

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Medicare Plan Payment Group

DATE: December 16, 2011

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

FROM: Cheri Rice /s/
Director, Medicare Plan Payment Group

Alan Constantian /s/
Director, Information Services Design and Development Group

SUBJECT: Announcement of February 2012 Software Release

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the enrollment and payment systems that support Medicare Advantage and Prescription Drug (MAPD) programs. This letter provides detailed information regarding the planned release of systems changes scheduled for February 2012. This release focuses on improving CMS system efficiency and Plan processing.

The February 2012 Release changes are as follows and may require Plan action:

1. Disenrollment Due to Failure to Pay Part D - Income-Related Monthly Adjustment Amount (IRMAA) and Reinstatement Opportunity for Good Cause

The Patient Protection and Affordable Care Act – (PL-111-148) imposed an Income-Related Monthly Adjustment Amount (IRMAA) premium increase for Medicare Part D beneficiaries whose Modified Adjusted Gross Income exceeds \$85,000 (\$170,000 if tax status is married, filing jointly). The Part D IRMAA will be paid to the government in addition to the Plan premium.

As part of the Part D IRMAA implementation, failure to pay Part D IRMAA results in a disenrollment from their Part D coverage plan. The disenrollment is initiated by CMS and a specific Transaction Reply Code (TRC) for IRMAA involuntary disenrollment is issued.

The effective date of the disenrollment is the first of the month following the disenrollment notification on the Plan's Transaction Reply Report (TRR). CMS plans to start disenrollments with an April 1, 2012 effective date. If a beneficiary wins an appeal of their disenrollment and pays all premiums and fees, a CMS caseworker will cancel the beneficiary's disenrollment through the MARx UI.

The TRC 293, Adjustment Reason Code (ARC) 45, and Disenrollment Reason Code (ARC) 62 descriptions are attached:

Attachment A: Transaction Reply Code (TRC) 293 Description

Attachment C: Adjustment Reason Codes (ARC) 45 Description

Attachment E: Disenrollment Reason Code (DRC) 62 Description

2. Allow Medicare Beneficiaries without Part D eligibility to Enroll in Program of All-Inclusive Care for the Elderly (PACE) Organizations

Current MARx enrollment edits require Part D eligibility in order to enroll in a PACE Plan. With the implementation of this change in the February Release, MARx will begin to accept PACE enrollment without Part D eligibility. Monthly payments will be calculated (prospectively and retroactively) according to the combination of the enrollee's Part A, B, and D entitlements in effect for each payment month. The timeframe for submitting enrollment transactions is not affected by this change. A new Adjustment Reason Code 46 has been added and the description is attached. A TRC 306 will be used when appropriate.

The TRC 306 and Adjustment Reason Code (ARC) 46 descriptions are attached:

Attachment B: Transaction Reply Code (TRC) 306 Description

Attachment D: Adjustment Reason Codes (ARC) 46 Description

3. Beneficiary Eligibility Query (BEQ) Report to be Made Available 24/7

The BEQ report will be available 24/7. This change will take place after the second week in February, and will result in the following improvements in obtaining this report.

BEQ will run for 24 hours each day with noted exceptions:

- Sunday maintenance
- Scheduled system maintenance (monthly)
- Specially scheduled releases

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.

Attachment A

Transaction Reply Code (TRC) 293 Description

Code	Type	Title	Short Definition	Definition
TRC 293	A	Disenroll – Failure to Pay Part D IRMAA	FAIL PAY PTD IRMAA	<p>A disenrollment transaction (Transaction Type 51) has been successfully processed due to failure to pay Part D IRMAA. The last day of the enrollment is reported in Transaction Reply Report data record fields 18 and 24.</p> <p>The disenrollment date is always the last day of the month.</p> <p>Plan Action: Ensure the Plan’s system matches the information included in the TRR record and that the beneficiary’s disenrollment date matches the date in field 24. Take the appropriate actions as per CMS enrollment guidance.</p>

Attachment B

Transaction Reply Code (TRC) 306 Description

Code	Type	Title	Short Definition	Definition
TRC 306	R	NUNCMO Change Rejected, No Part D Eligibility	NUNCMO, NO PTD	<p>A NUNCMO Change transaction (Transaction Type 73) was rejected because beneficiary does not have Part D Eligibility as of the submitted effective date.</p> <p>Plan Action: Verify the beneficiary identifying information and resubmit the transaction with updated information, if appropriate.</p>

Attachment C

Adjustment Reason Codes (ARC) 45 Description

Code	Description
45	Disenroll for Failure to Pay Part D IRMAA Premium – Reported for Part C and Part D.

Attachment D

Adjustment Reason Codes (ARC) 46 Description

Code	Description
46	Correction of Part D Eligibility – Reported for Pt D.

Attachment E

Disenrollment Reason Code (DRC) 62 Description

Code	Disenrollment Reason	Additional Information on Use
62	Part D Disenrollment Due to Failure to Pay IRMAA. (Involuntary Disenrollment).	Plan Use: Beneficiary failed to pay their Part D IRMAA and CMS completed all necessary steps to effectuate an involuntary disenrollment.

**DIVISION OF PAYMENT OPERATIONS (DPO)
REGIONAL ASSIGNMENTS**

Boston and
Kansas City:

Terry Williams
(410) 786-0705
Terry.Williams@cms.hhs.gov

New York and
PACE Plans:

William Bucksten
(410) 786-7477
William.Bucksten@cms.hhs.gov

Philadelphia:

James Krall
(410) 786-6999
James.Krall@cms.hhs.gov

Atlanta:

Louise Matthews
(410) 786-6903
Louise.Matthews@cms.hhs.gov

Chicago:

Janice Bailey
(410) 786-7603
Janice.Bailey@cms.hhs.gov

Dallas
And Demos:

Mary Stojak
(410) 786-6939
Mary.Stojak@cms.hhs.gov

San Francisco
And Denver:

Kim Miegel
(410) 786-3311
Kim.Miegel@cms.hhs.gov

Seattle:

Shawanda Perkins
410-786-7412
Shawanda.Perkins@cms.hhs.gov

DPO Director:

Marla Kilbourne
(410) 786-7622
Marla.Kilbourne@cms.hhs.gov