

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
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Medicare Plan Payment Group

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

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SUBJECT: Advance Announcement of April 2011 Software Release

The Centers for Medicare and Medicaid Services (CMS) is continuing to implement software improvements to the enrollment and payment systems that support the Medicare Advantage and Prescription Drug (MAPD) programs. This letter provides advanced information regarding the planned release of systems changes scheduled for April 2011. This release will focus on the MARx redesign and modernization as well as improving the efficiency of other systems. Some improvements will affect plan processing. The changes for this release are listed below and may require Plan action.

CMS intends to provide the detailed information that Plans will require for implementation in early January 2011.

Create Effective Dates for 4Rx Data Within A Single Enrollment Period

In CMS systems, beneficiary Part D 4Rx (RxBIN, RxPCN, RxGRP and RxID) data are tied to a Part D enrollment occurrence. The 4Rx data is required for all Part D enrollments and are submitted either in the enrollment transaction for Plan-submitted enrollments or on a Plan-submitted 72 transaction for all other types of enrollment. However, a change in a beneficiary's 4Rx data may be required for reasons other than an enrollment change; e.g., when a Part D sponsor changes its Pharmacy Benefits Manger (PBM). In these instances, once the Plan-submitted 72 transaction with the Part D 4Rx data change is processed, the new Part D 4Rx data replaces the existing 4Rx for the entire enrollment occurrence. If the 72 transaction is processed prior to the effective date of the change, any transactions that depend upon the 4Rx data for routing such as Part D claims, eligibility (E1) queries for the current or a past month, and automated True Out-of-Pocket (TrOOP) balance transfer (ATBT) transactions, will prematurely reflect the new Part D 4Rx data. After the effective date of the change, transactions pertaining to the period of the enrollment prior to the Part D 4Rx change (again, E1 queries, or ATBT transactions) will erroneously reflect the new 4Rx data. This is to allow plans to identify and use the Part D 4Rx data effective at a specific point in time, multiple occurrences of 4Rx data within a single enrollment period are needed and a start date must be captured for each 4Rx data occurrence.

With this change the effective date on the 72 transactions for Part D 4Rx changes will be used to establish the start date for the new 4Rx data when the change is not associated with an enrollment change, thereby permitting multiple Part D 4Rx occurrences within a single enrollment period. As a result, Part D sponsors will be able to submit non-enrollment-related Part D 4Rx changes prior to the effective date of the 4Rx change to ensure that the data is available in the Medicare Beneficiary Database (MBD) to support the accurate routing of claims for Part D processing regardless of the specific date the claim is filed. Additionally, users of the Part D 4Rx data (such as the TrOOP Facilitator) will be able to identify and use the 4Rx data effective for a specific point in time. This will enable the Troop Facilitator to provide the correct Part D 4Rx data in the responses to eligibility (E1) queries based on the date of service specified and to correctly route reporting transactions based on the date(s) of the data in the transaction.

MARx Redesign and Modernization

CMS will be implementing enhancements to the MARx system supporting the Medicare Advantage (MA) and Prescription Drug Plan (PDP) programs. CMS provided advanced notification regarding the planned release of systems changes related to the redesign and modernization of MARx currently scheduled for implementation in April 2011 in a separate special memorandum dated May 26, 2010. CMS will provide the detailed information in the next several weeks that Plans will require for implementation in April 2011.

MARx Special Batch Approval Utility

As a part of the MARx system Redesign and Modernization project, CMS will provide functionality via the MARx user interface to allow plans the ability to submit an electronic request for approval to process special batch files, such as Retroactive files, where necessary.

Part D Income Related Monthly Adjustment Amount

Section 3308 of the Affordable Care Act (PL-111-148) amends section 1860D-13(a) of the Social Security Act to increase the monthly amount of the Part D base beneficiary premium beginning January 1, 2011 for individuals whose modified adjusted gross income exceeds the threshold amounts of \$85,000 (2010—for individual tax filers) and \$170,000 (2010—for joint tax filers). The Part D-Income Related Monthly Adjustment Amount (hereafter referred to as D-IRMAA) shall be paid through premium withholding. However, in cases where a beneficiary's monthly benefit amount is insufficient to pay the D-IRMAA (i.e., where collection of D-IRMAA is not possible), the Social Security Administration (SSA) will enter into agreements with CMS, the Office of Personnel Management (OPM), and the Railroad Retirement Board (RRB) to allow the beneficiary to be directly billed by the respective Agencies. The Part D plan sponsors will not be responsible for billing or collecting the D-IRMAA. At a later date, CMS will provide more information on the plans' role in this process, if any, including any necessary transaction reply codes related to the Part D-IRMAA.

We appreciate your continued support of the MAPD programs.

Plans are encouraged to contact the MAPD Help Desk for any issues encountered during the systems update process. Please direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069 or email at mapdhelp@cms.hhs.gov.