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Centers for Medicare & Medicaid Services  
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## **CENTER FOR BENEFICIARY CHOICES**

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Date: September 4, 2007  
To: All Part D Sponsors  
From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group  
Subject: 2008 Part D Readiness Checklist

With the Annual Enrollment Period (AEP) fast approaching, we want to remind Part D sponsors of established requirements critical to ensuring a plan's enrollees receive effective drug coverage in 2008. CMS has summarized key operational requirements in the 2008 Readiness Checklist, found in Attachment A. Plans should review this checklist carefully and take all necessary measures to ensure that these key requirements are in place for CY 2008 open enrollment.

Similar to last year, CMS will expect Part D sponsors to perform their own audit of these requirements. At a later date, CMS will provide a timeline to sponsors for reporting these results back to us through a secure information collection website.

CMS is very pleased to continue working with the industry to provide prescription drug coverage to Medicare beneficiaries. We appreciate your cooperative spirit and remain committed to working with Part D sponsors to ensure that beneficiaries have continued access to Part D drugs during the upcoming year.

Note that these requirements are already included in CMS guidance, contracts, applications and other advisory materials. If you need additional detail regarding requirements listed in the checklist, please refer to the appropriate CMS guidance or you can contact your Part D central office account manager (PDPs) or regional office plan manager (MA-PDs).

## Attachment A: 2008 Part D Readiness Checklist

### CUSTOMER SERVICE

- 1. Ensure that call centers will be staffed appropriately to handle increased call volume during the annual enrollment period and the first 60 days of 2008 operations.  
Part D sponsors must meet CMS standards for timely call center performance.
  - i. Beneficiary call center requirement during the Annual Enrollment Period plus 60 days; 8:00AM to 8:00PM - 7 days a week.
  - ii. Pharmacy technical support requirement: Open if any network pharmacy is open.

- 2. Ensure call centers are able to accommodate non-English speaking/reading beneficiaries.  
Sponsors should have appropriate individuals and translation services available to call center personnel to answer questions non-English speaking beneficiaries may have concerning aspects of the prescription drug benefit.

- 3. Implement processes to ensure timely resolution of beneficiary complaints.  
"Immediate Action" complaints must be resolved within two business days.

### DATA

- 4. For New 2008 Sponsors only: Establish connectivity (Gentran or Connect:Direct) with CMS systems for purpose of electronic file transfers. Connectivity methods (Gentran or Connect:Direct), setup instructions and forms are available in the Plan Reference Guide section of the MMA Help website, [www.cms.hhs.gov/mmahelp/PRG](http://www.cms.hhs.gov/mmahelp/PRG).
- 5. For New 2008 Sponsors only: Fulfill all testing requirements established by the Office of Information Services.
- 6. For New 2008 Sponsors only: Register and approve External Point of Contact (EPOC) in Individuals Authorized Access to CMS Computer Services (IACS) per the User Guide available from the MMA Help website, [http://www.cms.hhs.gov/MMAHelp/07\\_IACS.asp#TopOfPage](http://www.cms.hhs.gov/MMAHelp/07_IACS.asp#TopOfPage).
- 7. For New 2008 Sponsors only: Register appropriate staff for submitter and representative roles in IACS to ensure active access to CMS user interfaces and file transfer execution to CMS systems.
- 8. Accept and send electronic transactions for all claims using only the NPI as the provider identifier in the transaction, or have a contingency plan to do so not later than May 23, 2008.

CMS is monitoring industry implementation of the National Provider Identifier (NPI).

This implementation was required in the HIPAA regulations at 45 CFR 162.404. As a health plan, you are required to accept and send electronic transactions for all claims using only the NPI as the provider identifier in the transaction.

- 9. Demonstrate, or be prepared to demonstrate, the ability to process bi-weekly LIS matching files received from CMS, and the monthly discrepancy files from Acumen, LLC within 72 hours of receipt.

Part D sponsors are required to match their Low Income Subsidy (LIS) data files to the CMS data files. To facilitate the data matching, sponsors are required to submit monthly LIS data files to the CMS contractor, Acumen, LLC for the purpose of analyzing the consistency of the two files. Sponsors are responsible for reviewing the Acumen, LLC reports, and resolving all discrepancies identified in those reports.

Plans must achieve a 95% match rate between their files and those of CMS. Non-matches must be resolved within 72 hours. (Those plans receiving auto enrollments must report their percent matching to CMS on a monthly basis.)

- 10. Implement an effective process to accept and process “best available evidence” to charge low-income subsidy beneficiaries the correct premium, deductible and cost sharing.

- 11. Ensure timely and accurate submission of CY 2008 pricing data for posting on the Drug Plan Finder.

The initial CY 2008 data submission period for live/public data will be September 24 through September 25, 2007 - the data will be published on October 11, 2007.

### **REPORTING**

- 12. Ensure a process is in place to submit all Part D CY2008 reporting requirements to CMS according to specified timelines.

### **ENROLLMENT / DISENROLLMENT**

- 13. Ensure a process is in place to transmit enrollment and disenrollment transactions to CMS within 7 calendar days of receipt.
- 14. Ensure a process is in place to transmit plan-generated enrollment transactions that include active 4Rx data, and for CMS-generated enrollments, to transmit active 4Rx data on an update transaction within 3 business days of receipt of the TRR transmitting the enrollments.
- 15. Implement a process to send individuals an acknowledgment notice within 10 calendar days of receiving an enrollment request from that individual, as well as a confirmation notice within 10 calendar days of receiving confirmation of enrollment from CMS.

- 16. Implement a process to send individuals an acknowledgment notice within 10 calendar days if you receive the disenrollment request directly from the individual.  

If a sponsor only learns of disenrollment from CMS confirmation (e.g. as a result of enrollment with another sponsor), the sponsor must send a notice confirming disenrollment within 10 calendar days of receiving the notice of disenrollment on the TRR.
  - 17. Ensure an updated CY 2008 paper enrollment form is available for potential enrollees to request enrollment during valid periods.  

If allowing enrollment requests through other optional mechanisms such as telephone or internet, the sponsor must meet additional requirements per CMS guidance, e.g. must provide evidence of internet receipt, must record and maintain telephone enrollments.
  - 18. Ensure the enrollment process allows for appropriate up-front plan denial or CMS rejection in accordance with CMS requirements e.g. providing beneficiary notices within specific timeframes.
  - 19. For Existing 2007 Sponsors only: Review and process CMS transaction reply (TRR) and other MARx reports and taken appropriate actions as required in CMS guidance.
  - 20. Establish processes to request enrollment and disenrollment corrections in accordance with CMS requirements.
  - 21. Establish a process to download enrollment on at least a daily basis from the Online Enrollment Center (OEC) [unless your organization has opted out of participating in the OEC].
  - 22. Implement policies and procedures consistent with CMS' Creditable Coverage/Late Enrollment Penalty guidance (Chapter 4 of the Medicare Prescription Drug Benefit Manual) for processing Part D enrollment requests received on or after August 1, 2007.
  - 23. Prepare to make creditable coverage determinations, report them to CMS, and collect late enrollment penalties within the timeframes established in CMS guidance for enrollments received during the upcoming Annual Open Enrollment Period.
  - 24. Fully implement procedures for current members no later than October 1, 2007 to implement Chapter 4 for enrollment requests effective from January 1, 2007 through August 1, 2007.
- MARKETING**
- 25. Implement procedures and safeguards to ensure the CMS-approved formulary matches marketed formulary both in print and on the website.

- 26. Market CY 2008 benefits to Medicare beneficiaries using CMS-approved and CMS-File & Use accepted marketing materials.  
CY 2008 marketing may begin no earlier than October 1, 2007.
- 27. For Existing 2007 Sponsors: Cease marketing CY 2007 plans when marketing of CY 2008 plans begins. All CY 2007 plan marketing must cease by October 31, 2007.
- 28. For Existing 2007 Sponsors: Ensure members receive the CY 2008 annual benefits notices on time.

If the sponsor has elected to issue the combined ANOC/EOC for 2008, the combined materials must be received by October 31, 2007.

If the sponsor has not elected the combined ANOC/EOC option for 2008, the CY 2008 Annual Notice of Change (ANOC) / Summary of Benefits (SB)/ Formulary must be received by October 31, 2007 and the CY 2008 Evidence of Coverage (EOCs) must be mailed to members by January 31, 2008.

- 29. Request use of, and sign applicable licensing agreement for, the Medicare Prescription Drug Benefit Program Mark in 2008, if planning to use it during CY2008.

**TRANSITION / POINT OF SALE (POS SUPPORT)**

- 30. Ensure staff is trained on the transition policy and any related information systems necessary to accommodate administration of the transition policy.  
This includes implementation of policies and procedures necessary to override any non-safety-related drug claims edits (other than B vs. D and non-Part D drug edits) or otherwise ensure these are readily resolvable at point of sale for transition supplies.
- 31. Continue to provide necessary drugs to an enrollee via an extension of the transition period, on a case-by-case basis, to the extent that his or her exception request or appeal has not been processed by the end of the minimum transition period.
- 32. Establish and operate a system and system support staff to ensure that claims (including appropriate transition supply claims) can be filled at POS for all enrollees. This includes operating a pharmacy call center, or call support, during the entire period during which the sponsor's network pharmacies in their plans' service areas are open. Sponsors whose pharmacy networks include 24-hour pharmacies must operate their pharmacy technical help call centers 24 hours a day.

**SPONSOR CONTACT INFORMATION**

- 33. Update all sponsor contact information in HPMS for the 2008 contract year. Changes to any HPMS contacts should be made immediately upon the effective date of the responsibility transfer.

**OTHER**

34. Ensure timely payment to pharmacies, as per the sponsor's contracting terms with pharmacies.

35. Ensure all requirements are followed as laid out in CMS' application, contract, guidance, and other advisory materials.

Recall that the 2008 Part D application is binding for contractors that applied using earlier versions.

36. Ensure key staff registers for HPMS access, bi-weekly CMS Part D User Calls and MMA Help Desk Announcements.