to remain with your plan for 2008. If a reassigned beneficiary contacts you and indicates that s/he wishes to remain enrolled despite incurring premium liability, **you must take a new enrollment election** in accordance with sections 30.1.1 – 30.1.3 and section 30.2 F of the PDP Guidance on Eligibility, Enrollment, and Disenrollment, available at:

As part of this enrollment, you must confirm and document that the beneficiary understands the financial liability s/he will incur by remaining with your plan for 2008, consistent with section 30.1.5 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment. **However, please DO NOT transmit these enrollment elections to CMS until you receive a weekly Transaction Reply Report (TRR) confirming the beneficiary's disenrollment from your plan.** This TRR should be available in late November. For the new enrollment, use the actual application date, which should be no earlier than November 15, 2007, an election type of "S" (Special Enrollment Period), and an effective date of January 1, 2008. In order for a January 1, 2008 election to be processed timely, your plan or your third-party representative must transmit these enrollments no later than the December 7, 2007 payment cutoff date. Elections received after December 7, 2007 will be processed, but this may jeopardize our ability to ensure that all data are transmitted to all entities by January 1, 2008.   Elections received after December 7, 2007, but prior to January 1, 2008, will still have an effective date of January 1, 2008, but will not be processed for January payment.

REASSIGNMENT OF LIS ELIGIBLES DUE TO NON-RENEWAL

CMS will also reassign any LIS-eligible beneficiaries who remain LIS-eligible as of January 1, 2008, and are affected by a plan or PDP sponsor non-renewal. This includes both those who were auto/facilitated enrolled into the PDP as well as those who voluntarily elected the plan. The CMS reassignment and notification process will be the same as for reassignment based on premium increase as described above.

Plan Communication to Beneficiaries

Consistent with 42 CFR §423.507(a), non-renewing plans and PDP Sponsors that are non-renewing contracts must issue a written notice of the impending plan termination to all of their enrollees residing in the affected region(s). Such notices must be approved by CMS and must include a written description of the alternatives available for obtaining qualified prescription drug coverage within the PDP region, including MA-PD plans, and other PDPs. CMS provided model language, including appropriate reassignment language, for termination notices in the 2008 call letter. **Beneficiaries must receive this termination notice from plans by October 2, 2007**. For more information, please refer to the April 19, 2007 Call Letter, which contains complete instructions for non-renewing plans and contracts. The 2008 combined call letter is located at: http://www.cms.hhs.gov/PrescriptionDrugCovContra/

END-OF-YEAR TIMELINE FOR REASSIGNMENT

September 21, 2007 – Plans notify account managers if they will use the alternative ANOC.

September 25, 2007 – Plan information in HPMS must be accurate and up-to-date by COB in order to appear correctly on CMS blue letters to beneficiaries.

September 28, 2007 – SPAPs who have authorized representative status and intend to "re-assign" their beneficiaries will send their "carve-out" list to CMS. These beneficiaries will be excluded from re-assignment to ensure they are only moved once.

October 2, 2007 – Beneficiaries in terminating plans or contracts must receive termination notices from plan.

Mid-October 2007 – CMS provides preliminary lists of reassignees to States, 1-800-MEDICARE, and "losing" and "gaining" PDPs. Upon receipt, PDPs that gain members may choose to send enrollment materials to reassignees, with the understanding that this preliminary list will differ from the list of beneficiaries actually enrolled, as described above.

October 31, 2007 - Beneficiaries in continuing plans must receive appropriate ANOC from plan (including appropriate language for those beneficiaries being reassigned due to a premium increase).

Late October/Early November 2007 – CMS mails beneficiary reassignment notices on blue paper.

November 24, 2007 – MARx begins processing reassignment elections.

Late November 2007 (**specific date to follow**) – TRR showing successfully processed reassignments should be available.

Early December 2007
- **Within 7 business days of receipt of TRR showing reassignment, "**Gaining" PDPs must send beneficiaries acknowledgment that their enrollment has been accepted by CMS. (See Exhibit 29 of PDP Guidance on Eligibility, Enrollment, and Disenrollment.)
- **Within 7 business days of receipt of TRR showing reassignment,** "Losing" PDPs must send beneficiaries confirmation of disenrollment (See Exhibit 10a of the PDP Guidance on Eligibility, Enrollment, and Disenrollment.)

December 7, 2007 – MARx plan payment cutoff; last day to submit re-enrollments into "losing" PDPs for timely processing.

December 11, 2007 – MARx begins processing plan rollovers and terminations.

January 1, 2008 – Reassignment effective date.

January 31, 2008 – Evidence of Coverage (EOC) due to beneficiaries.

FOR ASSISTANCE

If you have specific policy questions about any of these instructions, please contact Courtney Turner at (410) 786-4593 or Courtney.Turner@cms.hhs.gov. If you have technical questions

about file format or transactions, you should contact the MMA Help Desk at 1-800-927-8069 or mmahelp@cms.hhs.gov.

Attachment 1 – File Format for Preliminary PDP Notification File of Reassignments in September

There is no header or footer for this file.

Preliminary File Record

Data Field	Length	Position			Format	Valid Values
Beneficiary's Health Insurance Claim or Railroad Board Number	12	1	…	12	CHAR	
Beneficiary's First Name	12	13		24	CHAR	
Beneficiary's Last Name	28	25	…	52	CHAR	
Filler	1	53	…	53	CHAR	Space
Beneficiary's Gender Code	1	54	…	54	CHAR	
Filler	1	55	…	55	CHAR	Space
Beneficiary's Date of Birth	8	56	…	63	CHAR	Format CCYYMMDD
Filler	1	64	…	64	CHAR	Space
Contract Number	5	65	…	69	CHAR	
Filler	1	70	…	70	CHAR	Space
Plan Benefit Package Number	3	71	…	73	CHAR	
Filler	27	74	…	100	CHAR	Space

Record Length =   **100**

Attachment 2 – File Format for Interim PDP Notification File of Reassignments in September

Table 1: AA PDP Auto-Assign - Header Record

Data Field	Length	Position			Format	Valid Values
Header Code	8	1	…	8	CHAR	'MMAAPDPH' monthly 'MMAPDPGH' re-assgn 'MMAPDPLH' re-assgn
Sending Entity	8	9	…	16	CHAR	'MBD '(MBD + 5 spaces)
File Creation Date	8	17	…	24	ZD	CCYYMMDD
File Control Number	9	25	…	33	CHAR	
Filler	67	34	…	100	CHAR	spaces

Record Length =   100

Table 2: AA PDP Auto-Assign - Detail Record

Data Field	Length	Position			Format	Valid Values
Beneficiary's Health Insurance Claim Number	12	1	…	12	CHAR	
Beneficiary's Last Name	12	13	…	24	CHAR	
Beneficiary's First name	7	25	…	31	CHAR	
Beneficiary's Middle Initial	1	32	…	32	CHAR	
Beneficiary's Gender	1	33	…	33	ZD	'0', '1', or '2'
Beneficiary's Date of Birth	8	34	…	41	ZD	CCYYMMDD
Medicaid Indicator	1	42	…	42	CHAR	'Y' or 'N'
Contract Number	5	43	…	47	CHAR	
State Code	2	48	…	49	CHAR	
County Code	3	50	…	52	CHAR	
Filler	7	53	…	59	CHAR	spaces
Transaction Type Code	2	60	…	61	CHAR	'61'
Filler	1	62	…	62	CHAR	spaces
Effective Date	8	63	…	70	ZD	CCYYMMDD
Filler	1	71	…	71	CHAR	spaces
Plan Benefit Package	3	72	…	74	CHAR	
Filler	49	75	…	123	CHAR	spaces
Application Date	8	124	…	131	ZD	CCYYMMDD
Filler	30	132	…	161	CHAR	spaces
Election Type	1	162	…	162	CHAR	'S'
Enrollment Source	1	163	…	163	CHAR	'A'
Filler	1	164	…	164	CHAR	spaces
Premium Withhold Option/Parts C-D	1	165	…	165	CHAR	'D'
Filler	3	166	…	168	CHAR	spaces
Creditable Coverage Flag	1	169	…	169	CHAR	'Y', 'N', or ' '
Filler	73	170	…	242	CHAR	spaces
Part D Subsidy Level	3	243	…	245	CHAR	'100', '075', '050', or '025'
Co-Payment Category	1	246	…	246	CHAR	'1' or '4'
Co-Payment Effective Date	8	247	…	254	ZD	MMDDYYYY
Beneficiary Address Line 1	40	255	…	294	CHAR	
Beneficiary Address Line 2	40	295	…	334	CHAR	
Beneficiary Address Line 3	40	335	…	374	CHAR	
Beneficiary Address Line 4	40	375	…	414	CHAR	
Beneficiary Address Line 5	40	415	…	454	CHAR	
Beneficiary Address Line 6	40	455	…	494	CHAR	
Beneficiary Address City	40	495	…	534	CHAR	
Beneficiary Address State	2	535	…	536	CHAR	
Beneficiary Zip Code	9	537	…	545	CHAR	
Full Last Name	40	546	…	585	CHAR	
Full First Name	30	586	…	615	CHAR	

Record Length =   **615**

Table 3: AA PDP Auto-Assign - Trailer Record

Data Field	Length	Position			Format	Valid Values
Trailer Code	8	1	…	8	CHAR	'MMAAPDPT' monthly 'MMAPDPGT' re-assgn 'MMAPDPLT' re-assgn
Sending Entity	8	9	…	16	CHAR	'MBD ' (MBD + 5 spaces)
File Creation Date	8	17	…	24	ZD	CCYYMMDD
File Control Number	9	25	…	33	CHAR	
Record Count	9	34	…	42	ZD	right justified
Filler	58	43	…	100	CHAR	spaces

Record Length =   **100**