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**DATE:** March 31, 2011

**TO:** Medicare Advantage Organizations  
Medicare Prescription Drug Plan Sponsors  
Medicare Cost Plans

**FROM:** Anthony Culotta, Director  
Medicare Enrollment & Appeals Group

**RE:** Enrollment Guidance for MARx Redesign & Modernization

The system changes in the MARx Redesign & Modernization (R&M) release that is currently scheduled for April 18, 2011 will streamline communications between CMS and Medicare plans that use MARx. The purpose of this memorandum is to briefly explain some of the key changes to the enrollment guidance in Chapters 2 and 17D of the Medicare Managed Care Manual, and Chapters 3 and 4 of the Medicare Prescription Drug Benefit Manual. Please note that these changes will be incorporated in the manuals in the next update of the enrollment guidance chapters.

**Daily Transaction Reply Report (TRR)**

A significant aspect of MARx R&M will be the implementation of daily TRRs. As a result of this change, wherever a TRR is described in the enrollment manuals as the “weekly” or “monthly” TRR, this should now be read as “the daily TRR.” We expect this change to improve the timeliness of enrollment-related communications from MAOs and PDPs, but note that the time frames themselves are not changing.

**Consolidation of Enrollment Transaction Type Codes**

After implementation of MARx R&M, CMS will accept only one Enrollment Transaction Type Code (TC) for all plan-submitted enrollment request transactions – **Transaction Type Code 61**. The new Transaction Type Code 61 incorporates the functionality of the multiple codes that are currently in use: TC 60, TC 62, and TC 71. Any instruction in the enrollment manual guidance that refers to Transaction Type Codes 60, 62, or 71 should now be read as a reference to Transaction Type Code 61. Plan-submitted enrollment request transactions that are received after the implementation of MARx R&M and use Codes 60, 62, or 71 will be rejected.

**Cancellation of Enrollment and Disenrollment Requests**

With the implementation of MARx R&M, CMS will institute the new Cancellation Transaction Type Codes (TCs 80 and 81) that MA plans, PDPs, and cost plans will use to process enrollment and disenrollment cancellation requests. These new codes replace the current processes and are described below.

Transaction Type Code 80 replaces Transaction Type Code 51 for cancelling an enrollment request. Therefore, plans may no longer use a Transaction Type code 51 for this purpose after the

implementation of MARx R&M. To submit an action to cancel an enrollment transaction that the plan has already sent to CMS, the MAO, PDP, or cost plan must submit a transaction code 80 (cancellation), with the effective date equal to the effective date of the enrollment being cancelled.

Transaction Type Code 81 replaces the process of submitting an enrollment transaction to cancel a previously confirmed disenrollment transaction. Therefore, plans may no longer use a Transaction Type Code 61 for this purpose after the implementation of MARx R&M. To submit an action to cancel a disenrollment transaction that the plan has already been sent to CMS, the MAO, PDP, or cost plan must submit a transaction code 81 (cancellation), with the effective date equal to the effective date of the disenrollment being cancelled.

### **New Model Notices**

As described above, plans are to use Transaction Type Code 80 to cancel enrollment requests. This will make the automatic disenrollment from the beneficiary's previous plan invalid, and MARx will automatically attempt to reinstate the beneficiary's enrollment in the plan from which they were previously disenrolled. To address these processing changes, we have updated the model notices (see attached Exhibit 22 (from Chapter 3) and Exhibit 25 (from Chapter 2)). These models do not have to go through to the 45-day Marketing Material review process because they are updated versions of existing model exhibits. Thus, plans may submit these updated models without changes as file-and-use.

When an organization receives notification of a beneficiary's reinstatement, the organization has ten (10) days to send the beneficiary a notice of reinstatement. We are including model exhibits (New Exhibit 25a for MAOs and New Exhibit 22a for PDPs) with this memo. These models may be submitted without changes as file-and-use thus bypassing the 45-day review process.

### **Implementation of Transaction Type Code 76 – Residence Address Change**

MARx R&M will implement Transaction Type Code 76 which allows an organization to report a residence address for a beneficiary in MARx. MAOs, Part D sponsors, and cost plans must use this transaction code whenever they would previously have processed a state and county code correction for an enrollee. This situation may arise while developing a beneficiary's address as per the requirements in Chapter 2 (§§ 20.3 and 50.2.1), Chapter 17D (§§ 20 and 50.2.1), and Chapter 3 (§§ 20.2 and 50.2.1).

### **Automatic Reset of Number of Uncovered Months**

With the implementation of MARx R&M, if a beneficiary has an additional Initial Enrollment Period (IEP) for Part D or activation of Low Income Subsidy (LIS) status, MARx will reset the number of uncovered months accordingly and communicate that change to the plan(s). Previously plans used the Transaction Type Code 73 to reset a beneficiary's number of uncovered months to zero. This new process does not change other functionalities of the TC 73. Therefore, plans must still use the TC 73 to submit changes to a beneficiary's number of uncovered months for other reasons.

### **For Assistance**

If you have specific policy questions about any of these instructions, please contact Jim Canavan at (410) 786-5223 or James.Canavan@cms.hhs.gov. If you have specific questions about the operational instructions for MARx Redesign & Modernization, please contact the MAPD Help Desk at (800) 927-8069 or mapdhelp@cms.hhs.gov

## **Exhibit 25 (Chapter 2): Model Acknowledgement of Request to Cancel Enrollment**

Referenced in section(s): 60.2.1

Dear <name of applicant>:

As requested, we have cancelled your request to enroll with <plan name>.

Please be patient. It may take up to 45 days for Medicare to update your records. If you are in Original Medicare, you may want to tell your doctors that if they need to submit Medicare claims, there may be a short delay in updating your records.

**IMPORTANT: If you were enrolled in another Medicare Advantage plan or Medicare prescription drug plan before enrolling with <plan name>, you **should automatically be enrolled back into that plan.****

**If you don't receive an enrollment acknowledgement letter from your previous plan within two (2) weeks of receiving this letter, please contact them to confirm your enrollment. If you have not been automatically re-enrolled with your previous plan, they may request a copy of this letter for their records.**

Please remember that if you don't have or get Medicare prescription drug coverage or other creditable prescription drug coverage, you may have to pay a late enrollment penalty if you enroll in Medicare prescription drug coverage in the future.

People with limited incomes may qualify for extra help to pay for their prescription drug costs. If you qualify, Medicare could pay for 75% or more of your drug costs including monthly prescription drug premiums, annual deductibles, and co-insurance. Additionally, those who qualify won't have a coverage gap or a late enrollment penalty. Many people qualify for these savings and don't even know it. For more information about this extra help, contact your local Social Security office, or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778. You can also apply for extra help online at [www.socialsecurity.gov/prescriptionhelp](http://www.socialsecurity.gov/prescriptionhelp).

**If you qualify for extra help with your prescription drug costs you may enroll in, or disenroll from, a plan at any time. If you lose this extra help during the year, your opportunity to make a change continues for two months after you are notified that you no longer qualify for extra help.**

If you have any questions, please contact <plan name> at <number>. TTY users should call <TTY number>. We are open <insert days and hours of operation>.

Thank you.

<Contract#, Material ID#, CMS approval date (if applicable)>

## **NEW - Exhibit 25a (Chapter 2): Model Acknowledgment of Reinstatement After Cancelling a Request to Enroll in Another Plan**

Dear <member name>:

Please be sure to keep a copy of this letter for your records.

Medicare has enrolled you back in <plan name> with no break in coverage as of <effective date>. *[If PCP not applicable, omit following sentence. Terms such as “physicians” or “doctors” or “providers” may be used instead of “primary care physician”:* You should keep using your <plan name> primary care physician for your health care.] *[Insert one of the following depending on plan policy:* We will be sending you a new membership card and other important documents for < plan name >./ You can continue using the < plan name > membership card that you currently have. If you no longer have your membership card, contact us at the number below to get a new card.] Thank you for your continued membership in <plan name>.

Please call <plan name> at <phone number> if you have any questions. TTY users should call <TTY number>. We are open <days and hours of operation>.

Thank you.

## **Exhibit 22 (Chapter 3) - Model Acknowledgement of Request to Cancel Enrollment Request**

Referenced in section: 60.1.1

<Date>

Dear < Member>:

As you requested, we have cancelled your request to enroll with < PDP name >.

**IMPORTANT: If you were enrolled in another Medicare Prescription Drug Plan or a Medicare Health Plan (such as a Medicare HMO or PPO) before enrolling with < PDP name >, you should be automatically enrolled back into that plan.**

**If you don't receive an enrollment acknowledgement letter from your previous plan within two (2) weeks of receiving this letter, please contact them to confirm your enrollment. If you haven't been automatically re-enrolled with your previous plan, they may request a copy of this letter for their records.**

Medicare limits when you can make changes to your coverage. **From October 15 through December 7 each year**, you can enroll in a new Medicare Prescription Drug Plan or Medicare health plan for the following year. Generally, you may not enroll in a new plan during other times of the year unless you meet certain special exceptions, such as if you move out of <PDP name>'s service area or you qualify for extra help with your prescription drug costs.

People with limited incomes may qualify for extra help to pay for their prescription drug costs. If you qualify, Medicare could pay for 75% or more of your drug costs including monthly prescription drug premiums, annual deductibles, and co-insurance. Additionally, those who qualify won't have a coverage gap or a late enrollment penalty. Many people qualify for these savings and don't even know it. For more information about this extra help, contact your local Social Security office, or call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778. You can also apply for extra help online at [www.socialsecurity.gov/prescriptionhelp](http://www.socialsecurity.gov/prescriptionhelp).

If you qualify for extra help with your prescription drug costs you may enroll in, or disenroll from, a plan at any time. If you lose this extra help during the year, your opportunity to make a change continues for two months after you are notified that you no longer qualify for extra help.

Please remember that if you don't have or get prescription drug coverage that is at least as good as Medicare's (also referred to as "creditable coverage"), you may have to pay a late enrollment penalty if you enroll in Medicare prescription drug coverage in the future.

If you have any questions, please call <PDP name> at <toll-free number> <days and hours of operation>. TTY users should call <toll-free TTY number>.

Thank you.

<Contract#, Material ID#, CMS approval date (if applicable)>

## **NEW - Exhibit 22a (Chapter 3): Model Acknowledgment of Reinstatement After Cancelling a Request to Enroll in Another Plan**

Dear <member name>:

Please be sure to keep a copy of this letter for your records.

Medicare has enrolled you back in <plan name> with no break in coverage as of <effective date>. You should keep using your <plan name> pharmacy for your health care. [*Insert one of the following depending on plan policy:* We will be sending you a new membership card and other important documents for < plan name >./ You can continue using the < plan name > membership card that you currently have. If you no longer have your membership card, contact us at the number below to get a new card.] Thank you for your continued membership in <plan name>.

Please call <plan name> at <phone number> if you have any questions. TTY users should call <TTY number>. We are open <days and hours of operation>.

Thank you.