

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Baltimore, Maryland 21244-1850



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DATE: August 10, 2007

TO: All Medicare Advantage and Part D Organizations

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

SUBJECT: Technical Errors in Enrollment Transactions for Creditable Coverage Period Determinations – ACTION REQUIRED

Background

As described in our June 12, 2007 operational guidance on creditable coverage period determinations and the late enrollment penalty (LEP), plans are responsible for determining, for each enrollment, whether a beneficiary had any lapse in creditable coverage of 63 days or more since the end of his/her initial enrollment period for Part D. Plans then report any lapse to CMS on an enrollment transaction or change transaction so that CMS can compute the LEP. Plans are to report those lapses in terms of full calendar months (“uncovered months”).

It has recently come to our attention that some plans have submitted anomalously large numbers of “uncovered months.” It appears that in these cases the plans may be submitting the uncovered month values with trailing zeros rather than leading zeros (e.g., 130 instead of 013) in the record field.

Immediate Plan Action Required

Effective immediately, please ensure that the “number of uncovered months” values included on enrollment transactions (code 60/61/71) and change transactions (code 72) are submitted in the following format: right justified with leading zeros (e.g., 2 uncovered months is submitted as “002”). Note that the Plan Communication User’s Guide (PCUG) Version 2.2 incorrectly says, “leading zeroes OR right justified.” We will revise the PCUG language to correctly read “leading zeroes **and** right justified.” Leading spaces (e.g., “--2”) will not be accepted by MARx.

Plans that have submitted uncovered months incorrectly should submit a subsequent “72” transaction with the correct value for the number of uncovered months. The effective date on the transaction should be equal to the date of the enrollment. Plans should also carefully review

their LIS/LEP report for any unusually large LEP amounts prior to notifying members of the LEP owed.

Important Note About Change Transactions (Code 72)

Currently, MARx accepts "72" transactions only if the effective date is within the range CPM-1 to CPM+2 (where CPM = Current Payment Month). For example, on 8/03/07, the CPM is September 2007, so the earliest enrollment effective date that falls into this category is 8/01/07 and the latest is 11/01/07. In most cases, assuming that plans submit transactions promptly, MARx will accept these transactions without incident.

However, we recognize that in some cases plans will be unable to submit the "72" transaction until the enrollment effective date is no longer within the range CPM-1 to CPM+2, either due to the corrections described above or for other reasons. If the enrollment effective date is not within the range CPM-1 to CPM+2 (i.e., too much time has passed since the enrollment was submitted), MARx currently will not accept the "72" transaction. In those situations, the plan needs to contact its Division of Payment Operations (DPO) representative, as shown in the attached list, to receive approval to submit the "72" transactions in a "retro" file. The header date on the retro file should be equal to the enrollment effective date.

If you have any questions about submitting these transactions to CMS, please contact your Division of Payment Operations (DPO) representative. If you have questions about creditable coverage period determinations, the LEP, or LEP reconsiderations, please send them to CMS' central mailbox at: LEP@cms.hhs.gov.

Attachment

DPO REGIONAL ASSIGNMENTS

Boston:	John Campbell (410) 786-0542 <u>John.Campbell2@cms.hhs.gov</u>	Dallas:	Joanne Weller (410) 786-5111 <u>Joanne.Weller@cms.hhs.gov</u>
New York:	John Campbell (410) 786-0542 <u>John.Campbell2@cms.hhs.gov</u>	Kansas City:	Mary Stojak (410) 786-6939 <u>Mary.Stojak@cms.hhs.gov</u>
Philadelphia:	James Dorsey (410) 786-1143 <u>James.Dorsey@cms.hhs.gov</u> James Krall (410) 786-6999 <u>James.Krall@cms.hhs.gov</u>	Denver:	Francine Jordan (410) 786-6505 <u>Francine.Jordan@cms.hhs.gov</u>
Atlanta:	Gloria Webster (410) 786-7655 <u>Gloria.Webster@cms.hhs.gov</u>	San Francisco:	Kim Miegel (410) 786-3311 <u>Kim.Miegel@cms.hhs.gov</u> Terry Williams (410) 786-0705 <u>Terry.Williams@cms.hhs.gov</u>
Chicago:	Janice Bailey (410) 786-7603 <u>Janice.Bailey@cms.hhs.gov</u>	Seattle:	David Evans (410) 786-0412 <u>David.Evans2@cms.hhs.gov</u>
		PACE Organizations and Demonstrations:	Bill Bucksten (410) 786-7477