

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR DRUG AND HEALTH PLAN CHOICE

DATE: August 29, 2008

TO: All Part D Plan Sponsors

FROM: Anthony Culotta, Director
Medicare Enrollment and Appeals Group

SUBJECT: Reassignment of Low Income Subsidy Beneficiaries for 2009

OVERVIEW OF THE REASSIGNMENT PROCESS

In early October, CMS will conduct reassignment of certain beneficiaries eligible for the Part D low income subsidy (LIS). CMS will carry out all reassignments, including those to a different PBP offered by the same organization and the random reassignment to plans offered by different sponsors. For 2008, the process for determining which PDPs qualify for reassignment has not changed. As in the past, individuals who no longer qualify for LIS will not be reassigned, nor will LIS-eligible individuals who have chosen a plan on their own. These individuals will remain in their existing plans unless they make an affirmative enrollment choice. Thus, CMS will reassign only individuals who meet all of the following criteria:

1. Individuals who were LIS-eligible in 2008 and remain eligible in 2009.
2. Individuals remain in a plan to which they were auto-enrolled or facilitated-enrolled by CMS.
3. Individuals in a plan that will no longer have a Part D premium at or below the LIS benchmark in 2009.

Note: As set forth in our April 8, 2008 final rule, CMS promulgated a regulation that modified the calculation of the LIS benchmark. This new “weighted average” methodology replaces the previous “de minimis” policy.

For further guidance on the process, please see §30.1.5 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment, available at:
<http://www.cms.hhs.gov/MedicarePresDrugEligEnrol/>

Key information about this year’s process is outlined below, including details about our plan and beneficiary notification schedule, a reassignment timeline, and technical details about the file formats to be used in the plan notification process.

Preliminary Notification to PDP Sponsors in September

Between September 18 - 22, 2008, CMS will send a file to PDPs losing beneficiaries because their 2009 Part D premium will no longer be at or below the LIS regional low-income benchmark or because their benefit package changed from basic to enhanced. ***Please see Attachment 1 for the file format.***

The file will provide a preliminary list of the beneficiaries that will be reassigned due to a premium increase, in order to help PDPs get the appropriate annual notice of change (ANOC) to these individuals on a timely basis. Plans may use the file only for the following purposes:

1. In situations where beneficiaries will be reassigned to a different organization, this file may be used to identify beneficiaries that may receive an alternate ANOC, consistent with Exhibit 30 of the PDP Guidance on Eligibility, Enrollment and Disenrollment, or other approved communication consistent with this memorandum.
2. In situations where beneficiaries will be reassigned to a different plan within the same organization, this file may be used to identify those who can receive the ANOC of the gaining plan; that is, instead of their current 2008 plan.

Please note that the file does not include individuals who may regain deemed status in early October (and thus will qualify for reassignment), nor those whom a State Pharmaceutical Assistance Program (SPAP) may reassign if it has authority to enroll on behalf of its members.

This preliminary notification can be identified by the following:

File Name: P.Rxxxxx.APDP5.PRLIM.Dyymmdd.Thhmsst.pn
zzzzzzzz.Rxxxxx.APDP5.PRLIM.Dyymmdd.Thhmsst
[directory]Rxxxxx.APDP5.PRLIM.Dyymmdd.Thhmsst

KEY
xxxxx = 5 character contract id
yymmdd = two digit year, month, day
hhmsst = hour/minute/second/tenths of second
pn = process number
zzzzzzzz = Plan-provided high level qualifier
[directory] = optional directory specified from non-mainframe C:D clients

Interim Notification to PDP Sponsors in October

After CMS conducts reassignment, CMS sends letters on blue paper to affected beneficiaries. CMS also notifies Part D plans of individual in their plan now (or who will be reassigned to their plan for 2009) who will receive the blue notice. CMS will provide “losing” PDPs with an interim listing of their members who will be reassigned effective January 1, 2009. This listing can be identified by:

File name: "P.Rxxxxx.APDP5.LOSS.Dyymmdd.Thhmsst.pn" (Gentran Mailbox)
 "zzzzzzzz.Rxxxxx.APDP5.LOSS.Dyymmdd.Thhmsst" (C:D mainframe)
 "[directory]Rxxxxx.APDP5.LOSS.Dyymmdd.Thhmsst" (C:D non-mainframe)
 Header Code: "MMAPDPLH"
 Trailer Code: "MMAPDPLT"

We will also provide "gaining" PDPs with an interim reassignment notification file displaying:

File name: : "P.Rxxxxx.APDP5.GAIN.Dyymmdd.Thhmsst.pn" (Gentran Mailbox)
 "zzzzzzzz.Rxxxxx.APDP5.GAIN.Dyymmdd.Thhmsst" (C:D mainframe)
 "[directory]Rxxxxx.APDP5.GAIN.Dyymmdd.Thhmsst" (C:D non-mainframe)
 Header Code: "MMAPDPGH"
 Trailer Code: "MMAPDPGT"

KEY
xxxxx = 5 character contract id
yymmdd = two digit year, month, day
hhmsst = hour/minute/second/tenths of second
pn = process number
zzzzzzzz = Plan-provided high level qualifier
[directory] = optional directory specified from non-mainframe C:D clients

The format of the one-time listing for both gaining and losing PDPs will be the same as the "PDP Auto-Enrollment Notification File" (see Attachment 2) that is now used to communicate the current monthly auto-assign beneficiaries and their respective addresses to plans. We estimate the file will be transmitted on or about October 14, but will notify you separately of the exact file transmission date.

Note: For beneficiaries reassigned to a different plan within the same PDP Sponsor, the PDP Sponsor will receive two files: one identifying beneficiaries in "losing" PDPs and one identifying beneficiaries in "gaining" PDPs.

For 2009, CMS will use the beneficiary's current address to determine where the beneficiary needs to be reassigned. It is possible that, since last year, a beneficiary's address had changed with the result that s/he must be reassigned to a new region. Any PDPs with a basic benefit and a premium below the region-specific low income premium subsidy amount in that region will receive a "gaining beneficiary" file notifying them of this reassignment. Thus, PDPs may receive such files even if none of the PDPs in the new region are losing beneficiaries to reassignment.

This interim listing will include the beneficiaries' LIS premium and copayment levels as well as their addresses, and will help your plan to expedite submission of the 4Rx records for these

beneficiaries. However, you must wait until **after** the Transaction Reply Report (TRR) that will arrive November 14th—which will contain confirmed enrollments resulting from the reassign process—before submitting the 4Rx records for those beneficiaries. This is because this interim list may not exactly match the list of beneficiaries who are ultimately enrolled in your plan, since voluntary plan elections may occur after the preliminary file is created.

CMS Notification to Beneficiaries

CMS will mail notices (printed on blue paper) to the affected beneficiaries during the first week of November. These notices will instruct beneficiaries who are being reassigned of their prospective plan, indicate the premium of their current plan, and instruct them to contact their current plan if they wish to remain with the plan for 2009. CMS will also send notices (printed on tan paper) to “choosers”; that is, full-subsidy eligible individuals who chose plans that will no longer have a Part D premium at or below the LIS benchmark in 2009. These notices will inform beneficiaries that they will incur a premium if they take no action and list plans in their area that are available to them for no monthly premium. We will provide you with a sample copy of these notices once they are finalized.

We will use the following data elements from HPMS to populate these beneficiary notices: 1) Organization Marketing Name, 2) Organization Website Address, and 3) Customer Service Number. **Please Note:** CMS will use the “Auto-Enrollment Customer Service Number” if that field is populated in HPMS. If not, we will use the “Customer Service for Prospective Members - Part D” information. **Please be sure these data are entered accurately into HPMS by close of business September 23, 2008.**

To verify/update your Organization Marketing Name and Organization Website Address in HPMS, follow this path: Contract Management>Contract Number>Organization Marketing Data (under “General Information”).

To verify/update your plans’ customer service phone numbers in HPMS, follow this path: Plan Bids>Bid Submission>CY 2009>Manage Plans>Edit Contact Data.

Plan Communication to Affected Beneficiaries

“Losing” PDPs are responsible for sending an appropriate ANOC. Plans that are losing beneficiaries to another PDP sponsor may use the alternative ANOC (see Exhibit 30 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment), or termination notices as described below. “Gaining” PDPs are responsible for providing enrollment confirmation (see Exhibit 29 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment) and enrollment materials to beneficiaries in a timely manner. New in 2008, “Losing” PDPs are now responsible for providing disenrollment confirmation to beneficiaries being disenrolled due to reassignment. This new model letter is Exhibit 10b of the PDP Guidance on Eligibility, Enrollment, and Disenrollment available at: <http://www.cms.hhs.gov/MedicarePresDrugEligEnroll/> **Losing plans who want to use the alternative ANOC must notify their account manager of their intention to do so by September 19, 2008.**

Finally, plans that are losing members to reassignment may conduct outreach to their beneficiaries under limited circumstances to encourage them to remain enrolled in their current plan. Outreach may include outbound calls and letters, subject to the following conditions:

- Plans that opt to conduct outreach must conduct equivalent outreach to all individuals being lost to reassignment; they may not pick and choose which reassignees to contact.
- All outreach must inform beneficiaries of their new monthly premium liability should they remain enrolled in their current plan.
- Any telephone communication must meet the requirements of section 30.1.3 of the PDP Enrollment Guidance, concerning "Enrollment via Telephone." This includes the prohibition on collecting financial information at anytime during the call, and the requirement that all telephonic enrollment requests be recorded and include clear verbal attestation of the intent to enroll.
 - **Note:** CMS is creating a temporary exception to the prohibition in 30.1.3. on accepting enrollments during an outbound call. Thus, for the period of November 1 through December 9, 2008, and solely for LIS beneficiaries being reassigned to another PDP Sponsor, plans may initiate re-enrollment via outbound calls to their members who will otherwise be reassigned.
- **All outbound calling procedures or written communication on this subject must be approved in advance by the appropriate CMS Regional Office. This includes approval of both the calling procedures and the scripts to be used for the calls.**

Identifying Reassignments on the Transaction Reply Report (TRR)

Once CMS processes reassignment transactions in mid-November, plans will be able to identify affected beneficiaries as follows:

Application date:

- All LIS beneficiaries reassigned due to a premium increase will have an application date of June 1, 2008.
- All LIS beneficiaries reassigned due to a plan or contract non-renewal will be identified by an application date of September 30, 2008.

Enrollment source code = H (reassign)

Transaction reply codes = TRR-212 A – Re Assignment Enrollment Accepted – Re-assignment enrollment request for a beneficiary into a Part D plan submitted by CMS or Plan is accepted.

Requests for “Re-Enrollment” in the “Losing” Plan

As noted above, the CMS notices on blue paper to affected beneficiaries will instruct them to contact you if they wish to remain with your plan for 2009. If a reassigned beneficiary indicates that s/he wishes to remain enrolled despite incurring premium liability, **you must take a new enrollment election** in accordance with sections 30.1.1 – 30.1.3 and section 30.2 F of the PDP Guidance on Eligibility, Enrollment, and Disenrollment, available at the website provided above.

As part of this enrollment, you must confirm and document that the beneficiary understands the financial liability s/he will incur by remaining with your plan for 2009, consistent with section 30.1.5 of the PDP Guidance on Eligibility, Enrollment, and Disenrollment. **However, please DO NOT transmit these enrollment elections to CMS until you receive a weekly Transaction Reply Report (TRR) confirming the beneficiary's disenrollment from your plan.** This TRR should be available November 14, 2008. For the new enrollment, use the actual application date, which should be no earlier than November 15, 2008, an election type of "S" (Special Enrollment Period), and an effective date of January 1, 2009. In order for a January 1, 2009 election to be processed timely, your plan or your third-party representative must transmit these enrollments no later than the December 10, 2008 payment cutoff date. Elections received after December 10, 2008 will be processed, but this may jeopardize our ability to ensure that all data are transmitted to all entities by January 1, 2009. Elections received after December 10, 2008, but prior to January 1, 2008, will still have an effective date of January 1, 2009, but will not be processed for January payment.

REASSIGNMENT OF LIS ELIGIBLES DUE TO NON-RENEWAL

CMS will also reassign any LIS-eligible beneficiaries who remain LIS-eligible as of January 1, 2009, and are affected by a plan or PDP sponsor non-renewal. In this situation, we will reassign both those who were auto/facilitated enrolled into the PDP as well as those who voluntarily elected the plan, and beneficiaries with both full and partial subsidies. The CMS reassignment and notification process will be the same as for reassignment based on premium increase as described above.

Plan Communication to Beneficiaries

Consistent with 42 CFR 423.507(a), non-renewing plans and PDP Sponsors that are non-renewing contracts must issue a written notice of the impending plan termination to all of their enrollees residing in the affected region(s). Such notices must be approved by CMS and must include a written description of the alternatives available for obtaining qualified prescription drug coverage within the PDP region, including MA-PD plans, and other PDPs. CMS provided model language, including appropriate reassignment language, for termination notices in the 2009 call letter. **Beneficiaries must receive this termination notice from plans by October 2, 2008.** For more information, please refer to the March 17, 2008 Call Letter, which contains complete instructions for non-renewing plans and contracts. The 2009 combined call letter is located at: <http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/CallLetter.pdf>

END-OF-YEAR TIMELINE FOR REASSIGNMENT

September 18-22, 2008 – CMS will send a preliminary file to PDPs losing beneficiaries because their 2009 Part D premium will no longer be at or below the LIS regional low-income benchmark

September 19, 2008 – Plans notify account managers if they will use the alternative ANOC.

September 23, 2008 – Plan information in HPMS must be accurate and up-to-date by COB in order to appear correctly on CMS blue letters to beneficiaries.

September 26, 2008 – SPAPs who have authorized representative status and intend to “re-assign” their beneficiaries will send their “carve-out” list to CMS. These beneficiaries will be excluded from re-assignment to ensure they are only moved once.

October 2, 2008 – Beneficiaries in terminating plans or contracts must receive termination notices from plan.

October 12-14, 2008 – CMS provides preliminary lists of reassignees to States, 1-800-MEDICARE, and “losing” and “gaining” PDPs. Upon receipt, PDPs that gain members may choose to send enrollment materials to reassignees, with the understanding that this preliminary list will differ from the list of beneficiaries actually enrolled, as described above.

October 31, 2008 - Beneficiaries in continuing plans must receive appropriate ANOC from plan (including appropriate language for those beneficiaries being reassigned due to a premium increase).

Late October/Early November 2008 – CMS mails beneficiary reassignment notices on blue paper and “choosers” letter on tan paper.

November 12, 2008 – MARx begins processing reassignment elections.

November 14, 2008 – TRR showing successfully processed reassignments should be available.

Early December 2008

- **Within 7 business days of receipt of TRR showing reassignment**, “Gaining” PDPs must send beneficiaries acknowledgment that their enrollment has been accepted by CMS. (See Exhibit 29 of PDP Guidance on Eligibility, Enrollment, and Disenrollment.)
- **Within 7 business days of receipt of TRR showing reassignment**, “Losing” PDPs must send beneficiaries confirmation of disenrollment due to re-assignment (See Exhibit 10b of the PDP Guidance on Eligibility, Enrollment, and Disenrollment.)

December 10, 2008 – MARx plan payment cutoff; last day to submit re-enrollments into “losing” PDPs for timely processing.

December 11, 2008 – MARx begins processing plan rollovers and terminations.

January 1, 2009 – Reassignment effective date.

FOR ASSISTANCE

If you have specific policy questions about any of these instructions, please contact Sharon Donovan at 410-786-2561 or Sharon.Donovan@cms.hhs.gov. If you have technical questions about file format or transactions, you should contact the MMA Help Desk at 1-800-927-8069 or mmahelp@cms.hhs.gov.

Attachment 1 – File Format for Preliminary PDP Notification File of Reassignments in September

There is no header or footer for this file.

Preliminary File Record

Data Field	Length	Position	Format	Valid Values
Beneficiary's Health Insurance Claim or Railroad Board Number	12	1 ... 12	CHAR	
Beneficiary's First Name	12	13 ... 24	CHAR	
Beneficiary's Last Name	28	25 ... 52	CHAR	
Filler	1	53 ... 53	CHAR	Space
Beneficiary's Gender Code	1	54 ... 54	CHAR	
Filler	1	55 ... 55	CHAR	Space
Beneficiary's Date of Birth	8	56 ... 63	CHAR	Format CCYYMMDD
Filler	1	64 ... 64	CHAR	Space
Contract Number	5	65 ... 69	CHAR	
Filler	1	70 ... 70	CHAR	Space
Plan Benefit Package Number	3	71 ... 73	CHAR	
Filler	27	74 ... 100	CHAR	Space

Record Length = 100

Attachment 2 – File Format for Interim PDP Notification File of Reassignments in September

Table 1: AA PDP Auto-Assign - Header Record

Data Field	Length	Position	Format	Valid Values
Header Code	8	1 ... 8	CHAR	'MMA PD PGH' re-assgn 'MMA PD PLH' re-assgn
Sending Entity	8	9 ... 16	CHAR	'MBD' (MBD + 5 spaces)
File Creation Date	8	17 ... 24	ZD	CCYYMMDD
File Control Number	9	25 ... 33	CHAR	Not Used
Filler	67	34 ... 100	CHAR	spaces

Record Length = 615

Table 2: AA PDP Auto-Assign - Detail Record

Data Field	Length	Position	Format	Valid Values
Beneficiary's Health Insurance Claim Number	12	1 ... 12	CHAR	
Beneficiary's Last Name	12	13 ... 24	CHAR	
Beneficiary's First name	7	25 ... 31	CHAR	
Beneficiary's Middle Initial	1	32 ... 32	CHAR	
Beneficiary's Gender	1	33 ... 33	ZD	'0', '1', or '2'
Beneficiary's Date of Birth	8	34 ... 41	ZD	CCYYMMDD
Medicaid Indicator	1	42 ... 42	CHAR	'Y' or 'N'
Contract Number	5	43 ... 47	CHAR	
State Code	2	48 ... 49	CHAR	
County Code	3	50 ... 52	CHAR	
Filler	7	53 ... 59	CHAR	spaces
Transaction Type Code	2	60 ... 61	CHAR	'61'
Filler	1	62 ... 62	CHAR	spaces
Effective Date	8	63 ... 70	ZD	CCYYMMDD – Not Used
Filler	1	71 ... 71	CHAR	spaces
Plan Benefit Package	3	72 ... 74	CHAR	
Filler	49	75 ... 123	CHAR	spaces
Application Date	8	124 ... 131	ZD	CCYYMMDD For premium increase - 20080601 For plan termination - 20080930
Filler	30	132 ... 161	CHAR	spaces
Election Type	1	162 ... 162	CHAR	'S'
Enrollment Source	1	163 ... 163	CHAR	'H'
Filler	1	164 ... 164	CHAR	spaces
Premium Withhold Option/Parts C-D	1	165 ... 165	CHAR	'D'
Filler	3	166 ... 168	CHAR	spaces
Creditable Coverage Flag	1	169 ... 169	CHAR	'Y', 'N', or ''
Filler	73	170 ... 242	CHAR	spaces
Part D Subsidy Level	3	243 ... 245	CHAR	'100', '075', '050', or '025'
Co-Payment Category	1	246 ... 246	CHAR	'1', '2', '3' or '4'
Co-Payment Effective Date	8	247 ... 254	ZD	MMDDYYYY – Not Used
Beneficiary Address Line 1	40	255 ... 294	CHAR	
Beneficiary Address Line 2	40	295 ... 334	CHAR	
Beneficiary Address Line 3	40	335 ... 374	CHAR	
Beneficiary Address Line 4	40	375 ... 414	CHAR	
Beneficiary Address Line 5	40	415 ... 454	CHAR	
Beneficiary Address Line 6	40	455 ... 494	CHAR	
Beneficiary Address City	40	495 ... 534	CHAR	
Beneficiary Address State	2	535 ... 536	CHAR	
Beneficiary Zip Code	9	537 ... 545	CHAR	
Full Last Name	40	546 ... 585	CHAR	
Full First Name	30	586 ... 615	CHAR	

Record Length =

615

Table 3: AA PDP Auto-Assign - Trailer Record

Data Field	Length	Position	Format	Valid Values
Trailer Code	8	1 ... 8	CHAR	'MMA PD PGT' re-assgn 'MMA PD PLT' re-assgn
Sending Entity	8	9 ... 16	CHAR	'MBD ' (MBD + 5 spaces)
File Creation Date	8	17 ... 24	ZD	CCYYMMDD
File Control Number	9	25 ... 33	CHAR	Not Used
Record Count	9	34 ... 42	ZD	right justified
Filler	58	43 ... 100	CHAR	spaces

Record Length = 615