



TO: All Prescription Drug Plans, Medicare Advantage Organizations, Employer Direct Contractors, Cost Plan Sponsors, and PACE Plans

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SUBJECT: CMS Reorganization Announcement

We are pleased to announce that effective June 8, 2008, the Center for Beneficiary Choices (CBC) has been reorganized and renamed as the Center for Drug and Health Plan Choice (CPC). This internal realignment is designed to achieve four overall basic objectives: (1) to facilitate a centralized, strategic focus on compliance and oversight of Part C and D contractors; (2) to consolidate certain operational functions to obtain efficiencies; (3) to integrate all Part D account management functions with those of Part C in the Regional Offices; and (4) to create a new function devoted exclusively to Part C data collection activities which is integrated with existing Part D data collection activities. For your convenience, we have attached organizational charts reflecting the existing and newly reorganized Center.

Account Management Transition

This reorganization will be rolled out to our contractors in an organized, seamless manner in order to minimize any confusion or unanticipated effects associated with CMS' oversight and management of our Part C and D contractors. For the past few years, account management of stand-alone prescription drug plans and certain kinds of employer sponsored Part C/D group plans (Employer Direct Contract and "800 Series Only" contracts) has been performed by staff in CMS' Central Office (CO). We made the decision to centralize this account management function early during implementation of the Part D program because of the inherent challenges in establishing a brand-new Medicare benefit.

Now that the program has matured, we are well-positioned to adopt the traditional plan management model that has been in place for many years for the Medicare Advantage program. Under this model, Part D plan management will become the responsibility of regional office (RO) staff located in the Consortium for Medicare Health Plans Operations (CMHPO).

Thus, for those current contracts with CO Account Managers (PDPs, Employer Direct Contracts, and “800 Series Only” contracts), within a few days following the release of this memo, your CO Account Manager will contact you to discuss this transition and to introduce you to your new RO Account Manager. During the next few weeks, your current and new Account Managers will work together to ensure a smooth transition. Unless advised otherwise, beginning 30 days from the date of this memorandum, you should direct all of your day-to-day communications to your new RO Account Manager. Generally there will be a single individual identified to be the account manager for every corporate entity covering all product lines. Similarly, Regional PPO account (plan) management and operations, which have previously resided in the CO’s Medicare Advantage Group, will also transition to CMHPO staff in the ROs.

Another important change we are making to align with the centralized approach to account management outlined above is to replace the term “Plan Manager” with “Account Manager” for **all** product line types (i.e., MA-PDs, Cost Plans, employer group contracts, etc). We are also eliminating the concept of “Plan Managers” associated with Medicare Advantage plans in CO in order to reinforce the role of the RO Account Manager as the primary point of contact for all Part C and Part D contractors.

The organizations in CO that have traditionally worked closely with Prescription Drug Plans and Medicare Advantage Organizations (MAOs) will modify their roles to serve as the policy and operational hubs for RO Account Managers on behalf of all PDP and MA Sponsors. Specifically, the Division of Benefit Purchasing and Monitoring (formerly the Division of Drug Benefit Purchasing, under the direction of Jennifer Shapiro) and the Division of Medicare Advantage Operations (formerly the Division of Qualifications and Plan Management, under the direction of Mike Adelberg) will be responsible for overall monitoring of the performance and operations of PDPs, MAOs, and employer sponsored group plans. Please contact Ms. Shapiro (Part D) at Jennifer.Shapiro@cms.hhs.gov or Mr. Adelberg (Part C) at Michael.Adelberg@cms.hhs.gov with any questions or concerns you have about these account management transitions.

Consolidation of Certain Operational Activities

As noted above, certain Part C and D operational activities will be consolidated in order to achieve efficiencies. The Medicare Advantage Group will be renamed the Medicare Drug and Health Plan Contract Administration Group (MCAG) and will retain the responsibility for the Medicare Advantage program. However, in consolidating functions across groups, MCAG will assume responsibility for Part D marketing policy and licensure and solvency. The Medicare Drug Benefit Group will be renamed the Medicare Drug Benefit and C and D Data Group (MDBG). This group will retain the overall responsibility for the Medicare Prescription Drug Program but will also assume responsibility for the collection of Part C data to be reported by MA plans, as well as the implementation of Part C monitoring contracts.

Creation of a New Compliance Group

As noted above, as part of the reorganization, we have created a new Compliance Group (the Program Compliance and Oversight Group – PCOG) whose functions are devoted exclusively to compliance and oversight. The creation of this new Group will facilitate a centralized, consistent and strategic focus on the oversight of our Part C and D contractors.

Employer Group Issues

As a result of the reorganization, certain employer group functions have been more properly aligned and merged with the new Groups. As detailed above, all employer sponsored group Part C and D Medicare plans currently with CO account managers will be reassigned RO account managers; the policy and contracting operations for these kinds of accounts will remain in CO. The Retiree Drug Subsidy Program functions and staff are being merged with the Medicare Plan Payment Group (MPPG) and the Medigap and HIPAA Title I Private Health Insurance functions and staff are being merged with the Medicare Enrollment and Appeals Group (MEAG) as they more properly align with our payment and enrollment functions, respectively. Each of these transitions should be seamless to our contractors.

We are confident that our new organization will help us achieve our mission more efficiently and effectively and carry out our work in a much more strategic and consistent manner across our programs. We look forward to working with all of you in the future as we transition to the new Center for Drug and Health Plan Choice.

Attachments: Organizational Charts