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

**Medicare Plan Payment Group**

**DATE:**      October 14, 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:**   **Advance Announcement of April 2010 Software Release**

The Centers for Medicare and Medicaid Services (CMS) is continuing to implement software
improvements to the enrollment and payment systems that support the Medicare Advantage and
Prescription Drug (MAPD) programs. This letter provides advanced information regarding the
planned release of systems changes scheduled for April 2010. This release will focus on
improving the efficiency of our systems with improvements that will also affect plan processing.
The changes for this release are listed below and may require plan action.

CMS plans to provide the detailed information that Plans will require for implementation in early
January 2010.

**Plan Submitted Batch State and County Code**
MA, MA-PD, Demonstration, PACE, and PDP Plans update individual beneficiary state and
county codes to reflect the beneficiary's current residence State and County Code (SCC), if it is
different than the SCC that CMS has on record. Effective with the April 2010 software release,
CMS will create a batch file process that will automate the current process so that these changes
do not need to be entered manually by a CMS contractor.

**Provide Other Health Other Coverage Information to MAOs**
Effective with the April 2010 software release, MAO payments will be adjusted at the
beneficiary level when Medicare is identified as secondary to other Group Health Insurance. In
the next month, CMS will provide Plans with a file listing beneficiaries who are enrolled in their
plan where Medicare is listed secondary and on an ad hoc basis. The anticipated outcome of this
change is to implement a process that will provide Plans with regular updates to the MSP data
provided.

**<u>Standardize the Beneficiary Eligibility Responses</u>**
Currently, there are two vehicles that Plans are able to use to perform the required Beneficiary Eligibility Function. These include the Batch Eligibility Query (BEQ) and the Common User Interface (UI). Currently, each of these sources provides slightly different data. The purpose of this change is to ensure that the Batch and the UI eligibility queries provide information needed to verify eligibility, as well as information to assist plans in determining a valid election period for beneficiaries. This change necessitates adding data elements to both the Batch Response file and to the Common UI.

The Batch Eligibility Response File (BEQ) will include the following additional data elements:

- Last Name
- First Name
- Middle Initial
- Current State & County Code
- Date of Death
- Contract in which the beneficiary is currently enrolled - including the Contract Number
- Drug Benefit Indicator

The Common UI Screen (M232) will include the following additional data elements:

- Contract in which the beneficiary is currently enrolled - including the Contract Number
- Drug Benefit Indicator


**<u>Adding Health Insurance Claim Numbers (HICN) and PBP (Plan ID) to Monthly Reports</u>**
CMS requires Part D sponsors to submit plan-generated enrollment transactions to CMS within 7 days of the application date. The current monthly transaction level report, however, does not contain the beneficiaries' HICN numbers and the PBP. Without a HICN, Plans are unable to identify the specific beneficiaries for whom the plan failed to submit a timely enrollment transaction. Without a PBP, the beneficiaries enrolled in EGHP (Employer Group Health Plan) could not be identified in the current report.

Adding the HICN numbers to the monthly report is necessary to support Plan inquiries related to their failure to meet the required enrollment transaction submission timeframes and to better serve Medicare beneficiaries. Further, the addition of the PBP to the report will help CMS ensure that beneficiaries enrolled in EGHP are appropriately excluded from this measurement since the EGHP is asked to put the first day of the month as the application date. After adding the HICNs and PBP, CMS may monitor the Plan's compliance with the requirement and take compliance action against Plans that fail to meet the required submission timeframes to ensure the beneficiaries have timely access to their benefits.

## Medicare Secondary Payer (MSP) Changes
Plans were notified about Medicare Secondary Payer (MSP) processing changes in several letters and also in the preliminary notice describing the November 2009 software release. Subsequently, these changes were postponed until the April 2010 release to provide time for the COB contractor to review their current data and make appropriate changes. CMS will be sending plans a file of their members' current MSP status and instructions on how to submit changes very soon.

The systems changes to be implemented in the April release remain as described previously with the exception that any MSP adjustments computed will be retroactive to January 2010, if appropriate. A summary of the previous information is repeated here for your convenience. CMS policy changed the contract-level MSP factor process for Part C payment to a beneficiary-level adjustment process. The new process utilizes CMS data instead of plan-submitted survey data.

Beneficiary-level payment adjustments will be computed for aged and disabled members using the 2010 MSP factor of .174. Note that hospice members are excluded from this process. Fields will be added to the MMR to identify the MSP factor, the MSP Part A adjustment amount and the MSP Part B adjustment amount.

## Access to Skilled Nursing Facility (SNF) Data in Common User Interface (UI)
Plans will be able to access Skilled Nursing facility (SNF) utilization data via the UI display on the M233 Utilization screen. Data that will be available includes the SNF Days Remaining and SNF Coinsurance Remaining. The SNF information will be listed on a new row on the M233 screen so the Earliest and Latest Billing Dates for the current year will be repeated on the SNF row. Also, the header on the Common UI screen is currently one line but it will be expanded to two lines so that the tabs for Utilization, MSA, and Medicaid are visible.

## Social Security Numbers (SSNs) and Premium Withholding
The Social Security Administration (SSA) will not process CMS premium withholding transactions without a valid SSN. When a transaction requesting SSA premium withholding is received by MARx, there will be a check for the existence of an SSN. If the CMS systems do not have an SSN for that beneficiary, the premium withhold transaction will not be sent to SSA, the beneficiary will be a direct bill and the plan will be informed with a new, specific transaction reply code (TRC). A premium withhold request may be tried again at a later date in the event of CMS receiving an SSN update from SSA.

## Withholding LIS Premium Subsidy Payments to EGHPs
Effective with the April 2010 software release, this change will allow Marx to withhold LIS premium subsidy payments to employer group waiver plans when the employer group health plan sponsor waives the premium for members of its plans that are flagged in HPMS. Under the waiver authority for employer group waiver plans, CMS will allow employer group health plan sponsors to subsidize premiums based upon objective business criteria, like years of service or retirement (see section 20.4 - Premium Requirements of Chapter 12 of the Medicare Prescription Drug Benefit Manual). When a sponsor chooses to subsidize premiums, this change will allow

the Marx system to withhold LIS premium subsidy payments for their members instead of doing a manual offset to future CMS payments.

## Issue an Annual Full Replacement COB file to all Part D sponsors
In 2010, the current Part D Coordination of Benefits (COB) survey is being replaced by a new COB notification process. The new process requires Part D sponsors to notify each enrollee with existing other prescription drug coverage on the CMS COB file of the other coverage information and request the enrollee to review the information and report any changes or new coverage information. To ensure the most current/complete information is available to Part D sponsors to support this new process, CMS will be creating a full replacement COB file annually for each PDP based on the sponsor's enrollees as of February 1$^{st}$ and will begin issuing these files in March 2010.

## Improved Synchronization between CMS and SSA Premium Data
Effective with the April 2010 software release, enhancements will be made to MARx and the UI to only reflect premium withhold status after CMS has received a definitive response from SSA. Currently, MARx will show a beneficiary in withholding or direct bill status based on the successful processing of a plan transaction in MARx. This is prior to CMS receiving a response from SSA. Effective with the April release, the premium withhold status will not be changed until SSA accepts the CMS transaction.


We appreciate your continued support of the MAPD programs.