

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
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MEDICARE PLAN PAYMENT GROUP

DATE: April 29, 2008

TO: All Medicare Advantage (MA), Medicare Advantage-Prescription Drug (MA-PD), Social Health Maintenance Organizations (SHMOs), PACE and Medical Savings Account (MSA) Plans

FROM: Thomas Hutchinson /s/
Director

SUBJECT: **Clarifications on the Submittal Process for Medicare Secondary Payer (MSP) Survey Data for 2008 - Updated – ACTION**

This letter provides clarifications on several items related to the submittal of your MSP survey results this year. Many of these issues were raised at the Enrollment and Payment Conference held in Baltimore from April 2 - 4.

Due Dates for MSP Data – July 15 and Sept 15

For plans that desire a preview of their 2009 MSP factors to ensure accurate submission, the due date is July 15, 2008. Plans that submit by this date will be notified in mid to late September of their factors. These plans will have until October 15 to contact their DPO representative to request a resubmittal of their data to be used in revising the factor. Only corrections impacting large numbers of members; i.e., that would significantly change the initially computed factors, will be considered.

The final due date for all plans is September 15, 2008. Note that plans who submit AFTER the July 15th due date, will have NO preview and NO ability to submit corrections.

If plans fail to meet both of these due dates, CMS will consider their entire membership Nonrespondent and obtain their MSP status from the Medicare Beneficiary Database.

Use of Telephone Surveys

To make the MSP survey requirements consistent with the COB survey requirements, since they can be combined, and to facilitate the performance of this activity for the plans, the use of telephone surveys is approved. Plans may contact their members telephonically to obtain their MSP status. You are required to maintain documentation of these phone contacts as you would the paper surveys to support regional office audits.

Submittal of Data

CMS is considering several electronic submittal options. Plans will be notified soon of the process to be used in a HPMS letter.

Reporting No MSP/Nonrespondents

If a plan has nothing to report; i.e., no members are MSP and all members responded to the survey, they will state this in an email to Louise Matthews. In addition, plans are to submit a letter on company letterhead, signed by the Compliance Officer or the Chief Financial Officer, that certifies the survey process resulted in no MSP members and no Nonrespondents.

Survey Using the March MMR

Plans are required to survey the aged and disabled members contained on the March payment MMR that is available at the end of February. This is because this MMR is used to identify the cohort that represents an average membership type for the plans during the year. Plans are **not** required, however, to contact the survivors of members that have died between the creation of the March MMR and the conduct of the survey.

MSP Factor Computation

- Plans (MA-Only, MA-PD, SHMO and PACE) surveyed all of their nonESRD/nonHospice members on their March 2008 MMR.
- Plans submitted by 7/15/2008 all members that responded that they had MSP and all members that failed to respond. CMS assumes the remainder is nonMSP.
- CMS loads the plan-submitted data into a database and produces a national file by contract number of MSP members and Nonrespondent members.
- CMS checks the MSP status on the MBD for the Nonrespondent members.
- For each plan, CMS recomputes the March 2008 payment for all nonESRD/nonHospice members without considering MSP status (**Amt A**).
- For each plan, CMS recomputes the March 2008 payment considering members as MSP if they were reported as such by the plan OR if any of the Non respondents were found to be MSP on the MBD (**Amt B**).
- CMS then uses these dollar amounts to compute the contract-level factors as follows

$$\text{Contract-level MSP Factor} = \frac{A - B}{A}$$

WHERE:

$B =$ sum of prospective payment dollars for all enrollees (except Hospice and ESRD) in the contract, calculating payment for MSP beneficiaries by multiplying their payment by .215.

^A = sum of prospective payment dollars for all enrollees (except Hospice and ESRD) in the contract, calculating payment for MSP beneficiaries at “non-MSP” rates.

- For each plan, CMS multiplies these factors by the total prospective payment amounts for all nonhospice/nonESRD members each month.
- The resulting amounts are subtracted from the plan’s monthly payment; as shown on the plan payment report.

Again, please note that the due date this year is **July 15, 2008** which affords your plan the opportunity to correct your data submittal. If plans do not desire a review of their factor prior to application, they may submit data by Sept 15. The earlier date will allow CMS to provide advance notice to each plan of their factor prior to the January 2009 payment. CMS will e-mail the computed factors back to the submitters on or around the middle of September 2008. Plans who submitted by July 15 must contact their DPO representatives by October 15, 2008 if there are any issues or questions about their MSP factors. Requests for a review of the MSP factor must be reported by that date to be considered. The DPO contact list is attached. Plans that submitted after July 15 cannot request a review.

cc: Mr. Mark Loper, CMS
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Ms. Cynthia Tudor, CMS
DPO

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