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Centers for Medicare & Medicaid Services  
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## **CENTER FOR MEDICARE**

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Date: October 5, 2016

To: All Medicare Advantage Organizations (MAO), Prescription Drug Plan (PDP) Sponsors, and 1833 & 1876 Cost Plans

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Subject: 2017 Readiness Checklist for Medicare Advantage Organizations, Prescription Drug Plans, and Cost Plans

The Centers for Medicare & Medicaid Services (CMS) is reminding organizations of critical Medicare Part C and D requirements for the Annual Election Period (AEP) and coverage beginning January 1, 2017. A separate 2017 Readiness Checklist for operational Medicare-Medicaid Plans (MMPs) will be forthcoming.

Last year CMS moved from readiness attestations to strategic conversations between Sponsors and Account Managers, with a goal of more open and direct conversations about preparedness and process improvements. The feedback was positive with Sponsors preferring this approach because it gave them an opportunity to explain, seek clarification, or express concern. As a result of Sponsor feedback, CMS has added an appendix that lists points of contact for specific subject matter, and are releasing the checklist much earlier this year, for example.

The Contract Year (CY) 2017 Readiness Checklist is a non-exhaustive summarization of key operational requirements as established in statutes, regulations, manual chapters, Health Plan Management System (HPMS) memos, applications, and other advisory materials. Your organization should review this checklist carefully and take the necessary measures to fulfill these key requirements for CY 2017.

We ask that you share suggestions for improving the process with your Account Manager. Should you identify areas where your organization needs assistance or is not/will not be in compliance, your organization must report those problems to your Account Manager directly by email in a timely manner. This will be incorporated into the strategic conversation process.

If you need additional information regarding requirements listed in the checklist, please refer to the appropriate CMS guidance, contact your Account Manager, or contact the subject matter expert identified in Appendix A.

**CY 2017 Medicare Advantage Organization, Prescription Drug Plan, and Cost Plan Readiness Checklist**

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Note: Unless otherwise indicated, where a requirement applies to Medicare Advantage Organizations, it also applies to 1876 Cost Plans. References to Part D sponsors include all organization types offering Part D.

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## A. Systems, Data, & Connectivity

### I. Health Plan Management System (HPMS) – Medicare Advantage Organizations and Part D Sponsors

- Ensure key staff members register for the Plan Connectivity Data Module within HPMS by e-mailing [hpms\\_access@cms.hhs.gov](mailto:hpms_access@cms.hhs.gov).
- Update your organization's contact information in HPMS, ensuring all information is current. Changes to any HPMS contacts or Part C and Part D Information are expected to be made immediately upon the effective date of the responsibility transfer.
- All sponsors are required to keep the data on the HPMS contact and data information pages up-to-date throughout the year. It is critical to enter and maintain contract-level contact information as it is used for other purposes within HPMS and other CMS systems, as well as in support of information displayed publicly.
- Refer to the HPMS contact definitions to assist you with completing the contact and information sections.

(HPMS Basic Contract Management Manual and Contact Definitions)

### II. Prescriber Enrollment – Part D Sponsors

- No later than February 1, 2017 physicians and other eligible professionals who write prescriptions for Part D drugs are required to be enrolled in Medicare in an approved status or to have a valid opt-out affidavit on file for their prescriptions to be coverable under Part D, unless the prescriber is an "Other Authorized Prescriber." Part D sponsors should utilize the enrollment file that identifies physicians and eligible professionals who are enrolled in Medicare in an approved status or have a valid opt-out affidavit on file with a Medicare Administrative Contractor (MAC) to determine a prescriber's Medicare enrollment or opt-out status when processing Part D pharmacy claims. Part D sponsors must also cover 3-month provisional supplies when applicable and comply with the written beneficiary and prescriber notice requirements.
- Organizations offering Part D prescription drug coverage in conjunction with other Medicare coverage should confirm their contracted providers are eligible to furnish Part D prescriptions. If an organization anticipates that a contracted physician or eligible professional, including a dentist, may write prescriptions for Part D drugs, the organization should confirm that the contracted physician or eligible professional is enrolled in Medicare in an approved status.

Sponsors and their Pharmacy Benefit Managers (PBMs) are strongly encouraged to continue outreach activities to Medicare Part D prescribers. (HPMS memos 12/29/2015 and 03/01/2016)

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## III. National Provider Identifier (NPI) Requirements – Part D Sponsors

- Consistent with the Medicare Access and CHIP Reauthorization Act of 2015, for plan year 2016 and thereafter, claims for covered Part D drugs must include a valid prescriber NPI.
- Part D sponsors must submit to CMS only prescription drug event (PDE) records containing an active and valid individual prescriber NPI. 42 C.F.R. 423.102(c) (5) and (6).

(HPMS memos 10/1/2012, 04/23/2013, and 04/7/2016)

## IV. MARx – Medicare Advantage Organizations and Part D Sponsors

- Review and implement guidance regarding software improvements to the enrollment and payment systems. (HPMS memo 06/29/2016)
- Ensure your External Point of Contact (EPOC) is notified of the changes regarding the Enterprise Identity Manager (EIDM) users.
- An individual's access to EIDM will be partially disabled when 60 days or more lapses between system logins. (EIDM-IACS Migration Users Guide)
- Submit beneficiary-level opioid point of sale (POS) edit notifications within seven (7) business days of the date on the beneficiary's written advance notice and submit implementations, terminations, and modifications of opioid POS edits into MARx within seven (7) business days of the event. (2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter)

## V. Medicare Plan Finder Data (MPF) – Applicable organization types noted below

- **Pricing Data and Pharmacy Network Files.** (Part D Sponsors) Ensure timely and accurate submission of CY 2017 pricing data for posting on the Medicare Plan Finder. Sponsors are required to submit MPF data during each regular submission window, which occurs every two weeks. Sponsors may not auto-certify their pharmacy cost files. (HPMS memo 06/29/2016)
  - Ensure preferred cost-sharing pharmacy arrangements are accurately identified in MPF pricing files. A pharmacy may only be associated with the plan's preferred cost-sharing network if a lower differential cost sharing applies to some tiers of formulary drugs at that pharmacy than applies at pharmacies in the standard cost-sharing network.
  - Confirm pricing and pharmacy network data files for MPF are correct and accurate, and that only pharmacies under contract for 2017 are included for display. Incorrect data may result in suppression from the Medicare Plan Finder, and/or applicable compliance actions.

(CY 2017 Pricing Data Requirements – 05/19/2016)

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- **MPF File Pre-Submission Quality Assurance Testing.** (Part D Sponsors) Ensure your organization performs quality assurance activities prior to submitting MPF files to CMS. Sponsors may be subject to Part D program compliance and enforcement actions as a result of MPF suppressions or inaccurate data submissions.
  - If your organization receives an outlier notification for your 2017 pricing and pharmacy data which was previously a known exception in 2016, your organization must re-confirm that the data continue to be accurate. If you do not confirm these data, your organization's pricing data may be suppressed on the MPF.
  - MPF submissions must be complete and accurate in all respects, and sponsors are solely accountable for any errors in their MPF data, regardless of how they come to CMS's attention. Because of the critical role the MPF plays in providing beneficiaries with reliable information about their drug plan options, CMS will suppress the display of a sponsor's plan information as the result of any identified inaccuracy or failure to respond to a CMS inquiry about a data submission.
- **MPF Communications Website.** Ensure your organization has access to the MPF Communications website and has authorized new users. Updates and announcements relating to the quality assurance (QA) process are posted on the MPF Communication website, [https://PartD.ProgramInfo.us/User\\_Security](https://PartD.ProgramInfo.us/User_Security).

### VI. User Group Calls – Medicare Advantage Organizations and Part D Sponsors

Ensure key staff registers for the CMS Part C & D User Calls at <https://www.msginc.com/registration/>. Participants should call fifteen minutes before start time to ensure timely access to the call.

### VII. Patient Safety Analysis Website – Part D Sponsors

- Ensure your organization accesses the monthly Patient Safety Reports via the Patient Safety Analysis Website to compare their performance to overall averages and monitor their progress in improving Part D patient safety measures over time.
- These actionable reports include contract-level patient safety reports for expanded analyses and information and detailed beneficiary-claim level and outlier reports. Be advised, sponsors are required to use the website to view and download the reports and should be engaged in performance monitoring. (HPMS memo 04/06/2016)
- New sponsors for 2017 – Your organization will receive log-on credentials directly from the Patient Safety Analysis Website contractor, and you will begin reviewing these reports in spring of 2017.

### VIII. Overutilization Monitoring System – Part D Sponsors

- Ensure Medicare Compliance Officer authorizes users to access the Overutilization Monitoring System (OMS), available via the Patient Safety Analysis Website. At least one user from each contract must have access to Summary and Confidential Beneficiary Reports to view and respond to beneficiary-level overutilization issues.

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- Ensure the OMS quarterly reports are reviewed and acted upon and CMS receives a response within 30 days of the report. For additional information, the OMS User Guide is available on the Patient Safety Analysis Website under Help Documents. (HPMS memo 04/06/2016; also see *Improving Drug Utilization Controls in Part D*)

### **IX. Risk Adjustment Data Submissions**

Risk Adjustment data includes Risk Adjustment Processing System (RAPS) data and Encounter Data System (EDS) data.

- Medicare Advantage Organization payment is primarily based on data submitted to CMS. In order to receive proper payment, MAOs and other entities must be certified to submit data through both the EDS and RAPS. Information about becoming certified to submit data, guidance regarding data submission to CMS, and other resources can be found on the Customer Service Support Center (CSSC) website, [www.csscooperations.com](http://www.csscooperations.com). Assistance with data submission can be obtained by [csscooperations@palmettogba.com](mailto:csscooperations@palmettogba.com), or by calling 1-877-534-2772.
- Part C sponsors shall submit encounter data consistent with guidance and clarifications. (HPMS memo 06/02/2015, 7/8/2016, 07/26/2016)
- Checklist items for EDS and RAPS submission are as follows:
  - Enroll to submit data through CSSC,
  - Subscribe to receive email updates,
  - Perform certification requirements,
  - Be familiar with guidance contained on the CSSC website, and
  - Begin submission of production data within 4 months of contract effective date.

### **X. Prescription Drug Event (PDE) Requirements – Part D Sponsors**

- Submit timely PDE records
  - Submit original PDEs within 30 days following Date Claim Received or Date of Service (whichever is later),
  - Resolve rejected records and re-submit within 90 days following receipt of rejected record status from CMS, and
  - Submit adjustments and deletions within 90 days following discovery of issue requiring change.
- Promptly resolve rejected PDE records and take corrective action to prevent a recurrence of the issue.
- Establish access to Acumen's Part D Payment Process Support Website. (HPMS memo 02/16/2016)

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- Establish access to Acumen's PDE Analysis and PDE Reports websites. (HPMS memo 04/12/2016)
- Have procedures in place for analysis of recurring reports so that PDE data maintained by CMS (which are the basis for Part D Payment Reconciliation) and the organization's internal records correspond. CMS reports include:
  - Drug Data Processing System (DDPS) Cumulative Beneficiary Summary,
  - PDE Accounting Report,
  - P2P (Plan to Plan) files,
  - Coverage Gap Invoice Report,
  - Part D Potential Exclusion Warning Report and Part D Exclusion from Reconciliation Report, and
  - Payment Reconciliation System (PRS) reports.

### **XI. Electronic Enrollment Mechanisms**

- Organizations developing and offering electronic enrollment mechanisms made available via an electronic device or secure internet website must ensure that CMS' enrollment guidelines are applied to electronic enrollment mechanisms:
  - Submit all materials, web pages, and images (e.g. screen shots) related to the electronic enrollment process for CMS approval per established processes for the review and approval of marketing materials and other enrollment request mechanisms.
  - Comply with CMS's data security policies, at a minimum.  
<https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/InformationSecurity/Information-Security-Library.html>
- Sponsors retain complete responsibility for ensuring enrollment policies are followed, and for ensuring the appropriate handling of any sensitive beneficiary information provided as part of the online enrollment, including those facilitated by downstream entities.
- From the point at which an individual selects the plan of his or her choice on the third-party website and begins the online enrollment process, CMS holds the organization responsible for the security and privacy of the information provided by the applicant and for the timely disclosure of any breaches.
- Sponsors retain complete responsibility for ensuring the appropriate handling of any sensitive beneficiary information provided as part of the online enrollment, including those facilitated by downstream entities.

*(Medicare Managed Care Manual Chapter 2 and Medicare Prescription Drug Benefit Manual Chapter 3, Section 40.1.2 – Electronic Enrollment)*

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## **B. Reporting**

### **I. Healthcare Effectiveness and Data and Information Set (HEDIS®), Health Outcomes Survey (HOS), and Consumer Assessment of Healthcare Providers and Systems (CAHPS®) – Medicare Advantage Organizations, Section 1876 Cost Plans, and Part D Sponsors**

Prepare to submit HEDIS, HOS, and CAHPS measures to the appropriate entity by the specified due date. (HPMS memo 08/19/2016)

### **II. Part C and Part D Reporting Requirements – Medicare Advantage Organizations and Part D Sponsors**

Prepare to collect data on all Part C and Part D (as applicable) reporting requirements; conduct appropriate data validation; and submit data to CMS according to the requirements. (HPMS memo 05/06/2016)

### **III. Reporting and Returning Medicare Advantage Organization and/or Sponsor Identified Overpayments**

Every organization offering a Medicare Advantage (MA) plan and/or sponsor offering Part D benefits is required to report and return to CMS any overpayment it received no later than 60 days after the date on which the organization or sponsor identified the overpayment. (HPMS memos 02/18/2015, 8/28/2015, 12/29/2015, 06/07/2016)

## **IV. Fiscal Soundness**

Use the Fiscal Soundness Module in HPMS to submit annual independently audited annual financial statements and 2017 quarterly financial statements. (HPMS memos 11/17/2015, 03/25/2016)

## **C. Contracting, Subcontractor Provisions, and Oversight**

### **I. Any Willing Pharmacy (AWP) Contracting Requirements – Part D Sponsors**

- To comply with the Any Willing Pharmacy requirement, a Part D plan sponsor must make standard terms and conditions available for all Part D plans it offers. For those terms to be reasonable and relevant, they must identify for the pharmacy the plan(s) to which they apply, and the offer must include language that obligates the Part D sponsor to include the pharmacy in the identified plan(s) upon the pharmacy's acceptance of the terms and conditions. (HPMS memo 08/13/2015)
- CMS expects Part D sponsors to provide the applicable standard terms and conditions document to the requesting pharmacy within two business days of receipt of the request. (HPMS memo 08/13/2015)

### **II. Offshore Subcontracting – Medicare Advantage Organizations and Part D Sponsors**

For organizations with offshore subcontractor\* arrangements, ensure the HPMS Offshore Subcontracting module is up to date regarding the functions offshore subcontractors perform within 30 calendar days of signing an offshore contract. (HPMS memos 07/23/2007, 09/20/2007, and 08/26/2008)

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\* *Offshore subcontractor* is defined as a first tier/downstream/related entity located outside of the one of the fifty U.S. states, the District of Columbia, or one of the United States Territories (American Samoa, Guam, Northern Marianas, Puerto Rico, and Virgin Islands).

## III. Changes to First Tier/Downstream/Related Party (FDR) Contracts for Key Part C and Part D Functions

- Notify your CMS Account Manager at least 60 days prior to the effective date of the new contract.
- CMS recommends that sponsors making pharmacy network changes provide both those pharmacies whose network status is changing, and enrollees using those pharmacies, with notices of changes specific to their situation.
- Part D Sponsors – If making Pharmacy Benefit Manager (PBM)/ Processor changes:
  - Take all steps per the *Medicare Prescription Drug Manual Chapter 5, Section 50*, if making changes to the PBM contracted to maintain your organization’s pharmacy networks.
  - Update all members’ 4Rx data prior to the effective date of the PBM change to reflect the new BIN and PCN. (Medicare Managed Care Manual Chapter 2 and Medicare Prescription Drug Plan Chapter 3 *Eligibility, Enrollment, and Disenrollment*, Section IV.D.a)
- Effective January 1, 2016, drug pricing based on maximum allowable cost (MAC) is subject to the prescription drug pricing standard regulations governing the contract between the Part D plan sponsor and all first tier, downstream, and related entities, which must contain a provision: (A) Establishing regular updates of any prescription drug pricing standard used by the Part D sponsor consistent with §423.505(b)(21); and (B) Indicating the source used by the Part D sponsor for making any such pricing updates. See 423.505(i)(3)(vii) and MAC Pricing below.

## D. Customer Service

### I. Customer Service Call Centers – Medicare Advantage Organizations and Part D Sponsors

- Staff all toll-free beneficiary call centers appropriately to handle increased call volume from October 1 to February 14, which includes the AEP. Plans/Part D Sponsors must operate a toll-free call center for both current and prospective enrollees open during usual business hours, which CMS considers to be seven (7) days a week, at least from 8:00 A.M. to 8:00 P.M., according to the time zones for the regions in which your organization operates. Call centers must be able to provide free interpreter services for Limited-English Proficient (LEP) beneficiaries. (*Marketing Guidelines, Section 80*)
  - From October 1 to February 14 - Current and prospective enrollees must be able to speak with a live customer service representative. Your organization may use alternative technologies on Thanksgiving and Christmas.

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- From February 15 through September 30, your organization may use alternative technologies to meet the customer service call center requirements for Saturdays, Sundays, and Federal holidays.

### II. Limited English Speaking Beneficiaries – Medicare Advantage Organizations and Part D Sponsors

- All plan sponsors' call centers must have interpreter services available to call center personnel to answer questions from non-English speaking beneficiaries. This requirement is in place regardless of the percentage of non-English speaking beneficiaries in a service area.
- Inform callers that interpreter services are "free." Interpreters should be available within a prescribed time after reaching the Customer Service Representative (CSR). Please refer to the annual call center monitoring memo released each Fall for more detail.
- Make the marketing materials identified in the *Medicare Marketing Guidelines* sections 30.6, 30.7, 30.10 and the Part D Transition Letter(s) available in any language that is the primary language of five (5) percent or more of a plan sponsor's plan benefit package service area. Additionally, plan sponsors must place translated versions of these materials on the plan's website. (Excluding Employer Group/800 series-only contracts)
- Create a multi-language insert that includes the alternate language tagline translated in at least the top 15 languages spoken by individuals with limited English proficiency in the relevant State or States. (<https://www.hhs.gov/sites/default/files/resources-for-covered-entities-top-15-languages-list.pdf>)
- Include the Multi-Language Insert with the Summary of Benefits (SB) and the Annual Notice of Changes (ANOC)//Evidence of Coverage (EOC), and the enrollment form. (Excluding Employer Group/800 series-only contracts)

(*Medicare Marketing Guidelines*, Sections 30.5, 30.5.1, 30.6, 30.7, 80.1, 100.1, and Appendix 3; 42 C.F.R. §§ 422.2264(e), 423.2264(e)); HPMS memo 09/17/2015.)

### III. Customer Service Staff Knowledge – Part D Sponsors

Ensure customer service representatives are familiar with the plans' Medication Therapy Management (MTM) program, including eligibility criteria and additional information required to be available on a dedicated Medication Therapy Management Program page linked from the Medicare drug plan website, and how to direct beneficiaries to the plans' MTM program page. The 2017 MTM program annual cost threshold increased to \$3,919. (*Medicare Marketing Guidelines*, Section 100.2.1, HPMS memo 04/08/2016, 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letters)

### IV. Pharmacy Technical Help Desk Call Centers – Part D Sponsors

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Ensure pharmacy technical support is available at all times when any network pharmacy is open. Sponsors that have pharmacy networks with 24-hour pharmacies in their networks must operate their pharmacy technical help call centers 24 hours a day, including Thanksgiving and Christmas.

## **V. Complaints Tracking Module – Medicare Advantage Organizations, Part D Sponsors, and Cost Plans**

Resolve at least 95% of Complaints Tracking Module (CTM) complaints designated as “immediate need” within two calendar days, complaints designated as “urgent” within seven days, and resolve at least 95% of all CTM complaints designated without an issue level within 30 days. Plan sponsors are urged to make interim contact with beneficiaries if their complaints will take more than seven days to resolve. (HPMS memo 02/06/2015, 12/30/2015)

## **E. Marketing**

Market consistent with the CY2017 Medicare Marketing Guidelines (HPMS memo 06/10/2016)

### **I. Individuals with Disabilities - Anti-Discrimination – Medicare Advantage Organizations, Part D Sponsors, and Cost Plans**

- Provide basic services and information to individuals with disabilities, upon request.
- Make available all plan materials and information, including those produced or distributed by contracted providers, in alternate formats (e.g., braille, large print, and audio) to individuals with disabilities upon request.

(HPMS memo 09/09/2014, *Medicare Marketing Guidelines*, Section 30.4)

### **II. Non-Discrimination**

Ensure implementation of the procedural requirements under the regulation implementing Section 1557 of the Affordable Care Act of 2010— Nondiscrimination Communication Requirements and Grievance Procedures. Compliance with Section 1557 prohibits discrimination on the basis of race, color, national origin, sex, age, or disability. (HPMS memo 8/8/16, HPMS email 8/25/16)

### **III. Formulary – Part D Sponsors**

Ensure your organization’s formulary is updated on the website when changes are made, and that only approved formularies are marketed. (*Medicare Marketing Guidelines*, Section 60.4)

### **IV. Referencing Star Ratings in Marketing Materials - Medicare Advantage Organizations, and Part D Sponsors**

- Provide the overall Star Ratings information to beneficiaries through the CMS standardized Star Ratings information document, which must be distributed with any enrollment form and Summary of Benefits (SB) document.
- Ensure that any references to Star Ratings comply with the 2017 requirements.

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(HPMS memo 10/05/2015 and *Medicare Marketing Guidelines*, Sections 30, 40, 50)

## **V. Websites – Medicare Advantage Organizations, Part D Sponsors, and Cost Plans**

- The ANOC/EOC, Provider and/or Pharmacy Directories, Formulary and Utilization Management Documents, and Multi-Language Insert must be posted on the website by September 30 for the upcoming contract year (*Medicare Marketing Guidelines*, Section 100.2.2)
- Provider and Pharmacy Directories are expected to be updated at least monthly and contain, among other things, a provider's ability to accept new patients. (HPMS memos 08/13/2015, 11/13/2015, *Medicare Marketing Guidelines*, Section 100.4)
- Third-Party websites that market MA and Part D sponsors' products are expected to meet applicable CMS marketing requirements. Entities that market MA and Part D sponsors' products are expected to meet applicable CMS marketing requirements. (*Medicare Marketing Guidelines*, Section 100.3)

## **VI. Agents and Brokers – Medicare Advantage Organizations, Part D Sponsors, and Cost Plans**

Implement Agent/Broker compensation rates, submissions, and training and testing requirements. (HPMS memo 05/27/2016)

## **VII. Disclaimers**

Include the appropriate marketing disclaimer language for plans with limited access to Preferred Cost Sharing Pharmacies. (*Medicare Marketing Guidelines*, Section 50.18)

## **F. Enrollment/Disenrollment and Premium Billing**

### **I. Timing of Annual Enrollment Period (AEP) – Medicare Advantage Organizations and Part D Sponsors**

- The AEP begins on October 15 and ends on December 7. An enrollment/disenrollment election type "AEP" cannot be used after the end of the AEP.
- Submit non-AEP enrollments for January 1 effective dates beginning October 5, 2016. Beneficiaries must have a valid election period for a non-AEP enrollment for requests received after the December 7 deadline.
- Submit certain enrollments (e.g., employer group enrollments and enrollments made during an individual's Initial Coverage Election Period (ICEP)) for January 1 effective dates beginning October 3, 2016. Be advised that enrollments received after December 7, 2016 may not be processed as AEP elections. Beneficiaries must be eligible for a valid Initial Election Period or Special Enrollment Period (SEP) for requests received after the December 7 deadline.

### **II. Medicare Advantage Disenrollment – Medicare Advantage Organizations and Part D Sponsors**

The Medicare Advantage Disenrollment Period (MADP) begins on January 1 and ends on February 14. A MA enrollee may disenroll from the coverage and go back to Original

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Medicare. If an individual has disenrolled from a MA plan, the individual may also enroll in a stand-alone Part D plan.

### **III. SEP for Enrollment into a 5-Star Plan – Medicare Advantage Organizations and Part D Sponsors**

Beneficiaries may enroll in a plan awarded an overall 5-star rating for 2017, provided the beneficiary is otherwise eligible for that plan. An individual may only use this SEP one time between December 8 and November 30. 5-Star plans must be prepared to accept all valid enrollment requests made using this SEP. (*Medicare Managed Care Manual Ch. 2, sec. 30.4.4; Medicare Prescription Drug Plan Benefit Manual Ch. 3, sec. 30.3.8*)

### **IV. Enrollment Processes and Notices – Medicare Advantage Organizations and Part D Sponsors**

Electronic enrollment mechanisms via a third-party website or non-plan owned electronic device, mechanism, or software are permitted.

### **V. Online Enrollment Center – Medicare Advantage Organizations and Part D Sponsors (Excluding MSA, 800-Series-Only, and Medicare-Medicaid plans; Optional for SNPs, RFB, and 1876 cost plans; Required for PDP and MA-PD)**

- Establish and maintain a process to download enrollment at least once daily from the Online Enrollment Center (OEC) unless your organization is prohibited from participating in the OEC. (*Medicare Managed Care Manual Ch. 2, sec. 40.1.2; Medicare Prescription Drug Plan Benefit Manual Ch. 3, sec. 40.1.2.*)
- The Medicare Plan Finder online enrollment function will be disabled for Medicare Advantage and Prescription Drug Plans with low-performing plan icons for CY2017 to assist in guiding beneficiaries towards selecting higher performing plans.
- The OEC uses Coordinated Universal Time (UTC) which is four hours earlier than Eastern Daylight Time. Calculate the application date on enrollments received via the OEC to be 11 hours earlier than the time and date CMS “stamps” on the request. Use the adjusted application date to determine eligibility for election periods and proper effective date for coverage. (Administrative Console site on the OEC AND email to plans, April 8, 2016)

### **VI. Retroactive Enrollments – Medicare Advantage Organizations and Part D Sponsors**

- Submit enrollments and disenrollments directly to MARx following the “current calendar month” cycle. Organizations can submit enrollments and disenrollments for the current calendar month and for the calendar month prior to the current calendar month, using the User Interface (UI) or in batch submissions. Enrollment into, or disenrollment from, EGWP plans may be submitted via the UI or in batch for the current calendar month minus three months.
- Prepare systems and processes to support the submission of retroactive enrollment and disenrollment corrections that cannot be accomplished within the Current Calendar Month cycle to the retroactive processing contractor (Reed &

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Associates). These requests must be made appropriately and timely. For more information, please visit [www.reedassociates.org](http://www.reedassociates.org).

## VII. Premium Billing – Medicare Advantage Organizations, Medicare Cost Plans, and Part D Sponsors

- Properly process notifications from CMS of reinstatement for good cause for Part D- Income Related Monthly Adjustment Amount (IRMAA) cases. Upon disenrollment for failure to pay Part D-IRMAA, CMS will make all decisions about reinstating beneficiaries on the basis of good cause.
- Establish a process to receive *Good Cause Requests* for disenrollments for failure to pay plan premiums. Plans are responsible for all aspects of the good cause process, including receiving requests, making good cause determinations, notifying the beneficiary, collecting payment, and submitting the reinstatement requests to the Retroactive Processing Contractor. Reinstatement criteria are narrowly defined. (*Medicare Managed Care Manual Chapter 2, Section 60, and Medicare Prescription Drug Benefit Manual Chapter 3, Section 60*)

## G. Late Enrollment Penalty (LEP) and Creditable Coverage – Part D Sponsors

### I. Charge the correct LEP for beneficiaries based on CMS’s LEP reports (Medicare Prescription Drug Benefit Manual, Chapter 4, Section 40)

Process LEP changes, refunds due to error, or LIS redeterminations timely. Changes are reported in the Monthly Premium Withhold Report Data File, LEP report, and Transaction Reply Report (TRR). Plan sponsors need to review the reports for changes and effectuate timely. (*Medicare Prescription Drug Benefit Manual Chapter 4 Sections 40.2 and 60.3, and HMPS memo 07/14/2014*)

## H. Benefits Administration & Beneficiary Protections

### I. Part C Benefits and Beneficiary Protections

- Implement guidance issued for the updated Chapter 4 *Medicare Managed Care Manual*, titled “Benefits and Beneficiary Protections.” (HPMS memo 04/28/2016)
- Medicare Advantage Organizations As specified in §422.111(b)(12), implement systems and processes necessary to provide for the generation of Part C EOBs for all plan members. EOB templates and instructions are available at <http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/MarketngModelsStandardDocumentsandEducationalMaterial.html>.
- Ensure Medicare Advantage provider networks meet CMS network adequacy standards. (CY2017 MA HSD Provider and Facility Specialties and Network Adequacy Criteria Guidance)
- If your plan does not offer a visitor/travel benefit to retain enrollees when they are outside of their service area for six (6) to twelve (12) months, then ensure that you disenroll beneficiaries who are absent from the plan’s service area for six (6)

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months. (*Managed Care Manual, Chapter 2, Section 50.2.1*, and HPMS memo 04/30/2010)

- Regional Preferred Provider Organizations. Ensure your organization always pays non-contracted providers at least the Original Medicare payment rate in those portions of your service area where you are meeting access requirements by non-network means. (*Managed Care Manual, Chapter 4, Section 10.2*)
- Medicare Advantage and other health plans. Ensure your organization and its contracted hospitals and critical access hospitals (CAHs) implement the provisions of the NOTICE Act. Under the NOTICE Act, hospitals and CAHs must deliver the Medicare Outpatient Observation Notice (MOON) to any beneficiary (including an MA enrollee) who receives observation services as an outpatient for more than 24 hours. See the final rule that went on display August 2, 2016 (to be published August 22, 2016) at: <https://www.federalregister.gov/articles/2016/08/22/2016-18476/medicare-program-hospital-inpatient-prospective-payment-systems-for-acute-care-hospitals-etc>

### II. Billing and Anti-discrimination Rules Applicable to Dual Eligible Enrollees

- Reeducate health services network providers about billing rules applicable to dual eligible beneficiaries as required under 42 C.F.R. §422.504(g)(1)(iii). Federal law prohibits Medicare providers from collecting Medicare Part A and Medicare Part B deductibles, coinsurance, or copayments from those enrolled in the Qualified Medicare Beneficiaries (QMB) program, a dual eligible program which exempts individuals from Medicare cost-sharing liability. Balance billing prohibitions may also apply to other dual eligible beneficiaries in MA plans if the State Medicaid Program holds these individuals harmless for Part A and Part B cost sharing. Note that the prohibition on collecting Medicare cost-sharing is limited to services covered under Parts A and B. Low Income Subsidy copayments still apply for Part D benefits. (Calendar Year (CY) 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter; 42 C.F.R. §422.504(g)(1)(iii))
- Verify your organization has procedures in place to ensure that MA health providers do not discriminate against enrollees based on their payment status, e.g. QMB. Specifically, MA health providers may not refuse to serve enrollees because they receive assistance with Medicare cost-sharing from a State Medicaid program. (*Managed Care Manual, Ch. 4, Section 10.2.3*; Calendar Year (CY) 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter)

### III. Coverage Gap Discount Program (CGDP) – Part D Sponsors

- Sponsors should be prepared to repay manufacturers for negative invoice amounts caused by PDE adjustments. Such amounts are included in quarterly invoices and must be paid to manufacturers via the CGDP portal within 38 days of invoice receipt. (HPMS memo 01/22/2014)

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- Part D Sponsors should make sure that the data displayed in HPMS is the most current information and reflects the correct personnel listed for the following fields:
  - HPMS field “Third Party Administrator (TPA) Liaison” for the TPA Primary Contact role
  - HPMS field “Coverage Gap Discount Program (CGDP) Payment Contact” for the TPA Payment Initiator role (if different from the Primary Contact)
- Ensure your organization updates the appropriate Bank Account Change Form on the TPA Website if there have been any changes to the accounts used for sending or receiving payments. Also validate any debit blocks and velocity filters which may be in place. These data are collected and maintained outside of the Automated Plan Payment System (APPS). The Bank Account Change Form can be found under the EFT Information line on the TPA web site (<http://tpadministrator.com>).

### IV. Formulary – Part D Sponsors

- Ensure your organization properly administers CMS’ transition policy as outlined in 42 CFR § 423.120 (b)(3). (HPMS memos 08/27/2014, 12/30/2015, 08/19/2016)
- **Biosimilars.** Biosimilars may be added to plan formularies at any time as a formulary enhancement. Formulary changes involving the addition of the biosimilar and removal of the reference biological product will generally be considered a non-maintenance change. These formulary changes will be evaluated, as are all non-maintenance changes, on a case-by-case basis, and allowed if the formulary continues to meet the formulary review standards with the corresponding addition of the biosimilar. Because biosimilars are not interchangeable with the reference biological product, CMS expects that Part D sponsors’ Pharmacy and Therapeutics (P&T) committees will review newly approved biosimilars in accordance with section 30.1.5 of Chapter 6 of the *Medicare Prescription Drug Benefit Manual*. (HPMS memo 3/30/2015)
- **Daily Cost Sharing Requirements.** Apply a daily cost sharing rate whenever certain prescriptions (depending on the drug dispensed) are dispensed by a network pharmacy for less than a month’s supply in accordance with 42 C.F.R. § 423.153(b)(4)(i).
- **MAC Pricing.** Ensure your organization updates MAC drug prices at least every seven days and to disclose all individual MAC drug prices to be updated to the applicable pharmacies in advance of their use. In addition, the disclosure must be made in a manner that enables the pharmacies to validate prices. (42 CFR §§423.501; 423.505(b)(21))
- **Pharmacy & Therapeutics (P&T) Committee.** A P&T committee must clearly articulate and document processes to determine that the requirements under paragraphs 42 C.F.R. § 423.120(b)(1)(i) through (iii) have been met, including the determination by an objective party of whether the disclosed financial interests are conflicts of interest and the management of any recusals due to any conflicts.

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## V. Mail-Order and Auto-Ship Refill Programs in Part D

- Work with their mail order pharmacies to develop and implement protocols for providing access to urgently needed medications. Further, beneficiaries should be informed of their options when requesting a rush order, with clear steps detailed in all applicable beneficiary materials. (Calendar Year (CY) 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter)
- Ensure your organization follows the mail-order auto ship guidance.
  - If a beneficiary has experience using mail-order or other automatic delivery programs under the plan, sponsors do not need to establish an additional opt-in procedure to acquire explicit consent to fill initial scripts.
  - If a beneficiary has had no previous mail-order, home delivery, or other automatic shipment experience under the plan, then a new prescription for that beneficiary is not eligible for the exception, and your organization should receive consent from the beneficiary before that prescription is filled.
- Such confirmation is unnecessary when the beneficiary personally initiates the prescription request.
- Two exceptions authorizing automatic deliveries without prior beneficiary consent were offered to plan sponsors agreeing to meet the conditions stated Exceptions to the Auto-Ship Policy
  - Part D sponsors interested in offering automatic deliveries of new prescriptions (as described in the 12/12/2013 memo) will no longer need to request an exception to the auto ship policy by emailing CMS. Instead, the exception will remain available to all Part D plans, without the need to specifically submit a request. Plans are permitted to start or continue automatic shipments, provided they meet the conditions listed.
  - Employer Group Waiver Plan (EGWP) sponsors interested in offering automatic deliveries of refill prescriptions (as described in the 10/28/2013 memo) will no longer need to separately request an exception to the Auto-Ship policy by emailing CMS.

(HPMS memos dated 10/28/2013, 12/12/2013, 03/21/2014, 09/22/2014 and Calendar Year 2014 & 2016 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letters)

## VI. Quality Improvement (QI) Programs – Medicare Advantage Organizations (excludes non-network PPFs, Cost plans)

- The QI program must meet the applicable requirements for the services that it furnishes to its MA enrollees, as specified at 42 C.F.R. §422.152 and detailed in Chapter 5 of the Medicare Managed Care Manual.

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- The mandatory topic for quality improvement projects (QIPs) beginning contract year CY2016 is Promote Effective Management of Chronic Disease. (HPMS memo 07/01/2015)
- The QIP Annual Update is due during the CMS-determined submission window in the fall of the first year of implementation following approval of the QIP Plan Section, and annually thereafter, until project completion. The Annual Update should include the results or findings to date based on the intervention(s); any barriers encountered during the update period; risk mitigation activities implemented to address barriers encountered; the impact on the established goal or benchmark; and next steps for the project. (*Medicare Managed Care Manual*, Chapter 5)

### VII. Improving Drug Utilization Controls in Part D

- Ensure your organization implements processes and procedures to comply with the drug utilization management (DUM) requirements of 42 C.F.R §423.153 *et seq.* to prevent overutilization of prescribed covered Part D drugs.

(CY 2013 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter and <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxUtilization.html>)

- Ensure processes are in place to submit beneficiary-level POS drug edit information for Identified Drug Overutilizers of opioids to MARx. (Plan Communications Users Guide, Section 11, Reporting Identified Drug Overutilizers, available on the CMS website at: [https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelphdesk/Plan\\_Communications\\_User\\_Guide.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelphdesk/Plan_Communications_User_Guide.html).)
- Ensure your organization's Pharmacy and Therapeutics (P&T) committees develops the specifications to implement a soft and/or hard formulary-level cumulative morphine equivalent dose (MED) POS edit(s) based on any opioid overutilization in your plan(s), and reasonable numbers of targeted beneficiaries for plan oversight. (Calendar Year (CY) 2017 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter)

### I. Best Available Evidence (BAE) and Low Income Subsidy (LIS)

#### I. Low Income Subsidy Benefit Administration – Part D Sponsors, excluding plan sponsors only serving U.S. Territories

- Ensure your organization applies the correct CMS LIS levels to enrollees by immediately applying any updates received via the daily TRR to establish the correct premium, cost sharing, and deductible levels with the correct effective dates for prior, current, and prospective enrollees. (*Medicare Prescription Drug Benefit Manual* Chapter 13, Section 70.1)
- Reimburse LIS eligible individuals, or others who have paid or are holding receivables on behalf of the beneficiary, any excess premiums or cost-sharing paid by the individual, including refunding of cost-sharing amounts that were paid during the

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- period of LIS retroactive coverage. Whenever a sponsor receives information that necessitates a retroactive claims adjustment, the sponsor must process the adjustment and issue refunds or recovery notices within 45 days of the sponsor's receipt of complete information regarding claims adjustment. (*Medicare Prescription Drug Benefit Manual* Chapter 13, Section 70.3.1 and 42 C.F.R. §§ 423.466, 423.800)
- Meet CMS requirements for accepting specific forms of BAE to establish a more favorable low income copayment status of a full benefit dual eligible beneficiary and beneficiaries who applied to the SSA for the LIS. (HPMS memo 08/04/2008 and 10/16/2008)
  - Meet CMS requirements for accepting specific forms of BAE to establish a beneficiary is institutionalized or enrolled in a home community based waiver program and qualifies for zero cost-sharing.
  - Provide beneficiaries access to covered Part D drugs at the reduced cost-sharing level as soon as one of the specific forms of BAE is presented.
  - Implement procedures to accept BAE at point-of-sale, update systems within 48-72 hours of receipt of the documentation, and ensure correct charges of premium, deductible, and cost sharing to low-income subsidy beneficiaries. Request manual updates to CMS within 60 days if routine reporting doesn't correct for deemed beneficiaries. (*Medicare Prescription Drug Benefit Manual Chapter 13, Section 70.5*)
  - Follow CMS' process for assisting individuals without BAE documentation. Sponsors must develop appropriate member services and pharmacy help desk scripting to identify cases involving a situation in which the BAE policy applies, and to allow callers either to submit BAE, or request assistance with securing BAE, pursuant to CMS requirements. When assisting beneficiaries with securing BAE, Sponsors are required to use the process outlined in *Medicare Prescription Drug Benefit Manual Chapter 13, Section 70.5.3*.

### **II. Loss of Low Income Subsidy Data File – Part D Sponsors, excluding plan sponsors only serving U.S. Territories**

- In response to the Loss of Subsidy Data File (released in December of each year), set your organization's systems to charge the correct premium, deductible, and copayments as well as send the appropriate notification to affected beneficiaries. The only exception to this requirement is for those beneficiaries whom the organization confirms are awaiting a Social Security Administration determination on an LIS application and have been granted a grace period by the organization, if applicable. In these situations, organizations should wait until they receive the result of the SSA determination to update their systems.
- Make reasonable attempts to notify affected members to advise them of their retroactive liability for higher premiums and cost sharing when LIS status or eligibility is removed. (*Medicare Prescription Drug Benefit Manual Chapter 13, 70.3.1*)

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(HPMS memos 11/30/2009, 08/12/2014, 09/10/2015, and 07/20/2016)

## **III. Low Income Subsidy Deeming – Part D Sponsors, excluding only serving U.S. Territories**

- Ensure your organization follows the CMS guidance for re-determination of Part D LIS eligibility for 2016. (HPMS memo 07/20/2016)
- Take appropriate actions in response to files concerning deeming from CMS: Twice a year, in September and December, CMS issues Loss of Subsidy files related to Part D sponsors' LIS members. The September 7 file identifies the beneficiaries receiving the CMS "undeemed" letter, and is to be used by sponsors for outreach to those individuals. The December file is the definitive file of those losing LIS status, and sponsors must use that file to update their systems and send affected beneficiaries the LIS termination notice. Additional information is available in the Plan Communication Guide (PCUG) Section, Loss of Subsidy Data File (HPMS memo 07/20/2016).
- Ensure procedures are in place to submit corrections to beneficiaries' LIS deemed status to the CMS contractor, Reed & Associates, following the instructions in the *Medicare Prescription Drug Manual*, Chapter 13, Section 70.5.6.

## **J. Coordination of Benefits (COB) and Automatic True Out-of-Pocket Cost (TrOOP) Balance Transfer**

### **I. Coordination of Benefits (COB) Data Report/File Processing/Automated TrOOP balance transfer (ATBT) Process – Medicare Advantage Organizations and Part D Sponsors**

Part D sponsors must be able to accept and respond to financial information reporting (FIR) transactions triggered under the enhanced ATBT process for years in the extended time period. Therefore, sponsors must ensure that their FIR processors are contracted to handle transactions for the current as well as all prior years covered under the enhanced ATBT process. For some sponsors, this may entail re-contracting with a former processor to process prior year FIR transactions. (HPMS memo 07/02/2015)

### **II. Hospice**

- For hospice beneficiaries, ensure that your organization has in place beneficiary-level Prior Authorization (PA) requirements on four categories of prescription drugs: analgesics, anti-nauseants (antiemetics), laxatives, and anti-anxiety drugs (anxiolytics). The updated FAQ document can be found at <http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/index.html>. (HPMS memo 07/18/2015)
- Utilize the approved form for collection of Hospice Information for Medicare Part D Plans to facilitate communication between Part D plans, hospices, prescribers, and pharmacists who serve beneficiaries enrolled in hospice. <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/Hospice/Downloads/Hospice-Info-PartD.zip> (HPMS memo 03/24/2015)

### **III. End-Stage Renal Disease (ESRD)**

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- Ensure your organization does not pay for drugs and biologics that are included in the Medicare Part B bundled payment to an ESRD dialysis facility (as specified in section 1881(b)(14) of the Social Security Act and in Federal regulations at Part 413). When a sponsor receives a daily TRR showing an ESRD beneficiary is receiving renal dialysis services, the sponsor must have controls in place to comply with this requirement.
- We strongly encourage sponsors to place beneficiary-level PA requirements on the four categories of drugs that are always used for ESRD treatment; CMS removed anti-infectives from the always ESRD-related categories of drugs in the 2015 ESRD prospective payment system final rule which appeared in the Federal Register on November 6, 2014. (HPMS memo 5/12/15)
- In addition, we strongly encourage sponsors to remove the beneficiary-level PA edits on the seven categories of prescription drugs that may be used for ESRD treatment. Sponsors are not expected to place ESRD PA requirements on these seven categories of drugs or take special measures beyond their normal compliance and utilization review activities. However, if it is determined through routine utilization review or otherwise that a renal dialysis service drug has been inappropriately billed to Part D, the sponsor and the ESRD facility should negotiate repayment. (HPMS memos 05/12/2015 and 11/14/2014)

### **IV. Drugs Available under Part A or Part B**

MA-PD plans must coordinate all benefits administered by the plan with respect to drugs for which payment may be available under Part A or Part B. (42 C.F.R. § 422.112(b)(7))

### **K. Claims Processing and Transition Process – Part D Sponsors**

- CMS expects each sponsor to fully test how their transition policy works within its claims adjudication system, including pharmacy notification, in order to ensure that the transition policy has been programmed correctly into systems prior to the start of 2017. (HPMS memo 03/25/2010)
- Implement a transition process for current enrollees who will experience negative changes as a result of revisions to their plan's formulary across contract years (i.e., from CY2016 to CY2017). Sponsors should work aggressively to prospectively transition current enrollees to therapeutically equivalent formulary drugs or work to complete requests for formulary and tiering exceptions to the new CY 2017 formulary prior to January 1, 2017. Sending the ANOC is not sufficient to effectuate the transition. (HPMS memos 03/25/2010 and 08/27/2010)
- Ensure a transition supply has been provided by closely monitor enrollees' rejected claims, among other monitoring strategies.

### **L. Grievances, Initial Coverage Decisions, and Appeals**

#### **I. Staffing Requirements Related to Initial Coverage Decisions and Appeals– Medicare Advantage Organizations and Part D Sponsors**

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Your organization must employ a medical director who is responsible for the clinical accuracy of all initial coverage decisions and appeals that involve medical necessity. The medical director must be a physician with a current and unrestricted license to practice medicine in a State, Territory, Commonwealth of the United States, or the District of Columbia. (42 C.F.R. §§ 422.562, 423.562) In addition, your organization must be staffed to satisfy the following requirements: (1) that a physician or other appropriate health care professional with sufficient medical and other expertise, including knowledge of Medicare coverage criteria, review the initial coverage decision if your organization expects to issue a partially or fully adverse decision based on medical necessity (42 C.F.R. §§ 422.562, 423.562, 422.566, and 423.566), and (2) that a physician who was not involved in the initial denial make the redetermination/reconsideration when the initial decision involved a determination of medical necessity (42 C.F.R. §§ 422.590(h) and 423.590(f)).

### **II. Appropriateness of Clinical Decision-Making – Medicare Advantage Organizations and Part D Plan Sponsors**

Your organization must ensure that clinical and administrative staff and delegated entities involved in processing initial coverage decisions and appeals comply with all CMS and plan coverage rules. You must be able to demonstrate that clinical decision-making involves the consideration of your CMS-approved Explanation of Benefits, drug formulary, appropriate CMS regulations and guidance, required drug compendia, previous claims history, and all submitted clinical information. You must also be able to demonstrate procedures for making and documenting requests for necessary clinical documentation from providers and prescribers when documentation is needed to properly adjudicate coverage requests and appeals.

### **III. Proper Use of Adjudication Timeframe Extensions – Medicare Advantage Organizations**

Under limited circumstances, Medicare Advantage organizations may extend the adjudication timeframe for organization determinations and reconsiderations. Ensure that your organization is in compliance with the use of extensions per the regulatory requirements at §422.568, §422.572 and §422.590. (February 12, 2015 Federal Register, Vol. 80, p. 7912)

### **IV. Online Appeals Training Courses – Medicare Advantage Organizations and Part D Sponsors**

Ensure your organization's compliance officer, staff involved with initial coverage decisions, appeals, and grievances, and customer service representatives, are trained in Part C and Part D processes. CMS provides two optional web-based training (WBT) courses below to supplement in-house training. <http://go.cms.gov/MLNProducts>. CMS strongly suggests that compliance officers incorporate these courses into their existing in-house training and use the certificate to track course completion within the organization. (HPMS memo 04/28/2014)

### **V. Rights of Medicare C & D Enrollees – Medicare Advantage Organizations and Part D Sponsors, as applicable below**

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Part D sponsors must ensure that their organization provides immediate access to the coverage determination and redetermination processes via a toll-free telephone number and website and provides access to model forms for making coverage and appeal requests.

### **M. Compliance and Fraud, Waste, and Abuse (FWA) Compliance Program – Medicare Advantage Organizations and Part D Sponsors**

Your organization must ensure and be able to demonstrate it has implemented an effective compliance program which includes measures to prevent, detect and correct program non-compliance and fraud, waste and abuse. 42 C.F.R. §§422.503 and 423.504. CMS strongly recommends all Compliance Officers and personnel routinely review and share throughout your organization information from the CMS Compliance and Audit webpage. The webpage provides useful resources to assist your organization in understanding and implementing compliance program requirements; provides materials CMS uses to conduct program audits; annual Program Audit and Enforcement Reports; and, information pertaining to compliance and enforcement actions. <https://www.cms.gov/Medicare/Compliance-and-Audits/Part-C-and-Part-D-Compliance-and-Audits/index.html>.

Sponsors are strongly encouraged to use discretion when developing the criteria for determining whether an entity is a first tier, downstream and related entity (FDR) for purposes of the compliance training requirement. Section 40 of the Compliance Program Guidelines, located in Pub. 100-18, Chapter 9 of the *Medicare Prescription Drug Manual* and Chapter 21 of Pub. 100-16, the *Medicare Managed Care Manual* has an enumerated list of factors to consider in determining whether an entity is an FDR. Also, we strongly encourage sponsors and FDRs to be reasonable and cooperative in identifying the compliance training vehicle.

However, as a reminder CMS is suspending review of the FDR compliance training certification requirement pending additional guidance. Sponsors will not be required to provide documentation of FDR compliance program training certification.