

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicare
7500 Security Boulevard, Mail Stop C1-13-07
Baltimore, Maryland 21244-1850



MEDICARE PLAN PAYMENT GROUP

DATE: October 23, 2015

TO: All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations, and Demonstrations

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

SUBJECT: Medicare Advantage/Prescription Drug System (MARx) November 2015 Payment – INFORMATION

This letter provides information about the November payment, which is scheduled for receipt on October 30, 2015, and other payment related items that may require plan action.

2014 Part D Annual Reconciliation

The annual Part D reconciliation for 2014 is included in the November payment. The payment adjustments are displayed on the Plan Payment Reports (PPRs) as Special CMS Adjustments with the type of PRS.

New Adjustment Type on the PPRs

A new adjustment type of OVP has been added to the PPR to identify offsets related to plan reported overpayments due to Low Income Premium Subsidy (LIPS) for Employer Group Waiver Plans (EGWPs) and Other (not risk adjustment, prescription drug event or direct/indirect remuneration). For more information on these categories, refer to the February 18, 2015 memo titled Guidance for Reporting and Returning Medicare Advantage Organization and/or Sponsor Identified Overpayments to the Centers for Medicare and Medicaid Services.

Payment and Premium Sections from the 2015 End of Year Letter

Related sections from the End of Year 2015 Enrollment and Payment Systems Processing Information are included here.

Part C Premium Changes with 2016 Effective Dates

To reduce the number of Part C Premium Change transactions (Transaction Code 78) to be processed for existing enrollments at year end, the MARx system will automatically populate beneficiary records with the 2016 minimum premium amount from the Health Plan Management System (HPMS). MARx will perform this update for all existing enrollees as well as those impacted by Plan rollovers via the HPMS Crosswalk.

Unless the enrollee has elected optional supplemental benefits for Part C, Plans should not need to submit Part C Premium Change transactions for existing enrollments. For any enrollees who

elect supplemental benefits with 2016 effective dates, Part C plans are required to submit Part C Premium Change transactions (TC 78) with the correct Part C premium amounts. Any Part C premium amounts submitted for elected optional supplemental benefits should include all premiums (i.e., any mandatory minimum premiums plus premiums for optional supplemental benefits).

These transactions must **not** be submitted until November 09, 2015. Transactions 75 and 78 with effective dates of January 01, 2016, will **not** process if they are submitted prior to November 9, 2015.

As previously stated, these transactions will be held until 2016 payment/premium configurations are completed. After the configurations are set up, the transactions will be processed correctly.

If the Part C premium amount is composed only of elected optional supplemental benefits and no Part D premium is due, Plans should also review the “No Premium Due Data File” to identify enrollees who may have been changed to a “No Premium Due” status.

Enrollees may have been in premium withholding during 2015, but if the system cannot determine that a premium will be owed during 2016 (the minimum Part C premium is zero), the withholding status will be turned off. In these cases, plans should submit both a Part C Premium Change (TC 78) and a Premium Payment Option Change (TC 75) transaction for 2016.

(1) Processing Premium Change and Premium Payment Option (PPO) Transactions

Beginning November 09 and ending December 04, 2015

Part C Premium Change (TC 78) and Premium Payment Option (TC 75) Change transactions for January 2016 effective dates must be submitted to CMS beginning November 09 and ending on the December Plan Data Due date of December 04, 2015.

PPO processing (TC 75)

New premium withholding requests must be submitted to either the Social Security Administration (SSA) or Railroad Retirement Board (RRB) for confirmation before taking effect on January 01, 2016. These transactions are expected to be processed by SSA/RRB within the first two months of 2016 and may be applied as a retroactive change back to January 01, 2016.

This means that any enrollment transaction (TC 61) that; 1) contains an effective date of January 01, 2016, and has the PPO field set to SSA/RRB, and 2) is received by MARx after the Plan Data Due Date of December 04, 2015, will set the PPO to direct bill for January 2016. The Plan will be notified of this via the DTRR, with a TRC 144 – PPO Changed to Direct Bill.

At this point, the beneficiary will contain one (1) month of Direct Billing and the Plan can only set the PPO to a prospective effective date going forward (in this case, February 2016). The Plan must complete the following actions to set the prospective PPO:

1. The Plan must submit a PPO Change transaction (TC 75) using a prospective effective date by the next Plan Data Due Date. For example, a TC 75 submitted on December 5,

2015 (past due for a January 01, 2016 effective date), must be submitted with a February 1, 2016 effective date.

Part C Premium Processing (TC 78)

If a Plan misses the December 04, 2015, deadline for submitting premium and PPO changes to be effective January 01, 2016, it can still submit a Part C Premium Change (TC 78) for January 2016 up to the cut off dates in January and February 2016.

No Premiums Due

For enrollees who may have been inadvertently put into a “No Premium Due” status, the “No Premium Due Data File” should be made available during the second week of November, so plans should wait until then before submitting transactions for those enrollees.

F. Automate Assignment of Segment IDs in the MARx System

CMS automates the assignment of Segment IDs for segmented MA Organizations. Each State and County Code (SCC) in a plan’s service area belongs to only one segment. This enables MARx to automate the assignment of Segment IDs according to the SCC of the beneficiary. If a plan does not provide a Segment ID, MARx uses the SCC to select the appropriate Segment ID. This assigned Segment ID is returned in the TRR.

If for the upcoming plan year the segments of a plan have been redefined, either because segments have been renumbered or SCCs have been mapped to different segments, MARx will automatically generate Segment Change Transactions (Transaction Type 77) to maintain impacted beneficiaries in the appropriate plan segments for the New Year. If a segment terminates at the end of year, MARx will also automatically move impacted beneficiaries to any of the remaining active segments according to their SCC.

CMS continues to permit plans to submit Segment IDs as they do now. If the beneficiary is not out of area, MARx uses the submitted Segment ID rather than the system-derived one. If a beneficiary is flagged as out of area for the plan, the MARx system automatically assigns a default Segment ID. This occurs even if the plan submits a Segment ID on the enrollment transaction. When the beneficiary is assigned to a default Segment ID, the plan receives TRC 316 – Default Segment ID Assignment. The default segment will be the segment with the lowest premiums.

Additionally, CMS may change a beneficiary’s Segment ID when notified that the beneficiary’s address has changed. The newly derived SCC is used to assign the new Segment ID. This activity generates a TRC 317 – Segment ID Reassigned after Address Update. If the new address places the beneficiary out of area for the contract, the beneficiary is assigned the default Segment ID.

If premium withholding is requested on the enrollment transaction for a beneficiary assigned to a default Segment ID due to an out of area status, the beneficiary's Premium Payment Option automatically changes to "Direct Bill." This will generate a TRC 144 – PPO Changed to Direct Bill. However, if a beneficiary with established withholding moves out of area, CMS will report the default Segment ID assignment to SSA/RRB but leave the withholding status unchanged.

Beginning with the end of year processing in 2015, the segment assignment process will include service area expansions. If a plan expands the service area of a Plan Benefit Package (PBP), MARx will detect this change. If applicable, MARx will move impacted beneficiaries assigned to the default segment to segments that now contain the SCCs of their addresses and plans will receive TRC 317 – Segment ID Reassigned after Address Update.

Questions or concerns about any of the information within this letter should be directed to the MAPD Help Desk at MAPDHelp@cms.hhs.gov, or 1-800-927-8069.

cc: DPO Representatives
Deputy Director, DPO
MAPD Customer Support