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

CMS
CENTERS for MEDICARE & MEDICAID SERVICES

CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

TO: Selected Part D Sponsors

FROM: Cynthia G. Tudor, PhD, Director, Medicare Drug Benefit Group

RE: Requirements Critical for Ensuring Effective Enrollment of Dual Eligibles

DATE: August 31, 2006

Based on our experience with auto-enrollments in 2006, we have identified several requirements that are absolutely critical to making sure that a plan's auto-enrolled dual eligible population receives effective drug coverage. Plans should review these requirements carefully and take all necessary measures to ensure that these requirements are met. Plans that are unable to meet these requirements risk being excluded from the auto-enrollment process. As a 2007 Part D sponsor that is eligible to receive auto-enrollees residing in one or more regions, you are required to meet the key requirements shown below. Note that these are minimal requirements. Many Part D sponsors, for example, have 4Rx match rates exceeding 98%, rather than the minimal standard reflected below.

1) Part D sponsors must be able to provide CMS with daily reports on the availability of 4 Rx data for the auto-enrolled population. These reports should verify that:
   - For existing enrollments, the plan must demonstrate the ability to have 4Rx data in place for 95% of its current enrollees (measured on the 3rd of each month).
   - For prospective auto-enrollments, a plan must demonstrate the ability to have 4 Rx data in place for 95 percent of its prospective dual eligible enrollees by 3 days before the end of the month preceding the effective date of enrollment.
2) Part D sponsors must demonstrate the ability to process bi-weekly LIS matching files received from CMS within 72 hours of receipt. Plans must achieve a 95% match rate between their files and those of CMS. Where LIS information does not match, the sponsor is expected to complete the matching process within 72 hours.
3) Part D sponsors must meet CMS standards for timely call center performance (80% of all incoming call answered within 30 seconds; abandonment rate does not exceed 5%).
4) For prospective auto-enrollments, Part D sponsors must demonstrate the ability to provide ID cards by the effective date of enrollment or provide enrollment acceptance letters within 7 days of enrollment.
5) Part D sponsors must agree to extend transition periods beyond 30 days if dual eligible enrollees using non-formulary drugs have not been transitioned to a formulary drug or gone through the plan exception process within 30 days. Plan information systems must feature the necessary overrides to accommodate extended transition periods.

6) Part D sponsors must establish and operate a process that can assure that prescriptions can be filled at the point of service for all enrollees. The pharmacy call center must operate during the entire period during which the sponsor's network pharmacies in their plans' service areas are open. Sponsors whose pharmacy networks include 24-hour pharmacies must operate their pharmacy technical help call centers 24 hours a day. During these hours, the Part D sponsor should ensure access to senior management who are authorized to make coverage determinations and appropriate information systems overrides to accommodate coverage determinations.
7) Plans receiving auto enrollees for the first time in 2007 must carry out successful testing with CMS of their enrollment transactions, including 4Rx and LIS data processing.

In order to ensure that Part D sponsors are ready to process enrollments for 2007, CMS expects to begin audits of selected plans around September 5th. Sponsors may be called upon to provide evidence that they can carry out these key requirements through either a review of documents or on-site reviews, as requested by CMS or its contractor. CMS will contact those plans selected for an audit within the next several days to discuss our expectations for this process.

If you have any questions concerning these requirements, please contact your account manager.