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Centers for Medicare & Medicaid Services  
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To: All Medicare Advantage Organizations (MAOs), Prescription Drug Plan (PDP) Sponsors, 1876 Cost Plans and Medicare-Medicaid Plans (MMP)

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Subject: 2020 Readiness Checklist for Medicare Advantage Organizations, Prescription Drug Plans, Medicare-Medicaid Plans, and Cost Plans

The Centers for Medicare & Medicaid Services (CMS) is reminding organizations of critical Medicare Part C and D items for the Annual Election Period (AEP) and coverage beginning January 1, 2020.

The Contract Year (CY) 2020 Readiness Checklist is a tool to be used in preparation for the upcoming year. It does not supersede requirements as established in statutes or regulations as they relate to Medicare Advantage, Prescription Drug Plans, 1876 Cost Plans, and Medicare-Medicaid Plans (MMP). CMS recommends that organizations review this checklist and take the necessary steps to fulfill requirements for the 2020 benefit year.

In follow up to this checklist, account managers and plan sponsors will participate in strategic conversations, with a goal of more open and direct conversations about preparedness and process improvements. Organizations must notify their account manager(s) of any requirements that are at risk or where technical assistance is needed to resolve any issue. CMS account managers will follow up with organizations regarding their self-assessments prior to the new year, at which time we invite you to share suggestions for improving the process.

The checklist's appendix lists points of contact for specific subject matters. For additional information regarding the elements within the checklist, please refer to the appropriate CMS guidance, contact your account manager, or contact the subject matter expert identified in Appendix A.

Notes:

- Unless otherwise indicated, items that apply to Medicare Advantage Organizations also apply to 1876 Cost Plans and Medicare-Medicaid Plans (MMPs). Part D sponsors refers to all organizations offering Part D.
- For purposes of the MMPs, references to account managers is the equivalent of the Contract Management Team (CMT).

**CY 2020 Medicare Advantage Organization, Prescription Drug Plan, Cost Plan, and  
Medicare-Medicaid Plan Readiness Checklist**

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## **A. Individuals with Disabilities – Accessible Formats and Use of TTY Numbers – Medicare Advantage Organizations and Part D Sponsors**

- Make available all plan materials, services, and information, including those produced or distributed by contracted providers, in accessible formats (e.g. braille, large print, audio) to individuals with disabilities upon request. (HPMS Memo 08/30/2017 and Section 504 of the Rehabilitation Act of 1973)
- Provide a toll-free TTY number, which should appear in conjunction with the customer service number in the same font size as the other phone numbers. Sponsors may use their own TTY number, 711 for Telecommunications Relay Service, or state relay services, as long as the number is accessible from TTY equipment. (CY 2019 Medicare Communications and Marketing Guidelines, section 30.5, and Section 508 of the Rehabilitation Act)

## **B. Precluded Providers and Prescribers – Medicare Advantage Organizations and Part D Sponsors**

- Provide beneficiary notices about precluded providers and prescribers
- Deny payment for a health care item or service furnished by an individual or entity on the Preclusion List or reject a pharmacy claim (or deny a beneficiary request for reimbursement) for a Part D drug that is prescribed by an individual on the Preclusion List.
- The Preclusion List consists of individuals or entities that
  - Are currently revoked from Medicare, are under an active reenrollment bar, and CMS has determined that the underlying conduct that led to the revocation is detrimental to the best interests of the Medicare program
  - Have engaged in behavior for which CMS could have revoked the individual or entity to the extent applicable if they had been enrolled in Medicare, and CMS determines that the underlying conduct that would have led to the revocation is detrimental to the best interests of the Medicare Program.

(42 C.F.R. §§ 422.222 et seq. and 423.120(c)(6); HPMS memos 11/02/2018, 12/14/2018, 01/09/2019 and FAQs 08/07/2019; <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/PreclusionList.html>))

## **C. 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). (HPMS memo 08/14/2019)
- Update your organization's contact and data information in HPMS, and ensure that

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your organization has a process in place 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. Medicare Advantage Prescription Drug (MARx) System – Medicare Advantage Organizations and Part D Sponsors**

- Review and implement guidance regarding software improvements to the enrollment and payment systems. (HPMS memo 07/02/2019)
- Ensure your External Point of Contact (EPOC) is notified of the changes regarding the Enterprise Identity Manager (EIDM) users. (HPMS memo 08/23/2019)
- An individual's access to EIDM will be locked when 60 days lapses between system logins. To unlock the account, the individual must login to EIDM, answer their challenge questions, and reset their password. (EIDM Users Guide)
- Submit information about beneficiary-specific claim edits or limitations on a beneficiary's access to coverage for frequently abused drugs (i.e., opioids and benzodiazepines) implemented under the plan's drug management program and monitor MARx reports for potential and at-risk beneficiaries in accordance with 42 C.F.R. § 423.153(f). (Section 8 in the Medicare Advantage and Part D Plan Communications User Guide).

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

- **Pricing Data and Pharmacy Network Files.** (Part D Sponsors) Submit timely and accurately the CY 2020 pricing data for posting on the MPF.
  - Accurately identify preferred cost-sharing pharmacy arrangements in the 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 at least some tiers of formulary drugs at that pharmacy than applies at pharmacies in the standard cost-sharing network. (Excludes MMP)
  - Confirm pricing and pharmacy network data files for MPF are complete, correct, and accurate, and that only pharmacies under contract for 2020 are included for display. Incorrect data may result in suppression from the MPF, and/or applicable compliance actions.

(HPMS Memo 06/07/2019)
- **MPF File Pre-Submission Quality Assurance Testing.** (Part D Sponsors) Perform quality assurance activities prior to submitting MPF files to CMS. Sponsors may be subject to Part D program compliance and enforcement actions including MPF suppressions, as a result of inaccurate data submissions.
  - If your organization receives an outlier notification for your 2020 pricing and pharmacy data which was previously a known exception in 2019, your



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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' 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.

(HPMS Memo 06/07/2019)

- **HPMS Part D Pricing File Submission Module.** (Part D Sponsors) Ensure your organization has access to the HPMS Part D Pricing File Submission Module for both Part D pricing file submissions and QA validation results. Updates and announcements relating to the pricing file submission and QA validation processes are posted in the module's Documentation section.

### IV. Patient Safety Quality Analysis – Part D Sponsors

- Ensure your organization's Medicare compliance officer (MCO) authorizes users to access the Patient Safety reports, available via the Patient Safety Analysis Web Portal. At least one user from each contracted organization must have access to Summary and Confidential Beneficiary Reports to view and respond to beneficiary-level overutilization issues.
- Access the monthly Patient Safety Reports via the Patient Safety Analysis Web Portal to compare your performance to overall averages and monitor progress in improving Part D patient safety measures over time. Several of the measures are Part D Star Ratings or Display Measures.
- These actionable reports include contract-level patient safety summary reports for expanded analyses and information and detailed beneficiary-claim level and outlier reports. Sponsors are encouraged to use the website to view and download the reports, respond to outlier notices, and engage in performance monitoring.
- Sponsors can view the Patient Safety Analysis Web Portal User Guide, located under the Portal's Help Documents. The Web Portal also includes the instructions for responding to outlier notices. Other information provided under the Help Documents includes each measure's Patient Safety Report User Guide, diagnosis codes, and the National Drug Code (NDC)/medication lists used to calculate the measures. The Patient Safety Analysis Web Portal can be accessed at [https://PartD.ProgramInfo.us/User\\_Security](https://PartD.ProgramInfo.us/User_Security).

(HPMS memo 04/17/2019; <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxUtilization.html>)

### V. Drug Management Programs– Part D Sponsors

- Ensure your organization's MCO authorizes users to access the Overutilization Monitoring System (OMS), available via the Patient Safety Analysis Website. At least

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one user from each contracted organization must have access to Summary and Confidential Beneficiary Reports to view and respond to beneficiary-level overutilization issues.

- Review and act upon OMS quarterly reports and send information to CMS within 30 days of the report, as well as send information to CMS about potential at-risk beneficiaries that the sponsor identifies in accordance with 42 CFR § 423.153(f) and applicable guidance. (OMS User Guide available on the Patient Safety Analysis Website under Help Documents, and also on the Improving Drug Utilization Controls in Part D at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxUtilization.html>)

(HPMS memos 11/20/2018 and 04/17/2019, and Frequently Asked Questions about Drug Management Programs 01/24/2019)

### VI. Opioid Safety Edits

- Ensure your Pharmacy & Therapeutics (P&T) committee develops specifications, including claim billing transaction communications to pharmacist(s), for your plan's implementation of the following formulary-level POS opioid safety edits to prospectively prevent opioid chronic use or misuse, and adverse events:
  - Opioid care coordination safety edit based on a beneficiary's cumulative 90 morphine milligram equivalent (MME) dose per day with or without prescriber and pharmacy counts,
  - 7 days' supply limit hard safety edit for opioid naïve patients,
  - Soft safety edits for duplicative long-acting opioid therapy and concurrent use of opioids and benzodiazepines, and
  - Optional cumulative opioid MME hard safety edit to be set at a minimum threshold of 200 MME or more with or without prescriber/pharmacy counts.
- Submit updates of information on the opioid naïve safety edit, care coordination safety edit, and optional hard MME edit using a template through HPMS. CY 2020 templates may be revised by sending an email to [PartD\\_OM@cms.hhs.gov](mailto:PartD_OM@cms.hhs.gov) with the subject line "Opioid Safety Edit Template Request to Revise – [applicable contract ID number(s)]." The email should include:
  - The contract ID(s) associated with the change;
  - The proposed implementation date of the revision;
  - A justification for the mid-year change of the opioid safety edit; and
  - The revised template that will be submitted to HPMS as an attachment.

(42 CFR § 423.153(c)(2), Calendar Year (CY) 2018, 2019 and 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter, HPMS memos 10/23/2018 and 08/01/2019, and Frequently Asked Questions about Formulary-Level Opioid Point-of-Sale Safety Edits guidance posted on the Improving Drug Utilization Review Controls in Part D at <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxUtilization.html>)

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[coverage/PrescriptionDrugCovContra/RxUtilization.html](#)).

## VII. Risk Adjustment Data Submissions – Including Risk Adjustment Processing System (RAPS) and Encounter Data System (EDS) – Medicare Advantage Organizations

- Medicare Advantage Organization (MAO) payment is primarily based on data submitted to CMS in accordance with § 1853(a)(3)(B) and 42 CFR §§ 422.310(b) and 422.310(d). In order to receive proper payment, MAOs 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, <https://www.csscooperations.com>, as well as memos available on HPMS.
- Register for monthly Risk Adjustment for EDS & RAPS User Group webinars.  
Assistance with data submission can be obtained by emailing [csscooperations@palmettogba.com](mailto:csscooperations@palmettogba.com), or by calling 1-877-534-2772.
- Activities checklist for EDS and RAPS submission include:
  - 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.

Specific to MMPs: MMPs shall submit encounter data consistent with MMP guidelines that can be found in HPMS Memos (dated 10/24/2013, 04/29/2014, 05/23/2014, and 08/10/2016) and in the applicable Medicare-Medicaid Capitated Financial Alignment Model Quality Withhold Technical Notes. The technical notes are available at <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/MMPInformationandGuidance/MMPQualityWithholdMethodologyandTechnicalNotes.html>

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

- As a condition of payment, all Part D plans must submit data and information necessary for CMS to carry out payment provisions (§§ 1860D-15(c)(1)(C) and (d)(2) of the Act, and 42 CFR § 423.322(a)). Prescription Drug Event (PDE) data is used to determine plan payments for Part D and is submitted through the Prescription Drug Front-End System (PDFS) and processed by the Drug Data Processing System (DDPS). 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, <https://www.csscooperations.com>, as well as memos available on HPMS. Assistance with data submission can be obtained by emailing [csscooperations@palmettogba.com](mailto:csscooperations@palmettogba.com), or by calling 1-877-534-2772.

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- Establish access to the Part D Payment Process Support Website. (HPMS memo 02/16/2016 and 10/12/2016)
  - Submit original PDEs within 30 days following Date Claim Received or Date of Service (whichever is later).
  - Within 90 days:
    - Resolve rejected PDE records and re-submit following receipt of rejected record status from CMS, and
    - Submit adjustments and deletions following discovery of issue requiring change.
- (HPMS memo 10/06/2011)
- Establish access to the PDE Analysis and PDE Reports portals. (HPMS memo 04/10/2019)
  - 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) Reports,
    - Coverage Gap Invoice Report,
    - Part D Potential Exclusion Warning Report and Part D Exclusion from Reconciliation Report, (HPMS memo 06/07/2019), and
    - Payment Reconciliation System (PRS) reports (HPMS memos 06/23/2017 and 04/30/2019).

### **IX. Electronic Enrollment Mechanisms – Medicare Advantage Organizations and Part D Sponsors (Excludes MMPs)**

- Organizations developing and offering electronic enrollment mechanisms made available via an electronic device or secure internet website must apply CMS' enrollment guidelines for electronic enrollment mechanisms, including:
  - Submit all materials and web pages related to the enrollment process for CMS approval per established processes for the review and approval of communications and marketing materials and other enrollment request mechanisms.
  - Comply with CMS' 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 following enrollment policies, and appropriate handling of any sensitive beneficiary information provided as part of the online enrollment, including those facilitated by downstream entities.

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- 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.
- CMS must be notified in a timely manner of security and/or privacy breaches, should they occur.

(Medicare Managed Care Manual Chapter 2 and Medicare Prescription Drug Benefit Manual Chapter 3, Section 40.1.2 – Electronic Enrollment; Medicare Managed Care Manual Chapter 17-D, Section 40.1.3 – Electronic Enrollment)

### D. 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 and Part D Sponsors**

Prepare to submit HEDIS, HOS, and CAHPS measures to the appropriate entity by the specified due date. (HPMS memo 09/09/2019)

#### **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. (<https://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/ReportingRequirements.html>; [https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxContracting\\_ReportingOversight.html](https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/RxContracting_ReportingOversight.html))
- MMPs must also meet Core Reporting Requirements and applicable State-Specific Reporting Requirements, and participate in performance measure validation as required.

#### **III. Quality Withhold Requirements – MMPs only**

- MMPs are reminded that a percentage of their capitated rate is withheld and will be repaid retrospectively subject to performance consistent with established quality requirements. In general, the percentage withheld increases by one percentage point each of the first three demonstration years. CMS strongly encourages MMPs to review the current demonstration methodology and plan ahead to maximize the chances of fully recouping the withheld amounts.
- More information about the quality withhold methodology is available at: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/MMPInformationandGuidance/MMPQualityWithholdMethodologyandTechnicalNotes.html>.

#### **IV. Reporting and Returning Sponsor Identified Overpayments – Medicare Advantage Organizations and Part D Sponsors**

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Consistent with Section 1128J(d) of the Social Security Act, every MA organization and Part D sponsor 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.

## **V. Fiscal Soundness – Medicare Advantage Organizations and Part D Sponsors**

Annually, use the Fiscal Soundness Module in HPMS to submit independently audited annual financial statements and 2020 quarterly financial statements. The CMS Fiscal Soundness Reporting Requirements, relevant HPMS memos, and other important information is available at: <https://www.cms.gov/Medicare/Health-Plans/HealthPlansGenInfo/FSRR.html>

## **E. 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 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.
- CMS requires Part D sponsors to:
  - Have standard contracting terms and conditions readily available for requesting pharmacies no later than September 15 of each year for the immediately succeeding benefit year, and
  - Provide the applicable standard terms and conditions document to the requesting pharmacy within seven business days of receipt of the request.

(HPMS memo 08/13/2015, 42 C.F.R. § 423.505(b)(18))

### **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)

\* 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 – Medicare Advantage Organizations and Part D Sponsors**

- Notify your CMS account manager at least 60 days prior to the effective date of the new contract. For MMPs, notify your Contract Management Team (CMT) per the terms of the three-way contract.

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- 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.

### F. Customer Service

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

- Ensure compliance with standards found at 42 CFR §§ 422.111(h)(1), 423.128(d)(1), the CY 2019 Medicare Communications and Marketing Guidelines sections 30.3, 80.1, 80.2, the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo and the 11/30/2018 Call Center Monitoring Memo.
- For MMPs specifically: MMPs must operate a toll-free call center for both current and prospective enrollees per the three-way contract, the Medicare Communications and Marketing Guidelines, and the State-specific MMP Marketing Guidance. MMPs should refer to section 80.1.1 of the CY 2020 State-specific Marketing Guidance for MMP-specific customer service call center requirements.

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

Ensure compliance with standards found at 42 CFR § 423.128(d)(1), the CY 2019 Medicare Communications and Marketing Guidelines section 80.5, the Medicare Communications and Marketing Guidelines 08/06/2019 HPMS memo and the 11/30/2018 Call Center Monitoring Memo.

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

- Ensure compliance with the call center standards found at 42 CFR §§ 422.111(h)(1), 423.128(d)(1) and the CY 2019 Medicare Communications and Marketing Guidelines, sections 30.3, 80.1, 80.2, the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo, and the 11/30/2018 Call Center Monitoring Memo.
- For markets with a significant non-English speaking population, provide vital materials in the language of these individuals. Specifically, Part D sponsors must translate materials into any non-English language that is the primary language of at least 5 percent of the individuals in a plan benefit package (PBP) service area. (42 C.F.R. §§ 422.2268(a)(7) and 423.2268(a)(7), CY 2019 Medicare Communications and Marketing Guidelines sections 30.3 and 100, and the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo).
- NOTE: For MMPs, the state-specific standard applies, if it is more stringent than the



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Medicare standard, as provided in section 30.3 of the CY 2020 State-specific Marketing Guidance. (Excluding Employer Group/800 series-only contracts).

## **IV. Medication Therapy Management (MTM) Programs – Part D Sponsors**

Ensure CSRs are familiar with the plan's Medication Therapy Management (MTM) program, including eligibility criteria and additional information required to be available on a dedicated MTM program page linked from the Medicare drug plan website, and how to direct beneficiaries to the plan's MTM program page. The 2020 MTM program annual cost threshold increased to \$4,255. (42 C.F.R. § 423.104(d), CY 2019 Medicare Communications and Marketing Guidelines, section 70.1.3, Appendix 1; HPMS memo 04/05/2019, Calendar Year (CY) 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter).

## **V. Complaints Tracking Module**

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. MA organizations and Part D sponsors are urged to make interim contact with beneficiaries if their complaints will take more than seven days to resolve. Following the CTM Standard Operating Procedure (SOP), all complaints should be reviewed by plans at intake, including verifying the contract assignment and issue level. If necessary, submit any Plan Request changes as soon as possible, and no later than the Star Ratings operational deadline of June 30 of the following year. (HPMS memos 02/06/2015, 12/30/2015, 03/09/2018)

## **G. Communications Consistent with the Medicare Communications and Marketing Guidelines**

Market consistent with the CY2019 Medicare Communications and Marketing Guidelines and the August 6, 2019 Medicare Communications and Marketing Guidelines HPMS memo. MMPs must also market consistent with the CY 2020 State-specific Marketing Guidance as applicable.

## **I. Model Materials – Medicare Advantage Organizations and Part D Sponsors**

- Ensure your organization is using the updated year (CY) 2020 model materials on the Marketing Models, Standard Documents, and Educational Material and Part D Model Materials websites. All models, and standardized documents have been posted and are located at: <http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/MarketingModelsStandardDocumentsandEducationalMaterial.html> and <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Part-D-Model-Materials.html> (HPMS memo 05/24/2019) (Excludes MMPs).
- For MMPs specifically: Ensure your organization is using the updated state-specific CY 2020 model materials. These model materials are posted at: <https://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/FinancialAlignmentInitiative/MMPInformationandGuidance/MMPMarketingInformationandResources.html>.



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## **II. Referencing Star Ratings in Marketing Materials – Medicare Advantage Organizations and Part D Sponsors (Excludes MMPs)**

- Provide the overall Star Ratings information to beneficiaries through the CMS standardized Star Ratings information document, which must be provided to all prospective enrollees when an enrollment form is provided. For online enrollment, the Star Ratings information document and Summary of Benefits (SB) document must be made available electronically (e.g., via link) prior to the completion and submission of an enrollment request.
- Ensure that any references to Star Ratings comply with the 2019 marketing requirements.
- Medicare Advantage organizations and Part D sponsors are not permitted to display or release their Star Ratings information until CMS releases the Star Ratings on Medicare Plan Finder.
- Medicare Advantage organizations and Part D sponsors must clearly identify which contract year their Star Ratings references.

(CY 2019 Medicare Communications and Marketing Guidelines, sections 40.6, 100.4, Appendix 2, and the 08/06/2019 Medicare Communications and Marketing HPMS memo)

## **III. Websites – Medicare Advantage Organizations and Part D Sponsors**

- Ensure that your organization's website and all electronic Information and Communications Technology (ICT) is accessible to people with disabilities. Monitor website compliance with Section 508 standards and remediate any identified issues. (Section 508 of the Rehabilitation Act (29 U.S.C. § 794(d))
- The Summary of Benefits, Annual Notice of Change, Evidence of Coverage, Provider and/or Pharmacy Directories; Formulary and Utilization Management Forms for physicians and enrollees; and Low-Income Subsidy Premium Summary Chart must be posted on the website by October 15 for the upcoming contract year (CY 2019 Medicare Communications and Marketing Guidelines, section 70.1.2) Please note that the LIS Premium Summary Chart does not apply to MMPs.
- Ensure your organization's formulary is updated on the website when changes are made. (HPMS memo 11/01/2018, Medicare Communications and Marketing Guidelines, sections 70.1.1 and 100.4, the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo, and MMPs' CY 2020 State-specific Marketing Guidance)
- Provider and Pharmacy Directories are expected to be accurate, updated within 30 calendar days of receipt of updated or corrected information from the provider/pharmacy, and contain all required data elements. (CY 2019 Medicare Communications and Marketing Guidelines, section 100.3, the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo, Medicare Advantage and Section 1876 Cost Plan Provider Directory Model, HPMS memo 08/16/2016)
- MAOs, PDPs, and their third-parties' websites that market their products are expected

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to meet applicable CMS marketing requirements. (CY 2019 Medicare Communications and Marketing Guidelines section 90.4, the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo, and MMPs' CY 2020 State-specific Marketing Guidance)

### **IV. Agents and Brokers – Medicare Advantage Organizations and Part D Sponsors**

- Implement Agent/Broker compensation rates, submissions, and training and testing requirements. (HPMS memo 05/29/2019)
- For MMPs specifically: Only those MMPs in states that permit the use of independent agents/brokers must implement agent/broker compensation rate requirements. All MMPs must implement agent/broker submissions and training and testing requirements. (HPMS memo 05/29/2019, three-way contract, State-specific Marketing Guidance)

### **V. Access to Preferred Cost Sharing Pharmacies – Disclaimers – Part D Sponsors (Excludes MMPs)**

- Include the appropriate disclaimer language for plans with limited access to Preferred Cost Sharing Pharmacies. (CY 2019 Medicare Communications and Marketing Guidelines, Appendix 2 and the 08/06/2019 Medicare Communications and Marketing Guidelines HPMS memo)
- All disclaimers can be found in the CY 2019 Medicare Communications and Marketing Guidelines, Appendix 2.

## **H. Enrollment/Disenrollment**

### **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 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, 2019. Enrollments received after December 7, 2019 may not be processed as AEP elections. Beneficiaries must be eligible for a valid Initial Election Period (IEP) or Special Enrollment Period (SEP) for requests received after the December 7 deadline.
- Disenroll an MA plan member whose temporary absence from the service area exceeds six (6) consecutive months (up to twelve (12) consecutive months if the plan includes a visitor/travel benefit). Disenroll a PDP member whose temporary absence from the service area exceeds twelve (12) consecutive months. (Medicare Managed Care Manual Chapter 2, Section 50.2.1, and HPMS memo 04/30/2010; Medicare Prescription Drug Benefit Manual Chapter 3, Section 50.2.1.1)
- 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

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on the basis of good cause. (Excludes MMPs)

- Establish a process to receive Good Cause Requests for disenrollments for failure to pay plan premiums. Organizations 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) (Excludes MMPs)

## **II. Medicare Advantage Open Enrollment – Medicare Advantage Organizations**

The Medicare Advantage Open Enrollment Period (MA OEP) begins on January 1 and ends on March 31. During this time, MA plan enrollees may disenroll or switch to another MA plan (either with or without Part D coverage) or switch to Original Medicare and enroll in a stand-alone PDP. In addition, new Medicare beneficiaries enrolled in a MA plan during their Initial Coverage Election Period (ICEP) can also make one election during the first 3 months they have Medicare to make a change to their coverage. The MA OEP does not allow individuals enrolled in Medicare Savings Accounts or other Medicare health plan types (such as cost plans or PACE) to make enrollment changes.

(Medicare Managed Care Manual Chapter 2, Section 30.5; Medicare Prescription Drug Benefit Manual Chapter 3, Section 30.3.8 #8.D; and HPMS memos 07/31/2018, 08/30/2018, 10/04/2018)

## **III. SEP Changes for Dual Eligible and Other LIS-Eligible Individuals (Excludes MMPs in capitated model FAI Demonstration States that have secured a demonstration waiver)**

- Make systems changes as needed and properly determine eligibility for those using the newly codified SEPs for dual eligible and other LIS-eligible individuals:
  - Those who have been assigned into a plan by CMS/State (e.g., auto-assignment, reassignment, passive enrollment).
  - Those who gain, lose, or have a change in their dual eligible/LIS status.
  - Dual and other LIS-eligible individuals can change plans only once per calendar quarter during the first 3 quarters of the year (January – September).
  - Note: Once a dual or other LIS-eligible individual is identified by a Part D sponsor as a ‘potential at-risk’ or ‘at-risk’ beneficiary under a drug management program, he or she cannot use the dual/LIS SEP to change plans for as long as he or she is a ‘potential at-risk’ or ‘at-risk’ beneficiary.

(Medicare Managed Care Manual Chapter 2, Section 30.4 & Chapter 17D, Section 30.4; Medicare Prescription Drug Benefit Manual Chapter 3, Section 30.3; and HPMS memos 07/31/2018, 08/30/2018, 10/04/2018, 11/02/2018, 11/20/2018)

## **IV. SEP for Enrollment into a 5-Star Plan – Medicare Advantage Organizations and Part D Sponsors (Excludes MMPs)**

Beneficiaries may enroll in a plan awarded an overall 5-star rating for 2020, provided the beneficiary is otherwise eligible for that plan. An individual may use this SEP only one time between December 8, 2019 and November 30, 2020. 5-Star plans must be prepared

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to accept all valid enrollment requests made using this SEP. (Medicare Managed Care Manual Chapter 2, Section 30.4.4; Medicare Prescription Drug Plan Benefit Manual Chapter 3, Section 30.3.8)

### **V. Enrollment Processes and Notices – Medicare Advantage Organizations and Part D Sponsors (Excludes MMPs)**

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

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

- Establish and maintain a process to download enrollments at least once daily from the HPMS Online Enrollment Center (OEC) Management Module unless your organization is prohibited from participating in the OEC. (Medicare Managed Care Manual Chapter 2, Section 40.1.2; Medicare Prescription Drug Plan Benefit Manual Chapter 3, Section 40.1.2. and HPMS memo 09/12/2019)
- 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. (HPMS memo 09/12/2019)

### **VII. 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. MMPs must perform enrollment transactions per the three-way contract.
- 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 & Associates). These requests must be made appropriately and timely. For more information, please visit [www.reedassociates.org](http://www.reedassociates.org). MMPs must perform retroactive enrollment transactions per the three-way contract.

(Medicare Managed Care Manual Chapter 2, Section 60.4, Medicare Prescription Drug Benefit Manual Chapter 3, Section 60.3)

## **I. Late Enrollment Penalty (LEP) and Creditable Coverage**

### **I. Charge the correct LEP for beneficiaries based on CMS LEP reports – Part D Sponsors (Excludes MMPs)**

Process LEP changes, refunds due to error, or LIS redeterminations timely. Changes are

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reported in the Monthly Premium Withhold Report Data File, LEP report, and Transaction Reply Report (TRR). Sponsors need to review the reports for changes and effectuate timely. (Medicare Prescription Drug Benefit Manual Chapter 4, Sections 40, 50, 60, 70; HMPS memo 01/10/2018)

### J. Benefits Administration & Beneficiary Protections

#### I. Benefits and Beneficiary Protections – Applicable organization types noted below

- MAOs, as specified in 42 C.F.R. § 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/MarketingModelsStandardDocumentsandEducationalMaterial.html>.
- Ensure MA and MMP provider networks meet network adequacy requirements. (42 C.F.R. § 422.112(a)(1); Medicare Advantage and Section 1876 Cost Plan Network Adequacy Guidance available at <https://www.cms.gov/Medicare/Medicare-Advantage/MedicareAdvantageApps/index.html?redirect=/MedicareAdvantageApps/>; and Health Service Delivery (HSD) Instructions for Medicare-Medicaid Plans (MMPs) and Minnesota Dual Special Needs Plans (MN D-SNPs) Annual Medicare Network Submission (HPMS memo dated 08/06/2019)
- Part D Sponsors must ensure that their retail pharmacy networks meet the access criteria established under 42 C.F.R. § 423.120(a).
- Regional Preferred Provider Organizations must ensure they pay non-contracted providers at least the Original Medicare payment rate in those portions of their service area where they are meeting access requirements by non-network means. (Medicare Managed Care Manual Chapter 4, Section 10.2)
- MAOs must ensure their 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 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 Requirements Applicable to Dual Eligible Enrollees – Medicare Advantage Organizations

- Adopt measures to protect dual eligible enrollees from improper billing and educate network providers about applicable billing requirements. All MAOs and other Part C providers and suppliers, including pharmacies, must refrain from collecting Medicare cost sharing for covered Parts A and B services from individuals enrolled in the Qualified Medicare Beneficiary Program (QMB) program, a dual eligible program which exempts individuals from Medicare cost-sharing liability. (42 CFR § 422.504(g)(1)(iii); Calendar Year (CY) 2019 and 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter)

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- For MMPs and PACE organizations specifically:
- Coinsurance, copays, and deductibles are zero for all Medicare Parts A and B services furnished to enrollees.
- Note that zero Medicare cost-sharing amounts for dual eligible enrollees only apply to Parts A and B services. Low Income Subsidy copayments still apply for Part D benefits. Note: For Part D, some MMPs are required in their three-way contracts to have \$0 amounts, and some MMPs choose to have \$0 amounts even when not required to do so. (Calendar Year (CY) 2019 and 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter; 42 C.F.R. § 422.504(g)(1)).
- To reinforce billing requirements, simplify compliance, and prevent improper billing, CMS strongly encourages organizations to affirmatively inform providers if member cost-sharing liability is zero. MAOs can provide real-time information and indicators through automated eligibility-verification systems, online provider portals and phone query mechanisms and clearly indicate members owe \$0 directly on the Explanations of Payment statements for providers and on member identification cards.
- Organizations should verify procedures to ensure that providers do not discriminate against enrollees based on their payment status, e.g., specifically, providers may not refuse to serve enrollees because they receive assistance with Medicare cost-sharing from a State Medicaid program. (Medicare Managed Care Manual, Chapter 4, Section 10.5.2)

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

- Sponsors should be familiar with their responsibilities to participate under the CGDP (42 C.F.R. § 423.2300)
- 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 calendar days of invoice receipt. (HPMS memos 01/22/2014 and 03/25/2015)
- The CGDP portal is accessed from the TPAdministrator.com website under the Direct Payment Process Information topic > CGDP Portal  
<https://apps.tpadministrator.com/tpacgdp/LoginPage>
- Sponsor CGDP Onboarding Training and CGDP Portal Sponsor User Guides can be accessed from the TPAdministrator.com website Reference section.
- 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

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receiving payments. These data are collected and maintained outside of the Automated Plan Payment System (APPS). The Bank Account Change Forms are now located in the CGDP Portal. Also validate any debit blocks and velocity filters which may be in place.

- To access the Bank Account Change forms, sponsors can select the Payee/Payer Bank Account Change Form link on the TPAdministrator.com website under the EFT Information link. This will take the user to the CGDP Portal log in page.
  - Once logged in to the Portal, select the “My Profile” link and then choose either “Request Payee Account Modification” (account for receiving payments) or “Request Payer Account Modification” (account for sending payments).
  - Fill out the form and follow the online instructions.

### IV. Formulary – Part D Sponsors

- Ensure that your organization’s transition policies accurately reflect the requirements as outlined in 42 C.F.R. § 423.120 (b)(3)(iii). The transition fill days' supply is a month's supply, as defined in the applicable plan benefit package, for both the retail and long-term care settings.
- Ensure your organization properly administers CMS’ transition policy as outlined in 42 C.F.R. § 423.120 (b)(3) and applicable three-way contracts and 08/29/2019 HPMS memo for MMPs. (Medicare Prescription Drug Benefit Manual Chapter 6, Section 30.4 and HPMS memo 08/19/2016).
- Ensure that your organization complies with policies governing midyear formulary changes, including the provision of notice to beneficiaries and other entities outlined in 42 C.F.R. § 423.120(b)(5). (Medicare Prescription Drug Benefit Manual Chapter 6, Section 30.3). For instance, for the 2020 formulary:
  - Part D sponsors may immediately substitute new generic drugs provided they meet all requirements under 42 C.F.R. § 423.120(b)(5)(iv) including providing advance general notice that such substitutions may occur and then direct notice to affected beneficiaries about any specific changes made.
  - Permitted midyear formulary changes requiring advance direct notice will now require 30 days’ notice or, at the time beneficiaries request a refill, notice of the change and an approved month’s supply.
- 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).
- 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.

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

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- CMS expects Part D sponsors to 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)
- If offering a voluntary, opt-in auto-ship program for refills of established therapies (as described in the 2020 Final Call Letter), ensure your organization follows the mail-order auto-ship guidance:
  - An auto-ship program needs to receive consent from the enrollee after an initial fill of a new drug to activate auto-ship for any subsequent refills of that drug. Consent to auto-ship a specific drug may not be assumed or activated at the same time as an initial fill.
  - Pharmacy requires enrollees to opt-in to auto-ship refills on a drug-by-drug basis
  - Permits enrollees to opt-out of auto-ship refills anytime
  - Enrollee to receive a minimum of 2 shipping reminders, to include all relevant information, including the name of the drug, applicable cost sharing amount or information on how to determine the amount prior to shipping, scheduled shipping date or date range, and how to cancel the order prior to shipping
  - We expect sponsors offering such programs to have a full refund policy whereby they require the pharmacy to return any cost-sharing paid by the enrollee (and delete the claim, and the sponsor deletes the PDE) for any auto-shipped refills that an enrollee reports as unneeded or otherwise unwanted, regardless of whether the drug is returned by the enrollee (or representative).
  - Promptly discontinue automatic deliveries after information becomes available from CMS, the beneficiary, their provider, or an authorized representative that the beneficiary entered a skilled nursing facility or elected hospice coverage.

(HPMS memos dated 03/21/2014 and 09/22/2014; and CY 2014, 2016, and 2020 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letters)

### **VI. Quality Improvement (QI) Program, Chronic Care Improvement Program (CCIP) – Medicare Advantage Organizations (excludes non-network PFFS/MSA, Cost plans, PACE)**

- Ensure that your MAO/MMP's QI Program (inclusive of the CCIP) meets the applicable requirements for the services that it furnishes to enrollees.

(42 C.F.R. § 422.152, Medicare Advantage CCIP Resource Document, Chapter 5 of the Medicare Managed Care Manual)
- Implement a drug management program in compliance with the regulatory requirements finalized in CMS-4182-F (83 FR 16739), published April 16, 2018. Under the new rules, Part D sponsors are permitted after case management and notification



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to limit at-risk beneficiaries' access to coverage of controlled substances that CMS determines are "frequently abused drugs" (i.e., opioids and benzodiazepines) to a selected prescriber(s) and/or network pharmacy(ies), or implement beneficiary-specific claim edits for such drugs, for the safety of the beneficiary. 42 C.F.R. § 423.153(f).

- Part D sponsors should ensure they can effectively support the activities needed to establish a drug management program, including as needed, modifying existing systems processes (e.g., MARx, OMS – See sections D.II. and D.V.); creating new processes and procedures (e.g., required beneficiary notices, call center scripts and triage processes for enrollees submitting information to the plan or requesting appeals, system edits to reject claims from non-selected pharmacies and prescribers for at-risk beneficiaries with coverage limitations for frequently abused drugs); and outreach and education (e.g., communications to network pharmacies).

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

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

- In order to establish the correct premium, cost sharing, and deductible levels with the correct effective dates for current, prior, and prospective enrollees, Part D sponsors should refer to the Weekly/Monthly Transaction Reply Report (TRR). Part D sponsors will receive data indicating new or modified LIS eligibility status for former, current, and prospective members of their Part D plan via the weekly TRR. (Medicare Prescription Drug Benefit Manual Chapter 13, Section 70.1)
- Reimburse LIS eligible beneficiaries, or others, who have paid or are holding receivables on behalf of the beneficiaries, any excess premiums or cost-sharing paid by the beneficiaries, including refunding of cost-sharing amounts that were paid during the 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)

Please refer to HPMS memo dated 10/16/2008 for the 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 08/05/2008 and 10/16/2008), and

- 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 BAE documentation, and ensure correct charges of premium, deductible, and cost sharing to low-income subsidy beneficiaries. Request manual

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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 beneficiaries without BAE documentation as outlined in Medicare Prescription Drug Benefit Manual Chapter 13, Section 70.5. When assisting beneficiaries with securing BAE, please refer to the process outlined in HPMS memo 02/17/2017.

### **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), sponsors must set their systems to charge the correct premium, deductible, and copayments. CMS expects sponsors to notify these beneficiaries that they will lose this extra help and to provide information about changes in their plan benefits as a result of this loss. The only exception to this requirement is for those beneficiaries whom the sponsor confirms are awaiting a Social Security Administration (SSA) determination on an LIS application and have been granted a grace period by the sponsor. In these situations, sponsors should wait until they receive the result of the SSA determination to update their systems. (HPMS memo 11/30/2009)
- Sponsors should make reasonable attempts to notify affected members within 30 days of notification to advise them of their retroactive liability for higher premiums and cost sharing, when LIS eligibility is removed. (Medicare Prescription Drug Benefit Manual Chapter 13, 70.2)

(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 2020. (HPMS memo 08/22/2019)
- Take appropriate actions in response to CMS deeming, as outlined in HPMS memo dated 08/22/2019.

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

### **I. Automated TrOOP balance transfer (ATBT) Process –Part D Sponsors**

- Sponsors must ensure that their financial information reporting (FIR) processors are contracted to handle transactions for the current as well as all prior years covered under the enhanced ATBT process. (HPMS memo 07/02/2015)
- Please refer to Chapter 14 of the Prescription Drug Benefit Manual for guidance on updating your organization's Business Associate Agreement with the Part D Transaction Facilitator to reflect all upcoming contracts.

### **II. Hospice – Part D Sponsors (Applicable to MMPs only if this population is eligible for continued enrollment under your demonstration)**

- As outlined in the HPMS memo dated 07/18/2014 (and updated in the HPMS memo

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dated 11/15/2016), organizations are strongly encouraged to implement the beneficiary-level Prior Authorization (PA) requirements for beneficiaries in hospice for the following categories of prescription drugs: analgesics, antinauseants (antiemetics), laxatives, and antianxiety drugs (anxiolytics).

- Organizations should utilize the standard PA form to facilitate coordination between Part D sponsors, hospices, and prescribers 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)
- In accordance with the HPMS email dated 01/26/2018, ensure your organization's hospice contact information in HPMS is up to date. The Hospice Contact should be knowledgeable about CMS guidance governing coverage of Part D drugs for beneficiaries enrolled in hospice, be able to update beneficiary plan records to reflect hospice status, and be prepared to coordinate drug coverage with hospice providers. (HPMS memo 03/24/2015, HPMS email 01/26/2018)

### **III. End-Stage Renal Disease (ESRD) – Part D Sponsors (Applicable to MMPs if this population is eligible for enrollment under your demonstration)**

- Sponsors should not pay for drugs and biological products 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).
- 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 05/12/2015)
  - 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)
  - Use sponsor-specific reporting provided through the Additional Beneficiary Information Initiatives (ABII) portal to coordinate benefits for enrollees identified as having at least one dialysis date of service in the reporting period.

### **IV. Drugs Available under Part A or Part B – Medicare Advantage Organizations**

Organizations must coordinate all benefits administered by the plan, including drugs for which payment may be available under Part A or Part B. (42 C.F.R. § 422.112(b)(7)). CMS maintains the Additional Beneficiary Information Initiatives (ABII) web portal to improve the coordination of benefits process by providing Part D plans with additional information about their enrollees. We strongly encourage sponsors to ensure access to the ABII web

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portal and maintain an updated list of individuals authorized to access the data. (HPMS memo 08/14/2018)

### **V. Transition Claims Processing – Part D Sponsors**

- CMS recommends as a best practice, that each sponsor:
  - 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 2020. (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 CY2019 to CY2020). 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 CY2020 formulary prior to January 1, 2020. Sponsors may not use the ANOC to effectuate the transition. (HPMS memos 03/25/2010 and 08/27/2010)
  - Ensure a transition supply has been provided by closely monitoring enrollees' rejected claims, among other monitoring strategies.

### **M. Grievances, Initial Coverage/Organization Decisions, and Appeals**

#### **I. Timeframes for Adjudicating Part B Drug Requests – Medicare Advantage Organizations**

Pursuant to CMS-4180-F, there are shorter adjudication timeframes for Part B drug requests than the timeframes that apply to requests for medical items and services. MA organizations must adjudicate requests in accordance with the rules at 42 CFR §§ 422.568, 422.570, 422.572, 422.584, 422.590 and effectuate favorable decisions in accordance with the rules at §§ 422.618 and 422.619.

#### **II. Staffing Requirements Related to Initial Coverage/Organization Determinations and Appeals– Medicare Advantage Organizations and Part D Sponsors**

- Organizations must employ a medical director who is responsible for the clinical accuracy of all initial coverage/organization 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 and 423.562). In addition, organizations must be staffed to satisfy the following requirements:
  - That a physician or other appropriate health care professional with sufficient medical and other expertise, including knowledge of Medicare coverage criteria, reviews the initial coverage decision if the 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
  - That a physician who was not involved in the initial denial must make the redetermination/reconsideration when the initial decision involved a

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determination of medical necessity (42 C.F.R. §§ 422.590(g) and 423.590(f)).

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

Organizations must ensure that clinical and administrative staff and delegated entities involved in processing initial coverage/organization decisions and appeals comply with all CMS and plan coverage rules. Organizations must demonstrate that clinical decision-making involves the consideration of the CMS-approved EOB, drug formulary, appropriate CMS regulations and guidance, required drug compendia, previous claims history, and all submitted clinical information. Organizations also must 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/organization determination requests and appeals. (42 C.F.R. §§ 422.566(a) and (d), 423.562(a) and (c))

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

An organization's MCO, staff involved with initial coverage/organization determinations, appeals, and grievances, and CSRs, should be trained in Part C and Part D processes. CMS provides two optional web-based training courses below to supplement in-house training. <https://www.cms.gov/Medicare/Appeals-and-Grievances/MMCAG/Training.html>. CMS strongly suggests that MCOs incorporate these courses into their existing in-house training and use the certificate to track course completion within the organization.

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

- Enrollees of MA organizations and Part D sponsors have the right to have a grievance heard and resolved, the right to a timely organization/coverage determination and the right to appeal. 42 CFR §§ 422.562(b), 423.562(b).
- 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. 42 CFR § 423.128(b)(7)(i) and (ii).

### **N. Compliance Programs – Medicare Advantage Organizations and Part D Sponsors**

- Organizations must demonstrate that they maintain an effective compliance program which includes measures and internal controls to prevent, detect, and correct Medicare program non-compliance and fraud, waste, and abuse. (42 C.F.R. §§ 422.503 and 423.504). CMS strongly recommends all MCOs and personnel routinely review and share throughout the organization information from the CMS Compliance and Audit webpage and memorandums from the HPMS. The webpage provides:
  - Useful resources to assist your organization in understanding and implementing compliance program requirements,

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- 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>).