

# Auto/Facilitated Enrollment and Re-assignment

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# Auto- and Facilitated Enrollment

- Auto-enrollment
- CMS enrolls full-benefit dual eligibles into Part D Plans
- Facilitated enrollment
  - **Others eligible for Low Income Subsidy (LIS)**
    - Partial duals (QMB-only, SLMB-only, QI) and SSI-only
    - Those who apply for LIS at SSA or State
- Similar process
  - **Different populations and effective dates**

# Auto/Facilitated Enrollment – Who Performs

- CMS auto/facilitate enrolls beneficiaries into PDPs
  - Focus of this presentation
- Medicare Advantage (MA) organizations and cost plans (if latter offers Part D optional supplemental benefit) facilitate enrollment on behalf of CMS

# Identifying Beneficiaries

- Source of data
  - Up to daily from State Medicaid Agencies
    - At a minimum each state must submit monthly
    - Since July 2008, option to submit up to once a day
  - Weekly SSI file from Social Security Administration (SSA)
  - Each night process all files received
    - First step – deem them for LIS
    - Second step – auto/facilitate enroll

# Steps in Auto/Facilitated Enrollment Process

CMS performs the following steps to auto/facilitate enroll:

- Identify beneficiaries who need to be assigned to PDP
- Identify PDPs that qualify
- Randomly assign

# Identifying Beneficiaries

- Include those:
  - In 50 states/DC
  - Receive Medicare through:
    - Original Medicare
    - MA-Private Fee For Service (PFFS) that does not offer Part D
    - Cost plan that does not offer Part D
    - MSA; or
    - 1833 Health Care Pre-Payment Plan (HC-PP)

# Identifying Beneficiaries, cont' d

- Exclude those who:
  - Live in 5 US territories or in foreign countries
  - Inmates in correctional facility
  - Affirmatively decline (opt-out of) auto-enrollment
  - In PACE organization
    - Already have to get all Medicare benefits through PACE organization, so don't need to auto-enroll
  - Get Medicare benefits through MA or cost plan
  - Have Retiree Drug Subsidy (RDS)

# PDP Qualifications

- Assign to PDP in region with premium at or below LIS premium subsidy amount
  - For that region
  - For that year (corresponding to auto/facilitated effective date)
- Assign to plan with defined standard, actuarially equivalent, or basic alternative benefit package
  - Will not assign to Plan with enhanced alternative benefit package, even if premium at or below LIS premium subsidy amount



# Additional PDP Qualifications

- Additional requirements to receive auto/facilitated enrollments (8/31/06 HPM memo)
  - Daily reports on 4Rx data
  - Process bi-weekly LIS matching reports within 72 hours
  - Timely call center performance
  - Prospective auto-enrollees
  - Extend transition period
  - Process to assure prescriptions filled at point of service
  - Successful testing of enrollment data with CMS (for Plans new to auto/facilitated enrollment in the next calendar year)

## Excluded PDPs

- Will not assign to Plans with enhanced alternative benefit package, even if the premium is at or below the LIS premium subsidy benchmark
- Will not assign to Plans that have volunteered to waive *de minimis*

# Assign to PDP

- Assignment is a two-step process
  - First, assign randomly to PDP Sponsoring Organizations (S#) in region that have at least one qualifying PDP
  - Second, assign randomly within PDP Sponsoring Organizations to qualifying PDP (PBP#)
- Two-step process results in roughly same number at organization level
  - Within each organization, roughly same number among contracts, and then same number among Plans within contracts

## Assign to PDP, cont' d

- Example:
  - 10,000 full duals, 4 PDP Sponsors

Sponsor Name	Number Assigned to Sponsor (Step 1)	Below Benchmark PDPs	Number Assigned to PDP (Step 2)
A	2,500 (25%)	1	2,500 (100%)
B	2,500 (25%)	3	830 (33%)
C	2,500 (25%)	2	1,250 (50%)
D	2,500 (25%)	4	625 (25%)

# Assign to PDP, cont' d

- Note – for first step of process, if two or more PDP Sponsors are owned by the same parent organization, they are treated as single Sponsor for first step of auto-/facilitated enrollment
- Example -- 10,000 full duals, 4 PDP Sponsors
  - Sponsor A and B have the same parent organization

Sponsor Name	Number Assigned to Sponsor (Step 1)	Below Benchmark PDPs	Number Assigned to each PDP (Step 2)
Alphabet Org (owns Sponsor A and Sponsor B)	3,333 (33%) (Sponsor A – 1666 Sponsor B – 1666)	Sponsor A – 1 PDP Sponsor B – 2 PDPs	Sponsor A – 1666 (100%) Sponsor B – 833 (50%)
C	3,333 (33%)	2	1666 (50%)
D	3,333 (33%)	4	833 (25%)

## Assign to PDP, cont' d

- Once person assigned to plan, CMS creates enrollment transaction and submits to MARx
  - Similar to how plan creates one to indicate enrollment
  - Will create artificially early application date so that any subsequent beneficiary choice will “trump” auto-enrollment
    - Application date is set to 1/1/03
      - Decreased by one day each month auto/facilitated enrollment occurs

# Effective Date

- CMS calculates effective date, and will include on TRR to Plan (Prospective)
  - 1<sup>st</sup> day of second month after CMS identifies the person
- For full dual eligibles, effective date is the later of
  - First day of full dual status
    - Will often be retroactive
  - Day after disenrollment effective date from previous Part D Plan

# Effective Date, cont' d

- Example
  - Scenario:
    - 2009 -- Person has Medicaid all year
    - 5/20/09 -- Turns 65
  - Effective Date
    - 4/30/09 -- Medicaid drug coverage ends
    - 5/1/09 -- Medicare Part D eligibility starts
    - 5/1/09 -- Auto-enrollment effective



## Effective Date cont' d

- Limited Income NET (LI-NET) Program
  - New Demonstration Program starting in January 2010
  - Single PDP to cover all periods of retroactive auto-enrollment

# CMS Notice to Beneficiaries

- CMS will notify each beneficiary about where he/she will be enrolled
- Auto-enrollment notice (yellow paper)
- Facilitated enrollment notice (green)
  - Full Subsidy Version
  - Partial Subsidy Version
- [http://www.cms.hhs.gov/  
LimitedIncomeandResources/LISNoticesMailings/  
list.asp#TopOfPage](http://www.cms.hhs.gov/LimitedIncomeandResources/LISNoticesMailings/list.asp#TopOfPage)

# CMS Notice, cont' d

- Includes:
  - Plan name/number/website
    - HPMS has customer service number specific to auto-/facilitated enrollees
    - Must be in HPMS by August 30, 2010 to be included in re-assignment letter
    - If blank, defaults to Customer Service Number for prospective enrollees
  - Effective Date of enrollment
  - Ability to opt-out (affirmatively decline)

# CMS Notice, cont' d

## Note:

- If the beneficiary has a retroactive period that is covered by the LI Net Plan, then that information will also be referenced in the letter

# CMS Notifies PDPs

- CMS notifies Plans two ways
- First, MBD provides PDP notification file
  - Preliminary notification of assignments (before sent on weekly TRR)
    - Provides early notice of
      - LIS levels
      - Beneficiary address
      - CMS does not have phone data
  - Comes every day that State or SSA file is received identifying new dual or LIS eligibles

## PDP Notification File, cont' d

- See Plan Communication User Guide, Item E.25, page E-161 for a layout of the Auto Enrollment PDP notification file.
- <http://www.cms.gov/PrescriptionDrugCovContra/HPMSSD/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=2&sortOrder=descending&itemID=CMSo58928&intNumPerPage=2000>

# Purpose of PDP Notification File

- Use this file:
  - To ensure CSRs can assist new auto/facilitated enrollees in interim period between receipt of this file and weekly TRR
  - To obtain address for auto/facilitated confirmation letter
- Note: CMS does not have phone number data, so it cannot transmit them to plans

## CMS Notifies PDPs, cont' d

- Second, MARX generates weekly Transaction Reply Report (TRR) to PDPs
  - Auto-/facilitated enrollments processed by MARx will be included on next regular weekly TRR
  - Weekly TRR is generated each Sunday
  - So will receive TRR with auto-/facilitated enrollments no more than 7 days after assignment occurs



# CMS Notifies PDPs, cont' d

- How to distinguish auto-enrollments on the TRR
  - #15 -- Transaction Reply Code –
    - ▶ 117 -- FBD Auto-Enrollment Accepted
    - ▶ 118 – Facilitated Enrollment Accepted
    - ▶ 212 – Reassignment Accepted
  - #18 -- Effective Date
  - #30 -- Application Date – the field will always be set to an artificially early date (7/1/2003 or earlier), so that any beneficiary choice will supersede an auto-enrollment

# CMS Notifies PDPs, cont' d

- How to distinguish auto-enrollments (cont' d)
  - #36 -- Election Type – the field will be set to S (SEP)
  - #37 -- Enrollment Source – the field will be set to
    - ▶ A (auto-enrolled by CMS)
    - ▶ C (facilitated enrolled by CMS)
    - ▶ H – (re-assignment by CMS)
  - #39 -- Premium Withhold Option – the field will be set to D (direct billing)

# Plan Responsibilities

- Submit 4Rx data within 72 hours of receiving weekly TRR confirming auto/facilitated enrollment or reassignment
- Do so with a 72 transaction

# Plan Responsibilities, cont' d

- Send confirmation notice within 10 calendar days after receiving TRR (exhibit 24 or 25)
- Send modified version of pre- and post-enrollment material
  - Evidence of health insurance coverage (EOC), so they can begin using services
  - Charges for which they will be liable (LIS Rider, if appropriate)
  - Effective date of coverage
  - How to obtain services prior to receiving ID card
  - Summary of Benefits

# Beneficiary Next Steps

- After beneficiaries receive CMS notice of auto-enrollment, they may opt-out
  - May do so prior to auto-enrollment effective date or even after they are auto-enrolled
  - May contact 1-800-MEDICARE
  - May contact PDP (exhibit 26)

# If Beneficiary Opts Out

- Entity contacted submits appropriate transaction
  - 51 (disenrollment) or 74 transaction
  - #14 -- Effective Date – set the field to the first of the month after the PDP receives the request
  - #24 – Part D Opt-Out Flag – set the field to Y (opt-out of auto-enrollment)

# If Beneficiary Opts out cont' d

- PDP notified of opt-out by TRR
  - #15 -- Transaction Reply Code – the field will be set to 131 (Part D Opt-Out Accepted)
  - #18 -- Effective Date – the field will be set to the first of the month
  - #38 – Part D Opt-Out Flag – the field will be set to Y (opt-out of auto-enrollment)

# If Beneficiary Opts Out, cont' d

- Notes on opting out
  - Person does not surrender eligibility for, or right to enroll in, a Part D plan
  - Instead, ensures they are not included in future auto/facilitated enrollments
  - To obtain benefits in the future, simply enrolls with a plan (normal prospective effective date)
  - Can opt back in by calling 1-800-Medicare



# Beneficiary Next Steps, cont' d

- Beneficiary may change plans
  - Effective date is first day of month after request is made
    - Enrolling in new Part D plan will generate a disenrollment transaction reply to PDP into which person had been auto-enrolled
- Facilitated enrollee
  - May request effective date be earlier
  - Example
    - Beneficiary facilitated in June, gets CMS notice mid-June, with August 1 effective date
    - If beneficiary contacts plan by June 30, plan can move effective date up to July 1
    - Plan submits 61 transaction with earlier effective date

# Special Enrollment Periods (SEP)

- All LIS eligibles have a continuous Special Enrollment Period (SEP)
  - May enroll, disenroll, or change plans at any time
  - See PDP enrollment guidance Chapter 3, section 30.3.2 and 30.3.8.7
- Other SEPs may apply depending on beneficiary circumstances
  - See PDP enrollment guidance Chapter 3, section 30.3

# Timing: Regular Auto/Facilitated Process

- CMS performs auto/facilitated enrollment up to daily
- October 2010 is first time we will assign to new 2011 PDPs
  - So this is first time new auto-enroll plans will see auto-enrollments for January 2011 effective date
  - Will appear on regular weekly November TRR

# Timing, cont' d

- Sample Monthly Timeline
  - May 6 --
    - State/SSA file received
    - Person deemed and auto/facilitated
  - May 7 -- PDP notification file sent to plan
  - May 9 -- CMS mails yellow/green notices to beneficiaries auto/facilitated enrolled into PDPs
  - May 10 – PDP receives confirmed auto/facilitated enrollments on next weekly TRR
  - May 13 – Plan submits 72 transactions with 4Rx data
  - May 20 – Plans must send confirmation notice to new auto/facilitated enrollees

# Reassigning to New PDP

- Each fall, CMS reassigns LIS beneficiaries with 100% premium subsidy to a new PDP
- PDP is terminating
- PDP premium increase
  - Over regional LIS premium subsidy amount
  - Converting to enhanced benefit
- MA plan terminating and member has LIS but no PDP enrollment

# PDP Plan Terminating

- CMS letter in early November
  - **BLUE PAPER** version 1
    - Current plan is leaving Medicare Program
    - Reassigned to new plan effective January 1, 2011
      - Unless they join a new plan by December 31, 2010
- Action
  - Keep the notice
  - Compare new 2011 plan with others
  - Can choose to change plans

# PDP Premium Increase

- CMS letter in early November
  - **BLUE PAPER** version 2
  - Current plan's premiums increasing over LIS benchmark, or converting to enhanced
  - Reassigned to new plan effective January 1, 2011
    - Unless they join a new plan by December 31, 2010
- Action
  - Keep the notice
  - Compare new 2011 plan with others
  - Can choose to change plans

# MA Plan Termination

- CMS letter in early November
  - **BLUE PAPER** version 3
    - Current plan is leaving Medicare Program
    - Health coverage will revert back to Original Medicare
    - If LIS, Reassigned to a PDP plan effective January 1, 2011
      - Unless they join a new plan by December 31, 2010
- Action
  - Keep the notice
  - Compare new 2011 plan with others
  - Can choose to change plans



# Health Reform Changes

- Only impacts Reassignment Process
- New Requirements
  - Voluntary *de minimis*
  - ACA Notice (Notice of formulary differences)
    - Sent in December
    - Blue notice

# 1. Voluntary de minimis

- Plans may volunteer to waive the de minimis amount
  - Will not lose LIS members to reassign
  - Will be listed as a \$0 premium plan
  - Will **not** receive auto-enrollees

## 2. ACA Notice

- Tells reassigned members
  - Differences between their 2010 plan and 2011 plan based on drug utilization
  - Explains the process to get an exception
  - Explains appeals process
  - Beneficiary-specific

# “Choosers”

- LIS with 100% premium subsidy
  - Chose current plan
  - AND
  - Have premium liability
- CMS conducts outreach instead of reassignment with tan letter

# “Choosers” Outreach

- In the Spring (April)
  - New this year, but will be sent out from now on
  - Reminder that there are \$0 premium plans available
  - Printed on TAN paper
  - <http://www.cms.gov/LimitedIncomeandResources/downloads/11465.pdf>
- In the Fall (October)
  - Informs of the premium liability
  - Responsible for paying a portion unless they join a new plan
- Action
  - May want to look for a new plan
  - Compare current plan with others
  - Can choose to change plans
    - Early December is best time

# Timing -- Re-Assignments

- This timeline is specific to PDPs that qualify for auto/facilitated enrollments in 2011
  - Late September – Plans must have connectivity to CMS
  - October – CMS re-assigns certain LIS beneficiaries
    - PDPs that qualify for auto/facilitated enrollments in 2011 will receive re-assignees
    - CMS performs reassignment of certain beneficiaries in PDPs on October 4; non-renewing MA plans on October 15
    - Gaining PDPs receive PDP notification file (preliminary listing of re-assignees) on October 8 and 18
    - CMS blue letter to beneficiaries early November

# Timing -- Re-Assignments, cont' d

- PDP and MA Reassignments appears on Special TRR on or around November 3.
- November 6 – Plan must submit 72 transactions with 4Rx data for re-assignees
- November 16 – Plan sends model confirmation letter to re-assignees (Exhibit 29)
- December -- CMs sends new ACA notices (PDP and MA) received by beneficiaries.
- New plan assignments effective January 1, 2011.

# Important Dates

Week of September 20	<b>GREY</b> notice mailed to those losing deemed status
Week of October 4	<b>ORANGE</b> notice mailed to those losing deemed status
Week of October 25	Initial <b>BLUE PDP REASSIGNMENT (plan terminations)</b> Initial <b>BLUE MA REASSIGNMENT</b> notice mailed
Week of November 5	Initial <b>BLUE PDP REASSIGNMENT (premium increase)</b> notice mailed
November 15	Enrollment for 2010 begins
Week of November 22	<b>TAN CHOOSERS</b> notice mailed
Week of December 22	<b>BLUE ACA (formulary differences)</b> notice mailed
Late December	Plans notify affected enrollees if their LIS will end as 12/31



# Resources

- PDP Guidance: Eligibility, Enrollment and Disenrollment
  - Section 40.1.4 – Auto and Facilitated Enrollment
  - Section 40.1.5 - Reassignment
  - Exhibits (Model Notices)
  - <http://www.cms.hhs.gov/MedicarePresDrugEligEnrol>
- Regulation -- 42 CFR 423.34
- 8/13/10 HPMS memo “*Reassignment of Low Income Subsidy Beneficiaries for 2010*”

# Questions?

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