

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

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*REVISED*

**DATE:** July 17, 2007

**TO:** All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

**FROM:** Thomas Hutchinson  
Director, Medicare Plan Payment Group

**SUBJECT: UPDATED Special TRR Communication – Premium Profile Cleanup**

*This letter has been updated to correct issues related to the initial release of the Special TRR.*

CMS executed several MARx system cleanups in June 2007 that affect the 2006 and 2007 premium profile for some Medicare beneficiaries. The cleanup reviewed all rows in the beneficiary premium profile table and updated the appropriate fields. This cleanup only updated beneficiary premium profile data. Enrollment data was not impacted.

A special TRR was released on July 3, 2007 and reflected changes made to the beneficiary premium profile as a result of this cleanup. **Changes that impact 2006 premium payments for beneficiaries in premium withhold will be addressed during the 2006 Premium Payment Reconciliation.** Changes that impact 2007 premium payments for beneficiaries in premium withhold will be handled within current processing schedules.

*CMS discovered a problem with information populated on the Special TRR for TRCs 120 and 182 **only**. Therefore, an additional Special TRR was released on July 13, 2007 and contained the correct information for TRCs 120 and 182. Information related to TRCs 113, 167, 177, and 181 is correct in the original TRR dated July 3, 2007.*

**Special TRR Results:**

The replies in the TRRs are type 72 (Plan Change) and contain “pmcln” in the Source ID field. The following table provides the TRCs that appear on the Special TRRs and the changes that generated these replies.

*IMPORTANT NOTE: Plans should only refer to the information provided in the chart below for interpreting these Special TRRs. **Plans should ignore information that is populated on the TRRs that is not explicitly noted in the following table.** (These TRRs reflect data that was updated as a result of the cleanup. Subsequent updates may have taken place as part of normal processing.)*

<b>TRC</b>	<b>Field changed</b>	<b>Note</b>
<b>113</b>	Part B Premium Reduction Amount	<i>This will result in a change to the Beneficiary's Part B Premium Reduction Amount. This changed amount can be found on the Monthly Membership Detail Report and the Basic Premiums and Rebates (M409) screen in MARx. (On the MMR this value is the sum of items 56 and 57—Rebate for Part B Premium Reduction – Part A Amount and Rebate for Part B Premium Reduction – Part B Amount.)</i>
<b>120</b>	Premium Withholding Option	<i>A change resulting in this TRC will appear in position 157 of the TRR. If a Low Income Subsidy results in a zero total premium, the beneficiary's Premium Withholding Option will be changed to N. If the Option was N and the new premium is &gt; 0, the Withholding Option will be changed to D.</i>
<b>167</b>	Part D Low Income Subsidy Amount and/or Part D Low Income Premium Subsidy Percentage	<i>A change resulting in this TRC will appear in position 85 containing the LIS Amount and in position 235 containing the Percentage amount of the TRR. This may result in a change to the Beneficiary's Total Premium amount. If both the Low Income Subsidy Amount and Percentage change, Plans may see two replies with TRC 167.</i>
<b>177</b>	Part D Late Enrollment Penalty Amount and/or Low Income LEP Subsidy Amount	<i>A change resulting in this TRC will appear in positions 247-254 for Part D Late Enrollment Penalty Amount and in positions 263-270 for Low Income LEP Subsidy Amount of the TRR. This will result in a change to the Beneficiary's Total Premium amount. (Since LEP enforcement has not yet been implemented, very few plans should see this TRC.)</i>

<b>TRC</b>	<b>Field changed</b>	<b>Note</b>
<b>181</b>	Part D Premium Amount	<i>A change resulting in this TRC will appear in positions 85-96 of the TRR. This will result in a change to the Beneficiary's Total Premium amount.</i>
<b>182</b>	Part C Premium Amount	<i>A change resulting in this TRC will appear in position 138 of the TRR. This will result in a change to the Beneficiary's Total Premium amount.</i>

Updates to the premium profile may have impacted premiums for Part B reduction, Part C, Part D, and/or low-income premium subsidy (LIS). Therefore, the following changes may result:

- If a member was in **premium withhold** status and their total premium amount was decreased or their LIS percentage increased due to this cleanup, then SSA will issue a refund for member months in 2007. (Again, changes that affect 2006 premiums will be addressed during the 2006 premium payment reconciliation.)
- If a member was in **direct bill** status and their total premium amount was decreased or LIS percentage increased due to this cleanup, then the member is due a refund from the plan.
- If a member was in **premium withhold** status and their total premium amount was increased or the LIS percentage was reduced due to this cleanup, then the member owes money. CMS will only process collections via SSA for amounts at or below \$200.
- If a member was in **direct bill** status and their total premium amount was increased or the LIS percentage was reduced due to this cleanup, then the member owes money to the plan.

When processing retroactive changes to a beneficiary's LIS values, the Plan should consider the following:

- Since the Co-Pay Category was not part of this cleanup, Plans will see beneficiaries for whom the Low Income Percentage and/or Premium Amount is corrected but may not see the corresponding change in the Low Income Co-Pay Category.
- The LIS fields on the TRR always represent the LIS values for the current payment month (CPM). As a result, the LIS fields may not represent the values as of the effective date in the transaction reply. To determine the correct historical LIS values for a beneficiary, the monthly LIS History file is the best source.

Please direct issues or concerns about the special TRR to the MMA Help Desk at [mmahelp@cms.hhs.gov](mailto:mmahelp@cms.hhs.gov) or 1-800-927-8069. For all other questions or comments please contact Mark Newsom at 410-786-3198 [mark.newsom@cms.hhs.gov](mailto:mark.newsom@cms.hhs.gov) or Bobbie Knickman at 410-786-4161 [bobbie.knickman@cms.hhs.gov](mailto:bobbie.knickman@cms.hhs.gov).