FTS-HHS-HCFA

Moderator: Spencer Schron
December 11, 2008
12:00 pm CT

Coordinator: Good afternoon and thank you all for standing by. All participants will be able to listen-only until the question and answer session of today's conference call.

Today's call is being recorded. If anyone has any objections you may disconnect at this time. And now I will turn the call over to your first speaker for today, Mr. (Bob Boggio). Sir, you may begin.

(Bob Boggio):   Thanks (Angie). Hello everyone, thank you for joining us today for what has proven to be the perennial most popular call of the employer forum series.

Today we're very honored to have the retiree drug subsidy team give its presentation and overview and it's going to be orchestrated and moderated by Mr. Dave Gardner, the director of the CMS RDS division. Dave?

Dave Gardner: Great, welcome everybody, certainly our pleasure to come here and speak as often as possible on the topic of the Retiree Drug Subsidy Program.

I know in the past these calls have been very timely, topical, and well attended and we certainly appreciate everybody' participation in these calls and more importantly participation in the RDS program.

It continues to be a very successful program and all indicators are that it will be living on and living well into the future. So thank you again for showing up today.

Just want to run down the agenda really quickly and introduce the speakers. This call I think will be a little bit different than what we've done in the past. We've got what I'm calling three different modules, sets of topics to discuss.

And after each module we'll be opening up for a brief question answer period. So with that, the topics.

The first topic we're going to be touching on today is just a quick update on RDS regulations and policy guidance reminders. Dave Mlawsky will be speaking on that topic and you've heard from Dave in the past as well.

Dave is the lead for all policy issues in the RDS program. Then we're going to be moving on to some RDS RDS Program Website updates and we'll be talking for a few minutes about some things that will be upcoming here in the next few months.

We'll have two presenters during the second module. The first is Kim Spurgeon, and she's on my staff in the RDS division and Kim is the lead for us on the public Web Site.

And also other customer service issues. Joining Kim will be Jennifer Craft. She is CMS' RDS Center's outreach manager and if you've attended our

Reconciliation conference a year or two ago you heard her speak all day pretty much.

And she has certainly been an active participant in other public events. The final module is what we're calling critical information for sponsors and we'll be touching on a number of things in there, helpful reminders, helpful tips from the Help Line.

We'll also be discussing some things to remember about completing Reconciliation and Jenn Craft will be doing that module as well.
Please make sure - what we ask is that you ask questions that are on topic for the day and if you have questions that aren't necessarily pertaining to this agenda always feel free to send those questions in writing to the email address that we provide on the RDS Web Site under the Contact Us page.

We track all those inquiries and try to get back to people as quickly as possible. That is the best way to get an answer from us.

So with that I'm going to stop speaking and turn it over to the people you really want to hear from today, the first speaker is Dave Mlawsky, talk about RDS policy guidance for sponsors.

(Dave Mlawsky): Thanks Dave and first let me echo Dave Gardner's sentiments. It's very nice to be here with all of you. And as Dave said I'm going to cover some policy guidance reminders.

And the first thing that I want to talk about is change of ownership There's always been a requirement in the RDS regulations for a Plan Sponsor to report a change of ownership, at least 60 days before the anticipated effective date of the transaction.

Notwithstanding the fact that that's in the regulations as a requirement, we find that we frequently don't learn of these change of ownership scenarios until much later. Typically when we learn of them is when the Plan Sponsor goes to reapply for the RDS program for the following year and realizes for example that it now has a new name that it needs to file under and needs to figure out how do we handle that because in previous years we've been filing under a different name.

So at that time they call us and let us know of the change of ownership, significantly after, in some cases, when it actually happened.

We just want to reiterate the importance of telling us earlier, 60 days in advance, for a number of reasons.

Number one is it's a violation of the regulations not to, and number two, it's in our interest and in your interest to ensure that you don't have any gaps in subsidy. And to the extent that you're coming to us very late in the game and telling us that there's been a change of ownership or a name change, that might require some action both on your end and on our end that might have to put some things on hold that we would otherwise proceed with.

And it might lead to a gap in subsidy to work all this out. And we of course know that's not in your best interest, so please, we just wanted to remind all of you that to the extent you know of a change of ownership, that you believe will happen within 60 days, please let us know.

And there's a phone number for that, 401-786-0709.

Also I just wanted to indicate that when there is a change of ownership, generally it doesn't require a whole lot of work or effort on the Plan Sponsor's part.

It varies from situation to situation, but in most cases, it's usually just a question of sending in some relatively short paperwork.

So we certainly don't want you to be intimidated by that at all, of the consequences that will ensue when you tell us. Please tell us and we'll work with you to take care of it for you..

One last thing I'll say about that is that the regulations define what a change of ownership is. And I'm not going to go through the regulations and highlight all those different criteria. If you have any questions at all, again just call us and let us know 60 days beforehand and we'll let you know whether there will be anything that you have to do 60 days later when the transaction happens.

And real quickly just to flag for you what the regulatory site is for change of ownership it's in the federal regulations at 42 CFR, 423.892. Okay, so that covers change of ownership, let me move on to change of plan design.

We're aware that there are some situations where the Plan Sponsor might in the middle of the plan year, after its actuary has already filed its attestation of actuarial equivalence, the Plan Sponsor might change its plan design in such a way that the plan no longer satisfies the actuarial equivalence test and when I say change its plan design, what I mean by that, it will change its benefits or it will change its cost sharing structure or perhaps it will change its premium contribution requirements.

And in so doing, that takes the plan out of actuarial equivalence. I just wanted to remind all of you that in the case where in the middle of a plan year, the Plan Sponsor does change its benefit design, there is a requirement on your attesting actuary to go back and re-attest actuarial equivalence over the entire 12 month plan year that's represented in your Application.

And the evaluation that he does has to cover the entire 12 month period and take into account the change in plan design. And he then has to - he or she has to determine whether or not the Plan Sponsor remains actuarially equivalent over that entire 12 month period or over the course of the entire Application period, taking into account the change.

If in fact the plan remains actuarially equivalent, there's nothing the Plan Sponsor has to do, but the actuary does have to note in his work papers that the actuary did go back and recalculate actuarial equivalence.

However if when the actuary goes back and determines that the plan over that period is not actuarially equivalent, there is a requirement on the Plan Sponsor to notify CMS.

Additionally, the Application has to be withdrawn and the Plan Sponsor can no longer get subsidy on that Application. In addition, to the extent the Plan Sponsor has already received any money on that Application, any subsidy for that Application, it would be required to refund all that subsidy.

And again, the reason for that is that in the regulation itself, the requirement for actuarial equivalence is that the plan has to be actuarial equivalent for the entire plan year.

We updated an actuarial equivalence guidance paper that we published on May 30th, 2008 and we cover all this in that paper. But I just wanted to call this to your attention, because the principles I just articulated apply to all RDS plan years.

So I do want you all to just keep that in mind about change of plan design. The next thing that I want to cover fairly quickly is a proposed rule, an RDS rule that the agency published on May 16th of this year.

Many of you may be familiar with that rule, and essentially what the rule did with regard to RDS is it added a few definitions and it proposed to revise a few definitions.

And again this is the proposed rule. And collectively it proposed added and revised definitions would have the effect essentially of requiring RDS Plan Sponsors when they report their gross costs to base them on the prices that the PBM pays the pharmacy.

Or in other words, the Plan Sponsor must report pass through prices and cannot report prices that are based on the amount a Plan Sponsor pays the PBM which I'll refer to as lock in prices.

Currently a Plan Sponsor can choose to report either way for purposes of the RDS program. As I said we published that proposed regulation on May 16th and we put it out for public comment and got a number of comments on the regulation.

The regulation has yet to be finalized and unfortunately as is agency convention we cannot tell you in advance what the final regulation will or will not say or how it may or may not deviate from the proposed regulation.

So unfortunately any questions we get in that regard we just simply can't answer other than to tell you that as soon as that regulation gets published or very shortly thereafter, we will be notifying the RDS community of the fact that the regulations have been published.

So you may want to be watching for that. So that's all I have on these three topics, and I guess we'll open things up for a few questions on those topics.

[NOTE TO READERS: THE MAY 16, 2008 RDS PROPOSED RULE REFERENCED ABOVE, WAS REVISED AND PUBLISHED IN INTERIM FINAL FORM IN THE FEDERAL REGISTER ON JANUARY 12, 2009, AND A RELATED PROPOSED RULE WAS ALSO PUBLISHED THAT DAY. SEE THE JANUARY 12, 2009, FEDERAL REGISTER AT PAGES 1494 AND 1550, RESPECTIVELY.]

Coordinator: Thank you, if you'd like to ask a question please press star 1 on your touch tone phone. You will be announced prior to asking your question and to withdraw your question you will press star 2.

Once again if you'd like to ask a question please press star 1 on your touch tone phone. One moment please for our first question.

And it looks like our first question comes from Ed Strouth with Anheuser-Busch. Your line is open sir.

(Ed Strouth):   Yes, could you repeat the change of ownership phone number again?

(Dave Mlawsky): I sure can, it's area code 410-786-0709.

(Ed Strouth):   Thank you.

(Dave Mlawsky): You're very welcome.

Coordinator: And looks like our next question comes from Steve Ignatin from National

                  Business Group. Your line is open.

Steve Ignatin: Yes, this is Steve Ignatin and I'm just curious right now until the final

                  regulation comes out is it okay for Plan Sponsors to report what they pay the

                  PBM at this point?

(Dave Mlawsky): Yes, presently as I mentioned an RDS Plan Sponsor can choose either of the

                  two methods, either the pass through method where essentially you're

                  reporting the amount of pharmacy gets, or the lock in method where you'd be

                  reporting the amount of PBM gets.

                  And presently either method is permissible.

Steve Ignatin: Okay, thank you.

Coordinator: Our next question comes from Bridget Eber with Towers Perrin your line is

                  open.

                  Your line is open Bridget please state your question.

Bridget Eber: Hello. Could you please reiterate the name of the regulation that was

                  discussed during this call? We had some issues accessing the call.

(Dave Mlawsky):   Oh sure, the regulation that I was speaking of, well I was speaking of two regulations. One is the - the first one is the regulation, the original RDS regulation which were published in 2005.

The second set of regulations that I mentioned was a proposed regulation that was published in the Federal Register on May 16th 2008 and it was a broad regulation that covered both the RDS program and the Part D program.

But you can find that again in the May 16th 2008 Federal Register.

Bridget Eber: Thank you.

Coordinator: And it looks like there are no further questions at this time sir.

(Dave Mlawsky):   Okay.

Dave Gardner: Okay, I think - this is Dave Gardner, one other thing you may want to add just to the previous answer is the person who asked the question was trying to understand where the RDS regulations are in general.

I think we can say where those are.

(Dave Mlawsky):   Oh yes, in general you can find them codified in the Code of Federal Regulation at 42 CFR and they start at 423.880.

Dave Gardner: Great. Thanks (Dave). Okay, all right, I guess now we're going to shift into the next module presentation that would be focusing on telling you about some RDS Program Web Site updates and future enhancements or activities of the occurring and (Kim Spurgeon) is the speaker on this topic.

(Kim Spurgeon): Thanks Dave. Good afternoon everybody. Basically I just want to go over some updates that we're going to be making to the RDS Program Web Site shortly. For those of you that don't know but the RDS Program Web Site can be found at http://rds.cms.hhs.gov/

In addition to helpful information for Plan Sponsors, participating in the program and important announcements impacting the Plan Sponsor community, vendors and other stakeholders, there are two very important feature links which are located on the home page of the RDS Program Web Site reminding Plan Sponsors of two important deadlines.

The first important deadline is the Important Application Deadline Information. In order to submit a timely RDS Application for a given plan year, Plan Sponsors must submit a valid initial online Application and a valid initial retiree list no later than 90 days prior to the beginning of the RDS plan year unless a 30-day Application deadline extension has been granted.

If a 30-day Application deadline extension has been granted, Plan Sponsors will receive an email notification that the extension has been granted.

To assist Plan Sponsors in determining what their Application deadline would be, we will be posting a new table which will provide Application deadlines for Plan Sponsors who have a plan year start date on the first day of a month.

This new table will contain dates for RDS plan years ending in 2010 and 2011. If your plan year starts on any other date other than the first day of the month, we're recommending or offering that you may call the RDS help line to confirm what your Application deadline will be.

The second item I would like to bring to your attention is the Important Reconciliation Deadline Information. We are also making a similar change to this featured link by posting a table which will provide Reconciliation deadline dates for all RDS plan years ending in September 2007 through September of 2010.

The Reconciliation deadline information will be updated, reminding Plan Sponsors that the Reconciliation deadline for all RDS Applications is the last day of the 15th month following the last day of the RDS plan year specified in that Application.

Reconciliation deadlines always fall on the last day of the month.

The tables we've inserted on these two pages are designed to be a quick reference guide for Plan Sponsors.

Sponsors should continue to view the appropriate Application status page in the RDS Secure Web Site in order to see their specific Application and Reconciliation deadline dates.

And just to let you know that the next big Reconciliation deadline for many Plan Sponsors for the calendar plan year will be March of 2009. So if you're plan year ends December 2007 the Reconciliation deadline date for those Applications is March 31st of 2009.

So those are the big updates that are going to be coming soon on the RDS Program Web Site.

Now on to you (Jen).

(Jennifer Craft): Thanks (Kim) and good afternoon everybody. I did want to note that we expect those enhancements to be coming out some time next week so you should be able to see those tables with the new deadline information in that featured content in the very near future.

The first thing I'd like to talk about is a couple of things that the education and training team is really excited about. This team actually maintains the RDS RDS Program Web Site as well as the global help; including: the help about his page and advanced help content inside of the secure site.

And we're always looking to continue to expand the tools that assist a Plan Sponsor's participation in and compliance with the RDS program. Something we're very excited about is a new user guide that will be coming out in the spring.

The first version of this user guide is planned for February of 2009 and I would like to stress that this is a plan so it's always subject to change. You should monitor the RDS Program Web Site for updated information about this.

It will be a phased release. We intend to in the first release cover all the information you need to join the program. So, everything from what the program's about and how to create a Plan Sponsor through how to complete that valid initial retiree list so that you can get your Application approved.

The second version will include some additional updates to the first version as well as appeals. And then in the future we'll be documenting the interim cost and interim payment processes, then Reconciliation and overpayment.

The intent is that this user guide will replace the how to content that you can find on both the RDS Program Web Site and in the advanced help section of Robohelp.

So, we will be phasing out that how to content and replacing it with this user guide that instead of being in html or Robohelp will be in a familiar Adobe Acrobat format.

I think this will help make the manual more printable and make it a little more accessible to some of the Plan Sponsors out there.

Dave Gardner: Hey (Jen), this is Dave Gardner, perhaps we could spend a little bit of time on what you mean by Robohelp.

(Jennifer Craft): Robohelp is where you access the help about this page and advanced help. So, you can see the same how to content that is on the RDS Program Web Site as is in advanced help.

And so, when you click on advanced help or you click on help about this page, you're actually in a robohelp environment. So thanks Dave for that clarification.

This new guide will be more like an Acrobat document that you can pop up when you're either on the RDS Program Web Site or inside of the secure site.

And you will be able to download that and print it, or simply access it while you're within the secure site. One of the things that will be changing is a lot of the educational content will migrate to within the secure site.

Obviously how to get started in the program and become a Plan Sponsor will still live on the public facing web site, the RDS Program Web Site, but we will start putting more of the payment and Reconciliation and those kind of things inside of the secure site.

And there will be a new link to that guide inside the secure site that we'll be announcing around the time that the user guide first version comes out.

One of the things we're really focusing on in this rework of all the educational tools is to make sure that we're doing very simple step by step instructions and that what we're focused on is system rules and constraints; focusing on the education part and the system use more than policy and rules.

In addition to that, we'll be talking about the system constraints but also giving you some helpful business considerations like things that you should gather before you start your Application or who you should contact when you're beginning to prepare for Reconciliation and any of the other things that you should be thinking about when you're complying with the program.

So as I said the user guide will be a phased release. We're looking to start in February of 2009 and keep your eye on the RDS Program Web Site to hear more about that.

The other thing that we are extremely jazzed about is new user community group. And we're planning on having our first face to face meeting in April in Baltimore Maryland where CMS is based. And again this is a plan, it's subject to change.

For the user community group, the primary goal we have there is education.

Education of the Plan Sponsors and stakeholders and education of the folks at CMS' RDS Center about what's going on in your businesses.

So, we're going to be: presenting educational materials, we'll be gathering information from you all about what's going on in the real life environment, promoting networking between Plan Sponsors, and hopefully just generally sharing information from both directions.

Some of the topics that we'll probably be covering at that first meeting besides letting you know what we're going to be doing in the user group and how often we'll be meeting and all of those kinds of things, will be to talk about educational tools and materials and what you'd like to be getting out of those tools. Probably some education around retiree processing because it is a common subject that we get questions on.

And also things like some upcoming enhancements that we're looking to do to the Application process. For example, right now you get to specify your retiree list submission method at the Application level. We're planning to consider collecting that information at the Benefit Option level as well as allowing the Plan Sponsor to specify exactly what source that data can come from. So, they can specify that it's mainframe and that it's a particular vendor or that it may only come in via the secure web site. So we'll be looking for input around that and to educate you about that.

We're really excited about getting this face time and more interactive time with the community. We think it will be beneficial to all the participants as well as to CMS' RDS Center staff.–

I guess that's all I have in this area. So (Angie) if you are ready we can turn it over for Q&A.

Coordinator: Once again if you'd like to ask a question please press star 1 on your touch
tone phone. One moment please for our first question. And it looks as though
we have no questions at this time.

Dave Gardner: Okay great, well this is Dave Gardner, I guess we get ready to move into the
next module. And just the one quick point of clarification, for those of you
that are - that might be new to the RDS program on this call, probably aren't
many of you but just in case, just say the web site one more time.

We're at rds.cms.hhs.gov. And if you have any questions about the program
you can contact our helpline or send us an email through the email address
that's provided on the contact us webpage or page on that RDS Program Web
Site.

So moving into the next module, it's (Jenn Craft) again.

(Jennifer Craft): Thanks Dave. Okay, so the first subject I want to talk about is completing
Reconciliation.

Plan Sponsors Application are due for Reconciliation throughout the year. So
we have people reconciling every month. Obviously most of our Plan
Sponsors have a calendar plan year so they run from January to December, so
many of them are going to be reconciling in March.

So we do find a common theme in some of the calls that we get at the help
desk so I thought I'd cover some of the high points of things you can - you
should consider as you're preparing for and completing Reconciliation.

The first is to make sure you're ready before you start. Once you complete step one of Reconciliation, there's really no turning back. It cannot be undone and you really need to think about the implications for interim payment process.

Do you have any payments in flight? Do you need to get another interim payment before you start the Reconciliation process. There are plenty of warnings on this screen but I know a lot of people tend to click through them.

So, I just wanted to make sure that you understand that once you've completed step one, you cannot un-complete step one and you should give it careful consideration before you begin Reconciliation.

And like Dave just pointed out the web site, I would like to point out that there are a large amount of educational materials around this subject and you can certainly go to the RDS Program Web Site and see more information about what our advice is there.

Another thing to consider is maintaining your retiree enrollment data throughout the year. I think that plan sponsors think about retiree enrollment at the time that they are creating their valid initial retiree list. And then they look at them again during Reconciliation and during the plan year, some of this stuff really gets back burnered or nobody really focuses on it.

So I would like to point out that this is something you should be doing throughout the plan year. When you're under the pressure of a Reconciliation deadline it is not the time to figure out that there are discrepancies in the data or that you missed notification process and that there's something else that you really need to do with your retiree information.

Dave Gardner: And (Jen), this is Dave Gardner again I just want to remind everyone out there that it's not just a good idea, it's also required inside the regulation to update their enrollment related information for their qualifying retirees I believe.

I don't know if we can provide the exact site, maybe we can in a few minutes, but that is a regulatory requirement.

(Jennifer Craft):   Okay. So it's something you really have some great tools to manage now and I do want to remind you that you can now request that Covered Retiree List at any time during the plan year.

So, you're not only communicating your changes to the RSD center using the monthly add update delete files, you're getting notifications from CMS' RDS Center on a weekly basis or as necessary about subsidy period changes.

And again, you have that Covered Retiree List that you can use as a tool to see exactly what CMS' RDS Center has on record as subsidy under that Application. All the benefit options and subsidy periods are listed there as well as the origin of that coverage information. It's a great tool for you to use and you don't have to go to Reconciliation step three to get it, you can get to it from the manage retirees page.

Some of the other things you want to think about during Reconciliation related to timing:

First of all, the Authorized Representative (AR) is the only one that can complete Reconciliation for your organization. So it's really important that that Authorized Representative be active not only throughout the plan year, but it's critical at Reconciliation because you cannot complete Reconciliation without that active user.

If you are in a situation where you need to change who is holding the role of Authorized Representative, keep in mind you have to submit a new AR verification form.

And that can take up to five business days to process. We are adding some new system functionality that should speed up that process but you really need to keep in mind that if you are having a new AR take over you will need to have that person validated through CMS' RDS Center and you will need to submit that verification form. And it can take up to five days.

Now one of the other things in relationship to Reconciliation time lines is retiree maintenance stuff, if you request your Covered Retiree List, it can take up to two days to process. And you can not complete step four until you've downloaded that Covered Retiree List.

So once you've downloaded that list, you must review it. In completing step four, you are signing off that you are agreeing to the (benes) beneficiaries, the benefit options and the subsidy periods in that Covered Retiree List. And you are required by law to only report costs related to those beneficiaries, benefit options and subsidy periods.

So, it takes two days to get that Covered Retiree List and then if you need to resolve any discrepancies, you may need to send in a retiree file. A retiree file can take up to three to five business days to process, so it's important that you keep in mind those time frames.

Another time frame of note is around final cost reports. Now if you're doing data entry of final cost, obviously they're hitting the system real time, but if you're sending in final cost via mainframe or you have a PBM or a vendor

submitting final costs via mainframe, you need to keep in mind that the cost information, once it's transmitted to the mainframe, must be transferred to the secure site. That final cost report is able to be used in steps six and seven one to two business days later. So if you're getting down to crunch time you need to make sure you're in constant contact with your cost reporters making sure that they're hitting those deadlines.

And you should as the Plan Sponsor and the owner of that Application make sure that you're maintaining that contact and managing that process.

Another note on the Covered Retiree List: You should remember that if you get your Covered Retiree List and you do not agree with it or you realize you need to send in more retiree changes, that takes three to five days. But then after that you're going to need to download another Covered Retiree List and validate that before you can complete step four. The system will be validating that there were retiree changes after the Covered Retiree List you downloaded., and it will prevent you from completing the step. So, when estimating you need to add those days together and it could take another couple of days for the subsequent Covered Retiree List.

And I guess the big lesson in all of this is don't procrastinate and make sure you know what you need to plan for. Reconciliation shouldn't take a huge amount of time but there are some steps that require action on CMS' RDS Center's part.

Another thing that you need to be keeping in mind that you should be doing all year but sometimes people only realize it when they get to Reconciliation is the coordination of cost reporting.

You should be doing this with interim payments as well, but especially when you have multiple sources reporting costs under an Application. It's important to coordinate those so you don't have somebody at your office manually entering something that you're also getting in a mainframe cost file from a PBM.

So make sure you're coordinating that and contacting them ahead of time and getting everybody prepared. And again your AR is the only one that can submit that Reconciliation request so it's really important to make sure that you're maintaining that role.

And that kind of transitions me nicely, it's a good segue into preparing for the departure of key personnel. The Authorized Representative and the Account Manager obviously are really important roles in the system, they are key roles that are assigned at the Plan Sponsor level.

And since you have someone in those positions - generally you need to make sure if there's any transitioning going on that you need to get somebody in and assigned for those roles. You cannot get paid or reconcile or any of your Applications without having an active AR and AM.

One you might not think about is designees. A lot of people have a large amount of responsibility and privileges assigned to designees. And you might not think of it with the same level urgency as you do with an Account Manager or an AR. But designees also hold critical roles sometimes - especially the cost reporters and the payment requesters. It is something we get a significant number of help desk calls about and you really want to consider the business transition as well as getting that user set up with CMS' RDS Center in the secure web site.

You want to be able to reassign those roles in the secure web site before they leave and I would suggest you make it part of their transition plan out of the position that they're in if they're not leaving the company.

So this can have cost reporting implications for you, it can have payment implications for you. Again it's really important for you to be preemptive about that planning and make sure if you have somebody transitioning out of a role that you have a backfill for them that's well educated about what they need to do.

And that kind of leads me into - how important it is to keep your user information in the secure site updated. This is an e-gov initiative and that means our primary method of communication with the Plan Sponsor, and with the stakeholders is email.

And we do find that - there seem to be spikes in the number of return to emails we get. We are monitoring that situation and I just want to stress how important it is to keep your phone number and your email address up to date.

This is how CMS' RDS Center communicates determinations, confirmations of activity, and reminders about upcoming things. All of those are communicated primarily through email.

So it is obviously imperative that you not only keep your personal contact information current but you also pay attention to whether or not your spam filters are preventing you from getting these emails.

Anything that comes from emails at cms.hhs.gov hopefully is passing through your spam filter.

I do want to make a special note that on November 21st, we posted an announcement saying that we were going to start using a new email address. And that's rdsoutreach@rds.cms.hhs.gov and that will be in the minutes when you get those. And it's also on the RDS Program Web Site so if you go to the announcement you can see that email address as well.

We want to make sure you're updating your spam filters so that it allows that email address. We were previously sending most of our mail out under RDS outreach at vips dot com, so we're moving to this new address.

And the first mass email should be going out next week using that new address. So I just want to make sure everybody's aware of that and that you look at the other announcements and emails we've sent about that stuff around payment, appeals and other contact addresses for CMS' RDS Center.

Now I also spent some time talking to the help desk staff as I do on a regular basis about things that they thought would be helpful to mention on this call, so I'm going to run down kind of a laundry list of items.

One is something that seems to happen consistently at Application time and that is on the valid initial retiree list. It's important that you realize that when you send in that list that the Application number that you identify in there, the plan year associated with that Application in the RDS system is going to be compared to the coverage dates for which your applying.

So if you're applying for subsidy for the 2007 calendar year and the Application is actually 2008 calendar year or you're looking for coverage that overlaps those time periods, CMS' RDS Center will either truncate or deny subsidy for that period.

So what we're finding is that I think a lot of people take last year's retiree list or last year's valid initial retiree list, they make a copy of it, they update the Application number and just send it in and forget to update the plan year dates.

So it's important that you understand that the Plan Sponsor coverage date must coincide with the plan year of that Application ID, it's a very common error that we've been getting recently and just want to make sure that you all know about that.

The other thing we have a volume of calls about is folks losing their user name, losing their password, not remembering their security question. And we can help you with the "forgot password" right there on the secure site, you can click on the forgot password function.

But you will have to know your user name and that kind of stuff, your security questions, your social security number or your AAA number if you're an actuary. So you want to keep in mind that you should be making sure you know these things, I'm not encouraging you to write it down or you know put it under password in your rolodex.

But I am saying that you have secure access to a government system and you should be taking that information very seriously, if you lost your user name or password or it's been compromised, you can call the help line and we'll help you resolve those issues.

This also I think comes up a lot because people aren't properly transitioning when there is a change in role. So just something that comes up a lot that we want you to be aware of.

Again back to the drum that I've been thumping about the Covered Retiree List, this is something that you should be doing throughout the year, don't wait until Reconciliation. You need to maintain that retiree enrollment data, you need to know what's going on with your subsidy periods throughout the year.

Because you can only report costs for approved subsidy. For beneficiaries, benefit options, and corresponding subsidy periods listed in the Covered Retiree List

Dave Gardner: Okay (Jen), this is Dave Gardner again, we have that regulation site, we looked it up so if everybody out there wants to write it down. The requirement for updating your retiree list throughout the year is at 42 CFR 423.884(c)(6).

(Jennifer Craft): Okay. Now another note about retirees, and that's cost data. I'm assuming that everyone's ware that you have to have supporting cost data, even though you either input or send in summarized cost data by Application, by benefit option, by month, you have to maintain the cost data at the retiree level all the way down to the claim.

So one of the things that you should be keeping in mind throughout your plan year and at Reconciliation is the coordination of those individual retiree costs. Even though your reporting summarized data this is all based on the individual humans that are covered under your plan.

And any given person under an Application only has one set of thresholds and limits. So it's important when you have multiple cost reporters or multiple PBMs managing those benefits that you're coordinating those thresholds and limits.

And we have a lot of educational materials out there about this, but it's something that people tend to not think about until it gets later in the year.

So I just want to emphasize you should be doing this throughout the course of your plan year. It should be part of your regular plan for how you're managing these benefits, that if you have multiple benefit options or a retiree can be in multiple benefit option under an Application, that threshold and limit applies to that retiree for that Application, not at the benefit option level.

And so there's more information about that in all the educational materials. And I only have one more brief note so we can open up for questions and that is banking information.

Still, surprisingly, we do have problems with returned banking information. You want to make sure you're getting those ACH routing and account numbers correct.

You know obviously, you're going to get your payments faster and your Reconciliation payment faster if we have the correct banking information.

Another thing that seems to happen is the payments can be rejected by your organization if the right people don't know. So make sure your accounting department knows that you've applied for subsidy, knows that you should be expecting payment into that account from the federal government.

And that is all for my critical information talk so (Angie), we're ready to take questions.

Coordinator: Once again if you'd like to ask a question please press star 1 on your touch tone phone. One moment please.

Our first question comes from (Carol Loftis) with (unintelligible) Consultants. Your line is open.

(Carol Loftis): Yes, I have a question about when an employer actually is - when the Plan Sponsor terminates and that becomes part of another organization, do you have to designate the threshold and limit reductions for those retirees not within a new calendar year?

(Dave Mlawsky): This is (Dave Mlawsky). So you're talking about a change of ownership situation where the new Plan Sponsor assumes the Application of the old Plan Sponsor?

(Carol Loftis): Yeah, we actually have a new Application so it wouldn't be within the same Application. So I'm just wondering how does that work with the coordination of those you know threshold reductions for that individual retiree?

(Dave Mlawsky): Right, well first let me say that there may not necessarily be a need to have a separate Application. Depending on the circumstances the specific circumstances that exist, the new Plan Sponsor assumes all of the same Applications including those that are in the middle of a plan year.

And a situation like that there would not be a separate Application and the threshold and limits would just kind of be as they were under the existing Application.

Now there might be situations where depending on the circumstances the new owner would have to submit a new Application in which case the thresholds and limits would start over.

But to determine which of those two instances would apply, they would really have to call us and walk us through the details of the transaction, we would then tell you which of the two scenarios you're looking at.

(Carol Loftis): Okay, thank you.

Coordinator: Our next question comes from (Nicki Lee) with TRW. Your line is open.

(Nicki Lee): Hi, I had a question I believe Jennifer was the one that addressed this. You mentioned that before we start the Reconciliation process we should make sure we've requested any payments that we needed to.

And I'm not sure I understand what that means, this is new for me and I did request a payment at the end of November which I'm still waiting to receive.

But correct me if I'm wrong, won't we have the opportunity next year to request payments for the remaining part of this year?

(Jennifer Craft): Yes, absolutely. The - so just let me clarify. When you create your Application you can specify a payment frequency. So it can be monthly, quarterly, it can be annually or you can just get a one and final payment at Reconciliation.

So if you have let's say that you have specified monthly and you are - you've requested an interim payment like maybe the last month of your plan year and then you're already ready to start Reconciliation which you know it will be, you know Reconciliation can be up to 15 months after your plan year end.

So if you had an interim payment in flight, you could not start Reconciliation. And that usually takes a certain number of days. And in the how to we specify

that you need to make sure that any interim payment request has either been processed or cancelled before you start Reconciliation.

So however many are available to you. And like if you are monthly, you don't have to get 12 payment requests in if you don't want to. So you can have up to 12 payment requests, plus your Reconciliation payment request.

So my point there was simply that once you start Reconciliation if you say oh wait a minute, I meant to go get an interim payment before I started Reconciliation, you can't go back.

So once you've initiated recon on an individual Application, you cannot receive any further interim payments on that Application.

(Nicki Lee):   Okay. And then help me out with the timing here, so now we're going to begin the '07 Reconciliation. But we should have had requested all our payments for '07 long ago, correct?

Because I'm requesting '08 plan year payments.

(Jennifer Craft):   Yes. But not every Plan Sponsor you know requests payment, you know as frequently during plan year. The other thing you need to keep in mind is that you have up to 15 months to complete it but some Plan Sponsors choose to complete Application like right after the plan year ends.

As soon as your plan year ends the next day you are able to start Reconciliation. So it could cross over with your interim payment period, it doesn't always do that and it doesn't have to.

(Nicki Lee):   Okay.

Dave Gardner: And just - one additional point about interim payments, you can request an interim payment, again assuming you elected such on your Application. You could begin requesting that interim payment after the first month ends in your plan year if you elected monthly.

But then you can also submit an interim payment request up until the point where you initiation Reconciliation. So it doesn't have to - an interim payment request doesn't have to be done during your plan year.

And that's made available because we know that sometimes claims payments lag, adjustments are made, and you may need to adjust your costs after plan year ends.

But not yet ready, but she may not be ready to start Reconciliation. So that functionality is available to you up until you start Reconciliation.

(Nicki Lee):   Okay. I have one additional question, on the CRL that I downloaded, I have some rejection codes that are typically like the - they're 10, 11 and 12, which are 10 is that the person's enrolled in a med D plan, 12 I think is death and...

(Jennifer Craft): Eleven is not eligible for Medicare.

(Nicki Lee):   Right, and so all of these people, what it is, is it's showing me that there's a time period during the plan year that they're not eligible. They were eligible at some point and they now are.

(Jennifer Craft): Well you know what it's showing you is that they are eligible or they would not be on the Covered Retiree List. The reason that they're on the Covered

Retiree List with a reason code is because the period that you ask for was not completely granted, was not approved for subsidy.

But some portion of it was. So it's the reason the subsidy period you requested was truncated.

So maybe your plan year runs January through December, but they were enrolled in a Medicare Part D Plan until March. We would have approved coverage from whenever that Medicare Part D Plan ended in March through the end of the plan year.

And we would have given you a reason code 10 and it's a determination indicator of yes. But just so you understand no one will show up on the Covered Retiree List that does not have at least one day of subsidy.

Dave Gardner: Okay, and this is Dave Gardner, I just ask if you have specific question about a Covered Retiree List for Application or a response file to a retiree list submission that you direct your question to the RDS help line.

We're trying to keep the focus to these questions here on this call today more general to the whole audience.

(Nicki Lee): Okay, thank you.

Dave Gardner: Thank you.

Coordinator: And our last question comes from (Darlene Young) with Zenith Administrators. Your line is open.

(Darlene Young): Hi, basically I just wanted to know during the Reconciliation if the banking information entered is incorrect, what happens with the Reconciliation status? And also what happens if this error is discovered by CMS after the deadline, the Reconciliation deadline?

(Jennifer Craft): Okay, the Reconciliation deadline applies to the dates that you submit Reconciliation.

(Darlene Young): Okay.

(Jennifer Craft): So it won't, as long as you submit your Reconciliation request in step 12 prior to the deadline, you're fine with the deadline. And what will happen is if we get a return payment from the bank, we'll follow the same process that we do during interim.

We will notify the Plan Sponsor and work with you directly to get that resolved so you'll need to go back into the system.

We'll actually open up steps 10 and 11 again so that you can go in and update the banking information and the AR will have to validate it as well.

So - but it will not impact whether or not you completed Reconciliation. We'll know the first time you got it done. And we'll contact you directly and work with you through the process.

(Darlene Young): All right, thank you.

Coordinator: And at this time there are no further questions.

Dave Gardner: Great, well this is Dave Gardner, I want to thank everybody for calling in today and listening to these modules. And I want to thank the speakers, (DaveMlawsky), (Kim Spurgeon), (Jenn Craft).

Great job, so with that we're going to close the call. Thank you everyone.

Coordinator: And this will conclude today's conference call. You may now disconnect.

END