

CMS Employer Forum

January 11, 2007

The Retiree Drug Subsidy
Program: An Update, and Key
Reminders

Key Dates: Application Deadlines

- RDS application is due 90 days before the first day of the plan year.
- Can request 30-day application deadline extension, if requested by the day the application would otherwise be due.

Reapplying for Subsequent Year

- Same RDS application deadline timeframe (and same deadline for requesting extension) applies.
- When reapplying, must:
 - Provide actuarial attestation.
 - Submit an initial retiree list that references the new application number (not just add/update/delete to previous year's list).
 - Execute Plan Sponsor Agreement.

Reapplying for Subsequent Year

- When reapplying, **do not resubmit an Authorized Representative Verification form.**
- **Only submit AR Verification form when:**
 - Applying to RDS program for first time, or
 - Changing your Authorized Representative, or
 - If CMS rejects previously submitted form.

Submitting Costs

- Reminder: Cannot submit RDS costs or request payment for an individual for any time period within which the Plan Sponsor knows the individual is residing outside the U.S. or its territories or who is incarcerated. (Why not? Because such individuals are not eligible for Part D). See www.rds.cms.hhs.gov/news/announcements/incarceration.htm

Processing Files Sent from CMS: Important Distinction

- Retirees enrolled in Part D during part of the Plan Sponsor's plan year, might be eligible for RDS during other parts of the Plan Sponsor's plan year. For example, "Code 10" with Determination Indicator "Y" on files sent from RDS Center. Plan Sponsor must have ability to recognize this part-year designation.

Notification Files

- Some records in notification files don't impact ability to collect RDS subsidy for that retiree. (Code 20, Beneficiary attempted to enroll in Part D and received initial rejection).
- Plan Sponsor should contact retiree and explain ramifications of enrolling in Part D for this particular retiree.

Submitting Costs

- Reminder: Can submit costs only for Part D drugs.
- Cannot submit costs for Part B drugs.

Submitting Costs

- Update: CMS recently published an optional, simplified methodology for how to extract Part B costs with respect to three categories of drugs that can be either B or D drugs. (See www.rds.cms.hhs.gov/how_to/partBvsD.htm)
 - Applies only to three categories of B v D drugs.
 - Must use a reasonable methodology for other B v D drugs.

Reconciliation

- Final payment request must be submitted no later than 15 months after the end of the RDS plan year.
- CMS considering extensions for Plan Sponsors with plan years ending during first quarter of 2006.

Reconciliation

- Reconciliation functionality on RDS
Secure Web site expected on or around
April 1, 2007.

General Reminders

RDS Plan Sponsor “How To’s”

http://www.rds.cms.hhs.gov/how_to/

Common RDS Questions

<http://www.rds.cms.hhs.gov> (Click on
“Common Questions”)

General Reminders (cont.)

- RDS Center Help Line

(877) RDS-HELP, or (877) 737-4357.

TTY for the hearing impaired: (877) RDS-TTY0, or (877) 737-8890.