

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
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## **CENTER FOR BENEFICIARY CHOICES**

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**DATE:** July 3, 2007

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

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

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

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 is being released on July 3, 2007 and reflects all 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.

### **Special TRR Results:**

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

<b>TRC</b>	<b>Field changed</b>	<b>Note</b>
<b>113</b>	Part B Premium Reduction Amount	This will result in a change to the Beneficiary’s Total Premium amount.
<b>120</b>	Premium Withholding Option	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 > 0, the Withholding Option will be changed to D,

TRC	Field changed	Note
167	Part D Low Income Subsidy Amount and/or Part D Low Income Premium Subsidy Percentage	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.
177	Part D Late Enrollment Penalty Amount and/or Low Income LEP Subsidy Amount	This will result in a change to the Beneficiary's Total Premium amount. <i>(Since LEP enforcement has not yet been implemented, very few plans should see this TRC.)</i>
181	Part D Premium Amount	This will result in a change to the Beneficiary's Total Premium amount.
182	Part C Premium Amount	This will result in a change to the Beneficiary's Total Premium amount.

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 a premium amount was impacted or the LIS percentage increased, 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 a premium amount was impacted or LIS percentage increased, then the member is due a refund from the plan.
- If a member was in **premium withhold** status and a premium amount was impacted or the LIS percentage was reduced, 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 a premium amount was impacted or the LIS percentage was reduced, 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).