

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



CENTER FOR DRUG AND HEALTH PLAN CHOICE
OFFICE OF INFORMATION SERVICES

DATE: October 7, 2009

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

FROM: Thomas Hutchinson /s/
Director, Medicare Plan Payment Group
Alan Constantian /s/
Director, Information Services Design and Development Group

SUBJECT: Enrollment and Payment Processing Information for the End of 2009

This memo provides organizations and sponsors (referred to hereafter as “Plans” where applicable) with information about the upcoming 2009 End of Year (EOY) systems processing activities and the transition to CY 2010. Please note that the dates included here are intended to be used as a guide. All information is approximate and subject to change depending on system resources and other factors. CMS will communicate any changes to this schedule that impact plans as necessary.

Plans are reminded to ensure they have reviewed and incorporated the changes described in the memo entitled “Updated Announcement of November 2009 Software Release” from Thomas Hutchinson and Alan Constantian, dated August 31, 2009.

The items outlined in this memo regarding the 2009 EOY processing schedule and activities are categorized into three major areas as shown below.

1. General Information

- A. MA and PDP NMEC and COB User Fees for 2010
- B. 2010 MARx Plan Monthly Schedule
- C. MARx System User Interface (UI) Availability

2. MARx System Transaction Processing

- A. Plan Enrollment and Disenrollment Transaction Submission Schedule
- B. Submitting Enrollment Transactions (code 60, 61, 62 and 71) with January 1, 2010 Effective Dates
- C. Rollover Processing
- D. Transaction Processing Information for Plans Non-renewing for 2010
- E. Submission of 2010 4Rx Data and Updates to Payer Sheets for 2010
- F. Plan Change (72, 73, 74, 75) Transactions with 2010 Effective Dates

3. Plan Reports

- A. Premium Adjustments and the Full Enrollment File
- B. October PDP Notification Files for Reassignment and for Auto/Facilitated Enrollment
- C. Loss of Low Income Subsidy Data Files
- D. Monthly Reports

1. General Information

A. The MA and PDP NMEC and COB User Fees for 2010

The amount of the MA NMEC user fee to be collected in Fiscal Year (FY) 2010 is \$51.2 million. Beginning with the January 2010 payment, CMS will assess MA Organizations an amount equal to 0.051% of each monthly prospective payment. This percentage is computed to spread the assessment of the \$51.2 million fee over the remaining nine months of the FY. If necessary, this percentage will be modified in the September 2010 payment deduction to ensure the full user fee amount is collected.

The amount of the PDP Sponsor NMEC user fee to be collected in FY 2010 is \$19.4 million. Beginning with the January 2010 payment, CMS will assess PDP Sponsors an amount equal to 0.053% of each monthly prospective payment. This percentage is computed to spread the assessment of the \$19.4 million fee over the remaining nine months of the FY. If necessary, this percentage will be modified in September 2010 payment deduction to ensure the full user fee amount is collected.

The Part D COB user fee for FY 2010 is \$1.89 per member per year. CMS will assess the COB user fee at a rate of \$.21 per Part D member each month from January – September 2010.

B. 2010 MARx Plan Monthly Schedule

The MARx Plan Monthly Schedule for 2010 will be made available later this month. This calendar provides the “Plan Data Due” dates, commonly referred to as the MARx cut-off dates, for each month, the dates that Monthly reports will be available, as well as the days the MARx online User Interface will not be available. It also includes due dates for the required monthly enrollment/payment attestations. A description of the due dates is included with the schedule. Once finalized, the calendar will be incorporated into the Plan Communications User Guide (PCUG) as usual.

C. MARx System User Interface (UI) Availability

The Medicare Advantage and Part D Inquiry System (MARx Common User Interface) will not be available for Plan access from approximately 6:00 pm (ET) on Friday, November 13, 2009 until approximately 12:00 pm (ET) on Monday, November 16, 2009 to enable regular December payment processing.

2. MARx System Transaction Processing

A. Plan Enrollment and Disenrollment Transaction Submission Schedule

CMS has established the following Plan data submission cutoff dates to allow for EOY processing activities. These dates are the same as the dates currently published in the Plan Communications User Guide (PCUG), Appendix C (The MARx Monthly Schedule):

- December Payment Month – November 13, 2009
- January Payment Month – December 11, 2009
- February Payment Month – January 8, 2010 (tentative date; final will be published via the MARx Monthly Calendar for 2010).

Plans are encouraged to submit transactions early and often to meet their seven-day submission requirement as well as these Plan Data Due cut-off date deadlines. Plans are also strongly encouraged to reconcile submitted data quickly with CMS replies, including the Batch Completion Status Summary (BCSS), to ensure accuracy and allow for the resubmission of corrected errors they may identify.

Due to end of year processing, CMS will place all MARx batch files it receives beginning immediately after MARx cut-off on November 13, 2009 into a holding status. These files will be held until the software updates and 2010 configuration tasks are complete. CMS estimates that Plan submitted transactions will begin to be processed, in the order in which they were received, beginning on or about November 23, 2009. Plans can expect to begin receiving the BCSS reports at that time.

B. Submitting Enrollment Transactions (code 60, 61, 62 and 71) with January 1, 2010 Effective Dates

Due to the timing associated with loading the HPMS file containing CY2010 Plan data, transactions with effective dates of January 1, 2010 should not be submitted to MARx until after the December 2009 payments are processed. The December 2009 payment will be processed during the period beginning on November 13, 2009 through November 15, 2009. If a Plan submits enrollment transactions effective January 1, 2010 on or before the November 13, 2009 MARx cut-off date, the transactions will fail with Transaction Reply Code (TRC) 003 (Invalid Contract Number), or reject with TRC 107 (Rejected; Invalid or Missing PBP Number) or TRC 165 (processing delayed).

Plans may begin to submit enrollment transactions for valid January 1, 2010 effective dates, beginning on November 15, 2009. These transactions must be submitted using the correct application date (i.e., the receipt date or the appropriate application date as directed in CMS guidance). It is not necessary or allowed to change the application date information; please report accurate information. Plans will not be considered out of compliance with the required submission timeframes for valid requests for which the MARx transaction must be held to facilitate the transition work, as directed above. All batch files received after November 13, 2009 will be collected, held and then processed in the order in which they were received in the system to ensure accuracy of processing.

Plans may submit enrollment transactions with both December 1, 2009 effective dates and January 1, 2010 effective dates in the same MARx submission files starting on Sunday,

November 15, 2009. Plans do **not** have to split files by effective date year. As is customary, Plans may submit transactions for multiple contracts in one file.

As a reminder, unsolicited AEP enrollment requests that Plans may have received prior to the start of the AEP, which is November 15, 2009, must be submitted on November 15, 2009 with 11/15/2009 as the application date on the transactions, as directed in CMS enrollment guidance. Plans are encouraged to review the CMS enrollment policy guidance applicable to your plan type for additional information. PDP Sponsors refer to Section 30 of the PDP Guidance and MA Organizations refer to Section 40 of the MA Guidance. Both guidance documents are available under the heading “Eligibility and Enrollment” on the web at the following link:

<http://www.cms.hhs.gov/home/medicare.asp>

Valid requests for enrollment effective January 1, 2010 received prior to November 15, 2009, such as a Special Enrollment Period or an Initial Enrollment Period, must be internally processed by the receiving plan in accordance with the timeframes and requirements provided by CMS. Plans must hold, and not submit, the MARx transactions necessary to complete the process until November 15, 2009, and must include the actual application date on the transaction.

Disenrollment transactions (code 51) are not affected by EOY processing and may be submitted as usual.

C. Rollover Processing

CMS will process CMS generated Plan Rollover actions and Terminations between December 12 and December 14, 2009. During this time, CMS will disenroll all remaining members of terminating Plans (PBPs) effective 01/01/2010. CMS will also move members (or “rollover” membership) between plans as specified via the HPMS Crosswalk where necessary. For this latter action, note that CMS can only process the following scenarios during rollover:

- All enrollees in one 2009 PBP moving to a single new 2010 PBP
- All enrollees in multiple 2009 PBPs (in the same contract) moving to one single PBP for 2010.

These transactions will appear on the normal Weekly/Monthly TRR which will be made available on or about December 15, 2009. CMS generated rollover enrollment transactions will have a response of TRC 100 (for code 71 transactions) or TRC 011 (for code 61 transactions), an effective date of 01/01/2010 and the value “D” in field 37 (the Enrollment Source Code). Please note that where the renewal from CY 2009 to CY 2010 did not result in any change to the contract and PBP number, no enrollment action is necessary for membership to continue in 2010.

If you received approval from CMS for a crosswalk exception, you received notification on August 21, 2009 that listed which crosswalks will be processed by CMS as a consolidation or renewal, and which scenarios will require plan-submitted MARx transactions to accomplish.

The scenario of all enrollees in one 2009 PBP moving to multiple 2010 PBPs, and certain other crosswalk exceptions, cannot be accomplished under the automated CMS rollover process. Therefore, Plans **that have been approved** for such renewal crosswalks must submit

transactions on November 16, 2009 to move the enrollees to the correct PBP effective January 01, 2010. A CMS approved renewal or crosswalk exception scenario is the only acceptable reason for a Plan submitted rollover transaction. For a crosswalk from a PBP to another PBP within the same contract number, plans must use the code 71 PBP Change Enrollment transaction. For a crosswalk into a different contract number, plans must use the code 61 Enrollment Transaction. All Plans submitting transactions for these limited, previously approved circumstances must submit these actions accurately on November 16, 2009 and must use the following specific data elements on each transaction:

- November 01, 2009 as the application date
- January 1, 2010 as the effective date
- “X” as the election type code (election period identifier).

Important note: as plan-submitted transactions, the CMS response to these actions will not have the special characteristics that CMS generated rollover actions have. For example, as plan submitted actions, these transactions will have an enrollment source code of “B” instead of the enrollment source code of “D” which indicates CMS generated rollover transactions. Additionally, the usual response TRC to plan submitted transactions should be expected. CMS strongly encourages that plans which must submit plan-generated rollover transactions are diligent in ensuring 100% data accuracy for all such submissions.

For those few Plans that must submit plan submitted rollover transactions, as permitted above for certain, limited previously approved rollover crosswalk activity, please ensure that you review the Batch Completion Status Summary (BCSS) report and the weekly Transaction Reply Report (TRR) that follows the submission of these actions to ensure successful processing.

All Plans should carefully review all CMS reports including the January 2010 MMRs (scheduled to be available on December 22, 2009) to ensure that all enrollees are in the correct PBP for January 2010. If there are questions, please contact the MAPD Help Desk at 1-800-927-8069 or MAPDhelp@cms.hhs.gov to report the problem immediately.

D. Transaction Processing Information for Plans Non-renewing for 2010

Information regarding disenrollment transactions and retroactive adjustments for non-renewing plans is described in this section. Please note that MARx monthly reports will no longer be available to terminated organizations 61 days after termination. Copies of MMRs created after that date will accompany a terminated organization’s final reconciliation results from CMS. All CMS systems access for all users of a terminated contract (i.e., MARx and BEQ) will end 60 days after the contract terminates.

1. Disenrollment Transaction Processing

For the most part, terminating organizations, as well as organizations terminating an entire PBP (or multiple PBPs), do not need to submit disenrollment transactions and affected beneficiaries do not need to request disenrollment except as described below. However, such organizations are required to submit transactions for members that wish to disenroll prior to the non-renewal date, (i.e., disenrollment effective December 1, 2009), according to the usual disenrollment request processing requirements as provided in CMS Enrollment guidance. This must be accomplished while the Plan still has access to CMS systems.

In some limited CMS approved circumstances, such as when an MA organization reduces the service area of a CY 2009 MA Plan (PBP) and the reduced service area is not continued in another MA Plan offered by the organization (i.e., contract-level SAR), the MA organization must submit disenrollment transactions to disenroll only the beneficiaries from the PBP or PBPs affected by the change. Plans that must submit disenrollment transactions under these circumstances must submit disenrollment transactions with the following data elements on November 16, 2009:

- transaction code 51
- January 01, 2010 effective date (for December 31, 2009 disenrollment)
- “X” as the election type code (election period identifier).

2. Retroactive Payment Adjustments

Non-renewed organizations are required to reimburse CMS for any overpayments. Conversely, a Plan will have the right to seek reimbursement from CMS for any previously identified underpayments. MA and PDP organizations seeking payment adjustments should submit requests to report corrected information within 45 days from the date of receipt of January payment Monthly reports (scheduled for December 22, 2009) to the Retroactive Processing Contractor (RPC). The reporting of requests for corrected information to the RPC will trigger the CMS retroactive payment adjustment process. The requested corrections will be verified and applied to the Plan’s member records. These corrections will be included as a part of the Plan’s final payment reconciliation after the final risk adjustment reconciliation is completed for 2009.

CMS will complete final reconciliation of its accounts with Plans approximately nine months (or, if applicable, after the final risk adjustment reconciliation for 2009 is performed), after the end date of the Plan’s contract, December 31, 2009. However, it is important to note that completion of final reconciliation may be delayed in the event a Plan fails to comply with their remaining risk adjustment data submission requirements. For MA and PDP organizations that are reducing service areas for contracts that will continue in 2010, no final reconciliation will be performed. Payment adjustments related to coverage provided to enrollees in the discontinued portions of the service area will be included as part of the regular payment adjustment process and will appear in the Plan’s monthly payments during 2010.

E. Submission of 2010 4Rx Data and Updates to Payer Sheets for 2010

This section is directed to Part D sponsors and Plans offering a Part D benefit advising them on the timing of 2010 enrollment transactions, communicates the expected availability of 2010 4Rx data in E1 eligibility queries for pharmacies and reminds Plan sponsors to update their payer sheets with their trading partners for any billing changes associated with their 2010 Part D benefits.

The MARx system will begin processing Plan-submitted 2010 enrollments for new enrollees and beneficiaries switching Plans after November 15, 2009. The 4Rx data for these types of enrollments, as submitted on the enrollment transactions, will be available to support E1 eligibility queries from pharmacies starting on or around November 23, 2009.

Since Plan sponsors must submit 4Rx data for all CMS-generated enrollments, including all CMS generated rollover transactions, auto-assigned and facilitated enrollments and reassignments, CMS has scheduled the processing of these 2010 enrollment transactions to ensure 4Rx data are available timely.

- The initial processing of auto-assigned and facilitated enrollments with 2010 effective dates will be November 19, 2009; these transactions will be reported to sponsors on the weekly Transaction Reply Report (TRR) dated November 22, 2009. Part D sponsors must submit the 4Rx data for these beneficiaries within 48 to 72 hours. Therefore, the 4Rx data for these enrollments will be available for E1 eligibility queries no later than November 24, 2009. After this initial processing, CMS will begin daily processing of auto-assigned and facilitated enrollments with 2010 effective dates; these transactions will be reported to sponsors on the subsequent weekly/monthly TRR as usual.
- CMS will send re-assignment letters to beneficiaries on or around November 1, 2009. Plan sponsors will be receiving a special TRR on or around November 20, 2009 reporting these transactions. Plans must submit the 4Rx data within 48 to 72 hours of receipt of the special TRR. The 4Rx data for the CMS reassigned beneficiaries, therefore, should be available for E1 queries no later than November 23, 2009.

CMS also reminds Plans to replace 4Rx data for all beneficiaries whose 4Rx information is changing in any way between 2009 and 2010. Even if the CMS contract and PBP numbers remain the same, Plans are required to resubmit the beneficiary's 4Rx data to CMS on a Plan Change (72) transaction **if there will be a change between 2009 and 2010 in any of the BIN, PCN, GROUP or MEMBER ID numbers**. CMS will continue to monitor and publish the effectiveness of these processes through performance metrics related to pharmacy complaints and 4Rx completeness.

In addition to supporting the 4Rx data updating process, Part D Plan sponsors are reminded to update their payer sheets to reflect any billing changes associated with their 2010 Part D benefits, 2010 changes in Plan names, BIN/PCNs, or any other relevant billing information. These payer sheet changes should be communicated to all contracted pharmacies as soon as possible.

F. Plan Change (code 72, 73, 74 and 75) Transactions with 2010 Effective Dates

Plans are required to submit premium information as clarified below to CMS for their current members using a Miscellaneous Update transaction type 74 by the cutoff date of January 8, 2010. Do not submit these transactions for CY 2010 earlier than November 15, 2009. CMS is unable to process any premium-related change requests with 2010 effective dates submitted before November 15, 2009, and if submitted prior to this date, these transactions will not process.

To reduce the number of such transactions to be processed after November 15, 2009, CMS will populate beneficiary records with 2010 premium information based on the bidding data in HPMS. MARx will perform this update for all active enrollees as well as those impacted by Plan rollovers via the HPMS Crosswalk. CMS can determine the 2010 Part D premiums for enrollees in this way, so plans will not have to update those amounts. Plans may, however, have to update the Part C premiums for enrollees if supplemental benefits have been elected.

If the Part C premium information is changing for Plan member(s) and, therefore, the data in HPMS would not be complete, Plans are advised to submit a Miscellaneous Update transaction type 74 with the corrected Part C premium information by the February payment submission cut-off date on January 8, 2010.

Important Note: Plans are encouraged to submit new premium withholding requests and changes for existing enrollments that are effective January 1, 2010 starting on November 15, 2009 and by December 11, 2009. It is important for Plans to understand that, because these premium withholding requests must be submitted to SSA for processing, the resultant changes/updates will not actually be in effect on January 1, 2010. These transactions are expected to be processed by SSA within the 1st quarter of 2010 and will be applied as a retroactive change back to January 1, 2010.

3. Plan Reports

A. Premium Adjustments and the Full Enrollment File

The Full Enrollment File for the January payment month will be transmitted with the monthly report package on or about December 22, 2009. This file will provide Plans with premium information on all beneficiaries enrolled. If incorrect information is found on this file, Plans should submit a Plan Change (74) transaction with the corrected premium information. Any corrections should be submitted by the Plan submission cutoff date for the February payment month (tentatively: 6:00 pm (ET) January 8, 2010).

Important Note: During EOY processing, Plans should *not* submit miscellaneous Update Transaction Type (74) for the purpose of receiving responses with premium and low-income status information. As indicated above, premium and low-income status information will be provided to Plans via the Full Enrollment File.

B. October PDP Notification Files for Reassignment and for Auto/Facilitated Enrollment

On or around Friday, October 16, 2009, CMS will transmit to certain Prescription Drug Plans (PDPs) the one-time files described in the HPMS memo "Reassignment of Low-Income Subsidy Beneficiaries for 2010," dated August 28, 2009. These files will provide a preliminary listing of LIS-eligible beneficiaries whom CMS will reassign to a new PDP effective January 1, 2010.

On or around Friday, November 20, 2009, CMS will transmit to certain Prescription Drug Plans (PDPs) a special MARx-generated Transaction Reply Report (TRR) containing the confirmed enrollments and disenrollments resulting from the reassignment.

IMPORTANT: Please do not submit the 4Rx records for the beneficiaries contained in the one-time files until after you receive the special MARx-generated Transaction Reply Report (TRR) on or about November 20, 2009, containing the confirmed enrollments resulting from the reassign process. This is because this preliminary list may not exactly match the list of beneficiaries who are ultimately enrolled in the Plan since voluntary Plan elections may occur after the preliminary file is created.

C. Loss of Low Income Subsidy Data Files

CMS sends two Loss of Low Income Subsidy files to Part D Plans each fall. The first file was sent in September and identifies members who will no longer have the low income subsidy as of January 1, 2010. This file is for information purposes only. These individuals received, in a joint mailing from CMS and SSA, a personalized letter on grey paper explaining this loss of LIS and an SSA LIS application for extra help to complete and return in an enclosed postage-paid envelope. CMS expects Part D plan sponsors to reach out by phone or mail to every member who will no longer qualify automatically for extra help beginning in 2010 to encourage them to apply for LIS and help them through the process. Part D Plans should refer to the HPMS memo “*Re-Determination of Low-Income Subsidy (LIS) Eligibility for 2010*” dated August 28, 2009 for the model script and notices.

The second file will be sent in mid-December and will be an updated version of the September file, indicating those beneficiaries who still no longer have the low income subsidy as of January 1, 2010. The file format, naming convention, and related technical information for plans can found in the HPMS memo “*Announcement of the July Software Release.*” dated April 10, 2009. It should be processed through normal plan systems.

D. Monthly Reports

Plans can expect to receive the standard monthly reports for the January payment month according to the schedule as published in the PCUG. The January payment month reports are expected to be transmitted on or about December 22, 2009.

Thank you in advance for your attention. Please take appropriate and timely action as necessary. If you have any questions about the information contained herein, please contact:

- For MARx issues, contact the MAPD Help Desk and
- For all other issues, contact your Account Manager.

The MAPD Help Desk is also available to assist you with any preparation activities or questions you may have. Please call the MAPD Help Desk at 1-800-927-8069 or send email to:

MAPDhelp@cms.hhs.gov.