



CENTER FOR DRUG AND HEALTH PLAN CHOICE

DATE: August 28, 2009

TO: All PDP Sponsors

FROM: Anthony Culotta, Director
Medicare Enrollment and Appeals Group

SUBJECT: Reassignment of Low-Income Subsidy Beneficiaries for 2010

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 plan benefit package (PBP) offered by the same organization and the random reassignment to plans offered by different sponsors. For 2009, the process for determining which Prescription Drug Plans (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 are LIS-eligible in 2009 and will remain LIS-eligible in 2010.
2. Individuals who have remained in a plan into which they were auto-enrolled or facilitated-enrolled by CMS.
3. Individuals in a plan that will be terminating or will no longer have a Part D premium at or below the LIS benchmark in 2010.

For further guidance on this process, please see §30.1.5 of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual, available on the Web at <http://www.cms.hhs.gov/MedicarePresDrugEligEnrol/>.

Please note that reassignment occurs only for PDPs; there is no reassignment for MA organizations. In addition, there is no reassignment among enrollees in PDPs in U.S. territories.

Key information about this year's process is outlined below, including details about the 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

On or around September 25, 2009, CMS will be sending a file to PDPs that will be losing beneficiaries because their 2010 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.*** PDPs that want to identify potential reassignees prior to receiving this file may do so by identifying all members whose enrollment source codes are A, C, or H (auto-enrolled, facilitated-enrolled, or reassigned, respectively), and who will have a 2010 low-income premium subsidy of 100%.

The file will provide a preliminary list of the beneficiaries who will be reassigned due to a premium increase, in order to help PDPs send 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 who may receive an alternate ANOC, consistent with Exhibit 30 within Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual, 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 2009 plan.

Please note that the file does not include individuals who regain deemed status after September and thus will subsequently qualify for reassignment.

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 PDPs of individuals currently enrolled in their plan or who will be reassigned to their plan for 2010 who will receive the blue notice. For losing plans, this file 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" that is now used to communicate the current monthly auto-assign beneficiaries and their respective addresses to plans. Please see the Medicare Advantage and Prescription Drug Plans Communications Users Guide for file format and specifications, available on the Web at <http://www.cms.hhs.gov/MMAHelp/>.

In addition, please note that CMS has made improvements to how the data elements that provide the address are populated. For details, see the August 12, 2009, Systems Software Release Memo, available at <http://www.cms.hhs.gov/MMAHelp/>. We estimate the file will be transmitted on or about October 16, but will notify PDPs separately of the exact file transmission date.

Please note that 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 2010, CMS will identify the region in which the beneficiary resides by first checking the state file on which the beneficiary was submitted. If the beneficiary was not submitted on any state file, CMS will use the beneficiary's current address recorded in our CMS systems to determine where the beneficiary needs to be reassigned. A PDP that receives a "gaining beneficiary" file identifying beneficiaries who have an address that is outside of the PDP's region should not automatically disenroll such beneficiaries; rather, the PDP should verify

whether the address on record reflects the beneficiary's address or the address of the beneficiary's representative payee (a status designated by the Social Security Administration to identify an individual authorized to make financial decisions on behalf of a beneficiary). Also, it is possible that a beneficiary's address could have changed, necessitating that s/he be reassigned to a new region.

Any PDPs with a basic benefit and a premium at or below the region-specific low income premium subsidy amount in that region will receive a "gaining beneficiary" file notifying them of such reassignments. Thus, PDPs may receive such files even if none of the PDPs in the new region is losing beneficiaries to reassignment.

This interim listing will include the beneficiaries' LIS premium and copayment levels as well as their addresses. However, PDPs must wait until after the Transaction Reply Report (TRR) that will arrive on or around November 20, 2009—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 a PDP through reassignment, since voluntary beneficiary 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 last week of October. These notices will instruct beneficiaries who are being reassigned of their prospective plan that will have no premium, indicate the premium of their current plan, and instruct them to contact their current plan if they wish to remain with the plan for 2010. CMS will also send notices (printed on tan paper) to "choosers"; that is, full-subsidy eligible individuals who chose plans that will have a Part D premium in 2010. CMS is expanding its notification of choosers to include all individuals who will pay a premium in 2010. 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 plans 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 on September 1, 2009.**

To verify/update your Organization Marketing Name and Organization Web site 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 2010>Manage Plans>Edit Contact Data.

Plan Communication to Affected Beneficiaries

“Gaining” PDPs are responsible for providing enrollment confirmation and enrollment materials to beneficiaries in a timely manner (see Exhibit 29 of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual). “Losing” PDPs are responsible for sending an appropriate ANOC and disenrollment confirmation to beneficiaries being disenrolled due to reassignment. A model letter for disenrollment due to reassignment is provided in Exhibit 10b of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual, available on the Web at <http://www.cms.hhs.gov/MedicarePresDrugEligEnroll/>. Plans that are losing beneficiaries to another PDP sponsor may use the alternative ANOC (see Exhibit 30 of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual), or termination notices as described below. **“Losing” plans who want to use the alternative ANOC must notify their account manager of their intention to do so by September 18, 2009.**

Identifying Reassignments on the Transaction Reply Report (TRR)

Once CMS processes reassignment transactions in mid-November, CMS will transmit a special TRR to plans containing only reassignment transactions. 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 January 1, 2006.
- All LIS beneficiaries reassigned due to a plan or contract non-renewal will be identified by an application date of September 30, 2009.

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 their current plan if they wish to remain in that plan for 2010. If a reassigned beneficiary contacts the current plan and indicates that s/he wishes to remain enrolled despite incurring premium liability, **the plan sponsor must take a new enrollment election** in accordance with §30.1.1 – §30.1.3 and §30.2 F of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual, available on the Web site provided above. Please note that PDPs may not contact these individuals to encourage them to remain in the plan.

As part of this enrollment, the PDP must confirm and document that the beneficiary understands the financial liability s/he will incur by remaining with the plan for 2010, consistent with §30.1.5 of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual. **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 on or around November 20, 2009. For the new enrollment, use the actual application date (which should be no earlier than November 15, 2009), an election type of “S” (Special Enrollment Period), and an effective date of January 1, 2010. In order for a January 1, 2010 election to be processed timely, the PDP or the PDP’s third-party representative must transmit these enrollments no later than the December 11, 2009 payment cutoff date. Elections received after December 11, 2009 will be processed, but this may jeopardize our ability to ensure that all data are transmitted to all entities by January 1, 2010. Elections received after December 11, 2009, but prior to January 1, 2010, will still have an effective date of January 1, 2010, 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, 2010, and are affected by a plan or PDP sponsor non-renewal. In this situation, we will reassign both those with full or partial subsidies who either were auto/facilitated enrolled into the PDP or voluntarily elected the plan. 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), PDP sponsors that are non-renewing contracts must issue a written notice of the impending plan termination to all 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. By regulation, **beneficiaries must receive this termination notice from plans no later than November 2, 2009.** However, CMS strongly urges plan sponsors to send these notices as early as possible, preferably by October 2, 2009. For more information, please refer to the 2010 Combined Call Letter issued March 30, 2009, which contains complete instructions for non-renewing plans and contracts. The 2010 Combined Call Letter is located at:

<http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/2010CallLetter.pdf>

END-OF-YEAR TIMELINE FOR REASSIGNMENT

August 28, 2009 – State Pharmaceutical Assistance Programs (SPAPs) that 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 moved only once.

September 1, 2009 – 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 18, 2009 – Plans notify account managers if they will use the alternative ANOC.

On or around September 25, 2009 – CMS will send a preliminary file to PDPs losing beneficiaries because their 2010 Part D premium will no longer be at or below the LIS regional low-income benchmark.

October 16-18, 2009 – 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, 2009 - 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 2009 – CMS mails beneficiary reassignment notices on blue paper and “choosers” letter on tan paper.

November 2, 2009 – Beneficiaries in terminating plans or contracts must receive termination notices from plan. Please note, however, that CMS strongly urges plan sponsors to send these notices as early as possible, preferably by October 2, 2009.

November 12, 2009 – MARx begins processing reassignment elections.

November 20, 2009 – TRR showing successfully processed reassignments should be available.

November 23, 2009 – Plans must submit 4Rx data.

November 30, 2009

- **Within 10 calendar 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 Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual.)
- **Within 10 calendar days of receipt of TRR showing reassignment**, “Losing” PDPs must send beneficiaries confirmation of disenrollment due to re-assignment (See Exhibit 10b of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual, available on the Web site provided above.

December 11, 2009 – MARx plan payment cutoff; last day to submit re-enrollments into “losing” PDPs for timely processing.

January 1, 2010 – Reassignment effective date.

FOR ASSISTANCE

If you have specific policy questions about any of these instructions, please contact Deborah Hunter at 410-786-0625 or Deborah.Hunter@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 October

Table 1: AA PDP Auto-Assign - Header Record

Data Field	Length	Position	Format	Valid Values
Header Code	8	1 ... 8	CHAR	'MMA PD PGH' – Gain File header 'MMA PD PLH' – Loss File header
Sending Entity	8	9 ... 16	CHAR	'MBD' (MBD + 5 spaces)
File Creation Date	8	17 ... 24	CHAR	CCYYMMDD
File Control Number	9	25 ... 33	CHAR	
Filler	582	34 ... 615	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' for Unknown '1' for male '2' for female
Beneficiary's Date of Birth	8	34 ... 41	ZD	CCYYMMDD
Beneficiary's Medicaid Indicator	1	42 ... 42	CHAR	'1'
Beneficiary's Contract Number	5	43 ... 47	CHAR	
Beneficiary's State Code	2	48 ... 49	CHAR	
Beneficiary's County Code	3	50 ... 52	CHAR	
Filler	7	53 ... 59	CHAR	Spaces
Beneficiary's Transaction Type Code	2	60 ... 61	CHAR	"61"
Filler	1	62 ... 62	CHAR	Spaces
Beneficiary's Effective Date	8	63 ... 70	ZD	CCYYMMDD: - CCYY = Next Year - MM = 01 - DD = 01
Filler	1	71 ... 71	CHAR	Spaces
Beneficiary's Plan Benefit Package (PBP)	3	72 ... 74	CHAR	
Filler	49	75 ... 123	CHAR	Spaces
Beneficiary's Application Receipt Date	8	124 ... 131	ZD	CCYYMMDD MMAPDPGy (Gain): - Beneficiaries with Premium Increase = "01/31/06" for the 2009 run and decremented one day in subsequent years - Terminating Plan = 09/30 of the year of the Re-Assignment run. MMAPDPly (Loss): - Beneficiaries with Premium Increase = "01/31/06" for the 2009 run and decremented one day in subsequent years - Terminating Plan = 09/30 of the year of the Re-Assignment run.

Data Field	Length	Position	Format	Valid Values
Filler	30	132 ... 161	CHAR	Spaces
Beneficiary's Election Type	1	162 ... 162	CHAR	'S'
Beneficiary's Enrollment Source	1	163 ... 163	CHAR	'H' – Reassignments
Filler	1	164 ... 164	CHAR	Spaces
Beneficiary's Premium Withhold Option/Parts C-D	1	165 ... 165	CHAR	'D'
Filler	3	166 ... 168	CHAR	Spaces
Beneficiary's Creditable Coverage Flag	1	169 ... 169	CHAR	Spaces
Filler	73	170 ... 242	CHAR	Spaces
Beneficiary's Part D Subsidy Level	3	243 ... 245	CHAR	'100', '075', '050', or '025'
Beneficiary's Co-Payment Category	1	246 ... 246	CHAR	Co-payment levels 1, 2 or 3 are valid for a deemed bene. Co-payment levels 1 and 4 are valid for an applicant bene. 1 - high co-pay 2 - low co-pay 3 - no co-pay 4 - 15%
Beneficiary's Co-Payment Effective Date	8	247 ... 254	ZD	MMDDYYYY Spaces
Beneficiary Address Line 1	40	255 ... 294	CHAR	Filled with the Address
Beneficiary Address Line 2	40	295 ... 334	CHAR	Filled with the Address, if available
Beneficiary Address Line 3	40	335 ... 374	CHAR	Filled with the Address, if available
Beneficiary Address Line 4	40	375 ... 414	CHAR	Filled with the Address, if available
Beneficiary Address Line 5	40	415 ... 454	CHAR	Filled with the Address, if available
Beneficiary Address Line 6	40	455 ... 494	CHAR	Filled with the Address, if available
Beneficiary Address City	40	495 ... 534	CHAR	Filled with the City
Beneficiary Address State	2	535 ... 536	CHAR	Filled with the State Code
Beneficiary Zip Code	9	537 ... 545	CHAR	Filled with the Zip Code
Beneficiary's Full Last Name	40	546 ... 585	CHAR	
Beneficiary's 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' Gain File Trailer 'MMA PD PLT' Loss File Trailer
Sending Entity	8	9 ... 16	CHAR	'MBD ' (MBD + 5 spaces)
File Creation Date	8	17 ... 24	CHAR	CCYYMMDD Date created.
File Control Number	9	25 ... 33	CHAR	
Record Count	9	34 ... 42	ZD	Right justified. Count = Number of detail and header records.
Filler	573	43 ... 615	CHAR	Spaces

Record Length = 615