

# Medicare Advantage and Prescription Drug Plans Enrollment and Payment Conference

## Part D Plan Coordination of Benefits (COB) Training

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# Coordination of Benefits (COB) Contractor

In 1999, CMS named Group Health, Inc. (GHI) as the COB Contractor to implement an improved plan for coordinating Medicare benefits with beneficiaries' other health insurance coverage. It consolidated activities in the collection, management, and reporting of Medicare beneficiaries' other health insurance coverage. These activities are being expanded to include prescription drug coverage information.

# COB Contractor (continued)

- The COB Contractor will assign a dedicated customer service rep to each Plan to answer questions about inquiries or records.
- The COB Contractor has customer service reps available for beneficiary inquiries about payer status.

# Part D Coordination of Benefits (COB)

- CMS has found that beneficiaries are not always the most accurate source of information about their other health insurance (OHI). CMS has entered into data exchanges with insurers and other entities that have this information in addition to receiving it from beneficiaries.
- CMS is expanding existing COB collection and data exchanges to include prescription drug coverage primary and secondary to Part D. These existing exchanges include Medicare Secondary Payer (MSP), Voluntary Data Sharing Agreements (VDSAs), and Parts A and B claim crossover Coordination of Benefits Agreements (COBAs).

# Part D Coordination of Benefits (COB) (continued)

- CMS is entering into data exchanges with new entities for prescription drug coverage, i.e., State Pharmaceutical Assistance Programs (SPAPs), Pharmaceutical Benefit Managers (PBMs), and entities that provide drug coverage that do not fit into VDSA or COBA programs.

# Medicare Secondary Payer (MSP) and Part D

- In certain situations, Group Health Plans (GHPs) are statutorily required to pay primary to Medicare, i.e., for Active (working) Employees and dependents, as found at 42 U.S.C. § 1395y(b).
- Under provisions found in § 1860D-2(a) (4) of the MMA, the MSP rules have been incorporated in the MMA and are applicable to Part D Plans as payers of Medicare benefits and to non-Medicare payers GHP and non-GHP prescription drug payers that meet the MSP rules.
- Part D Plans and non-Medicare payers are required to make payer order determinations for prescription drug coverage based on the MSP laws in the same way Medicare and non-Medicare payers do for hospital and medical coverage.

# Medicare Secondary Payer (MSP) and Part D (continued)



- Part D Plans will use info they collect from enrollees and MSP determinations made by the COB Contractor to pay according to MSP rules.



# GHP MSP Situations:

- Working Aged- MSP when the beneficiary has GHP coverage due to the active employment of self or spouse at employer with 20 or more employers or employer that is part of a multi-employer GHP where one employer in GHP has 20 or more employees.
- Disability- MSP when the beneficiary has LGHP coverage due to the active employment of self or family member at employer with 100 or more employers or employer that is part of a multi-employer LGHP where one employer in LGHP has 100 or more employees.

# GHP MSP Situations: (continued)

- End Stage Renal Disease - MSP when the beneficiary has GHP coverage and is in the first 30 months of eligibility or entitlement.

# Non-GHP MSP Situations:

- Worker's Compensation (WC)- MSP when the beneficiary is covered under WC because of job related illness or injury.
- Black Lung- MSP when the beneficiary has black lung disease and is covered under the Federal Black Lung Program.
- No-Fault/Liability- MSP when the beneficiary is covered by no-fault or liability insurance due to an accident.

# Payment and Recovery

- The Part D Plan will use the info contained in the COB File to make payer order determinations.
- When the Part D Plan knows of primary GHP insurance, the Plan shall deny primary payment.
- When the Part D Plan knows of primary incident related non-GHP insurance, and is certain that the primary drug claim is covered by the non-GHP insurance, the Plan shall deny primary payment. When the Part D Plan is not certain that the primary drug claim is covered by the non-GHP insurance, it shall make a conditional primary payment and reconcile with the non-GHP insurance post adjudication.

# Payment and Recovery (continued)

- CMS is currently developing further MSP payment and mistaken payment recovery guidelines.

# Data Flows Between Part D Plans and COB Contractor

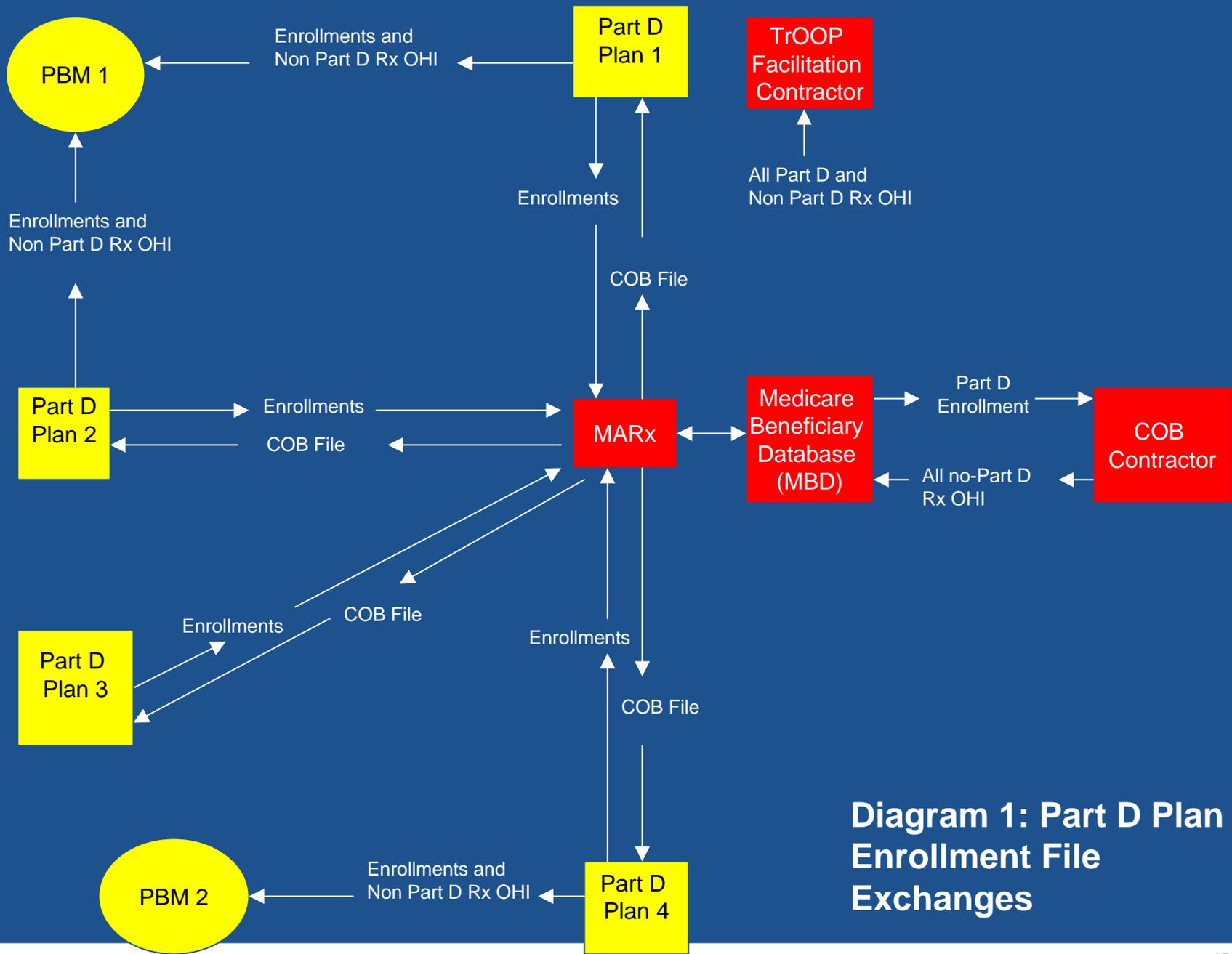
- Enrollment transactions from the Part D Plan to the COB Contractor.
- Other Health Insurance (OHI) updates from the COB Contractor to the Part D Plan in the COB File.
- Electronic Correspondence Referral System (ECRS) between the COB Contractor and the Part D Plan.

# A Description of the Information Contained in this Presentation

CMS recognizes that PBMs will have both Part D Plan and non-Part D insurance clients. The data exchanges described here are between CMS and non-Medicare prescription drug coverage of PBMs.

It is likely that PBMs will provide non-Medicare (i.e. GHP) prescription drug coverage to individuals that are Part D beneficiaries, but enrolled in a Part D Plan not affiliated with that PBM.

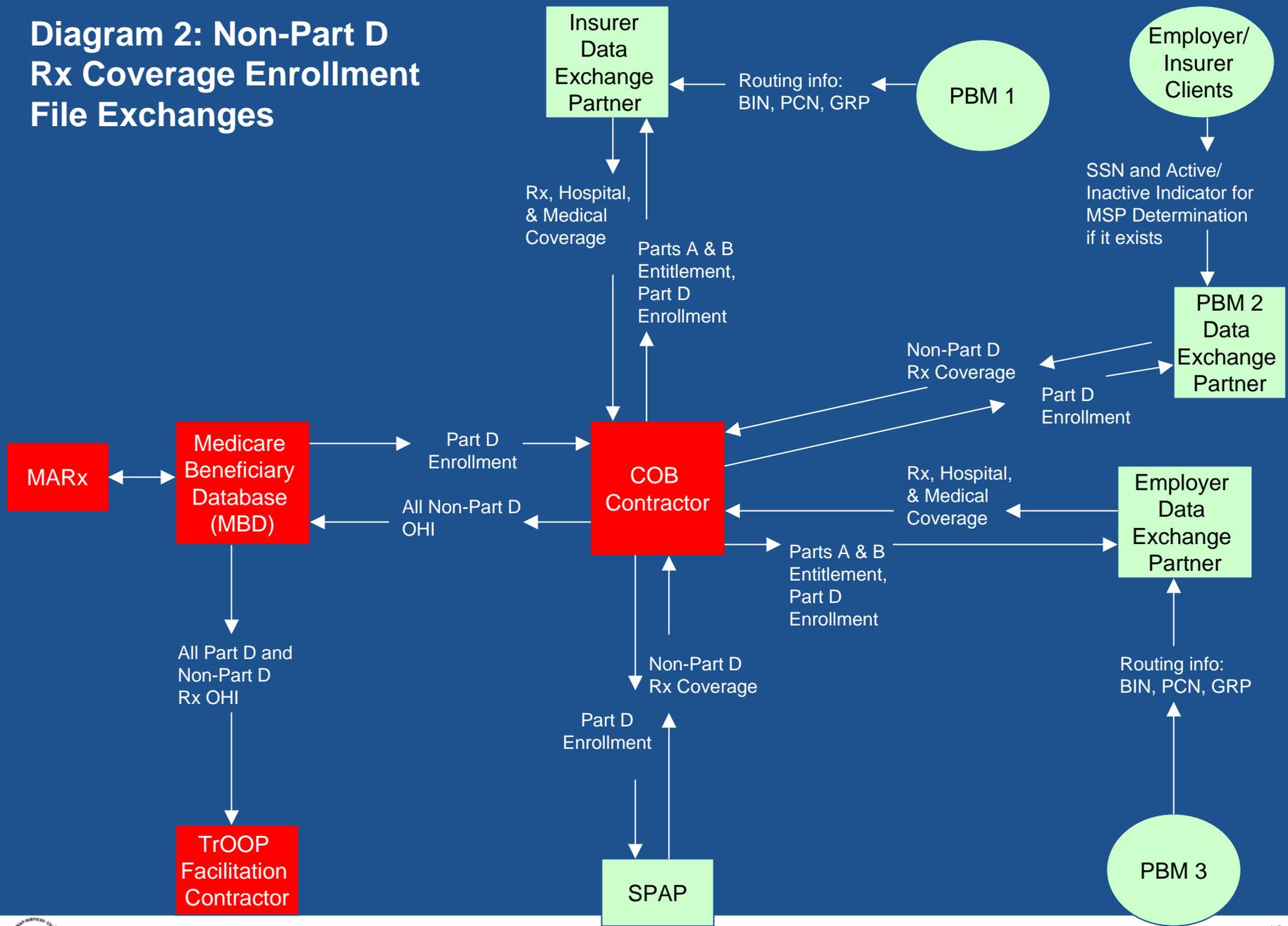
This presentation contains two diagrams. Diagram 1 is of is the exchange of Part D enrollment and COB info with CMS. Diagram 2 is the non-Part D eligibility data exchanges with CMS and is included to distinguish that process from the exchange in diagram 1.



**Diagram 1: Part D Plan Enrollment File Exchanges**



# Diagram 2: Non-Part D Rx Coverage Enrollment File Exchanges



# Enrollment Transactions

- When a Part D Plan enrolls a beneficiary, it will ask the new enrollee about other health insurance (OHI) s/he has.
- The Part D enrollment and OHI info will be passed from the Plan through MARx to MBD. MBD will pass the info to the COB Contractor.
- The COB Contractor will validate the OHI info and use the Part D enrollment to identify beneficiaries with OHI enrolled in that Plan.

# Enrollment Transactions (continued)

- MBD will pass all OHI info that the COB Contractor has collected to that point to the Plan at enrollment (via MARx) in the COB file.

# OHI Updates

- The COB Contractor will send daily updates of new OHI, OHI that has changed, or OHI that was previously unknown to MBD.
- MBD will send the OHI to the appropriate Plan (via MARx) as it receives it from the COB Contractor in the COB File.

# COB File Info

- Info contained in the COB file is used to make payer order determinations and for TrOOP calculating. The COB file is to assist them with this. The COB info collected by the COB Contractor may not be complete, but the Part D Plan is still responsible for paying appropriately and accurately calculating TrOOP.
- When Part D is secondary to GHP or non-GHP insurance, the Part D Plan may, depending on the circumstances, reject primary payment or pay primary conditionally.

# COB File Info (continued)

- Records on coverage supplemental to Part D will contain a Supplemental Insurance Type. The Part D Plan will use this to determine the TrOOP eligibility of payments made by the supplemental coverage, i.e. SPAPs are Type S; supplemental insurers are Type W.
- All OHI records that the Part D Plan receives in the COB file will have a payment order indicator. The Part D Plan will use this to sort records so that they are displayed in the appropriate order in the reply to the pharmacy.

# Electronic Correspondence Referral System (E CRS)

- Part D Plans will discover new coverage or changes to existing coverage before the COB Contractor.
- A process will be available for Plans to send OHI inquiries for the COB Contractor to develop.

# Electronic Correspondence Referral System (E CRS) (continued)

- Currently used by Medicare Contractors and CMS Regional Offices to report MSP leads and updates.
- Transactions are entered and viewed in E CRS by contractor number.
- The status of each transaction is updated as it moves through the system.

# Installing ECRS

- ECRS is a CICS/DB2 based stand alone application.
- Portions of the application reside within each contractor's CICS region or the CMS data center, and the COB contractor's CICS region.
- AGNS network used to transmit data.

# Installation Alternative

- Contractor transmits a flat file to COB via secure FTP or NDM.
- COB process file and returns status codes as transaction progresses through the system.
- Contractor updates their system based on COB processing results.

# ECRS Prescription Drug Screens

ECRS PRESCRIPTION DRUG COVERAGE DETAIL PAGE 1 OF 2

CNTR NBR. 99999 PHONE: \_\_\_ - \_\_\_ - \_\_\_ USER ID XXXXXXXX ORIG DT: 99-99-9999

CNTR REP.: \_\_\_\_\_ STATUS XX XXXXXXXXXXXXXXXX

DCN: \_\_\_\_\_ REASON XX XXXXXXXXXXXXXXXX

ACTIVITY CODE: \_ 1.DVLP TO: \_ 2.DVLP TO: \_ RSP: \_ SOURCE: \_\_\_\_\_ XXXXXXXXXXXXXXXX

BENE HICN: \_\_\_\_\_ SSN: \_\_\_ - \_\_\_ - \_\_\_ DOB: \_\_\_\_\_ SEX: \_

NAME: \_\_\_\_\_ PAT REL: \_\_\_ XXXXXXXXXXXXXXXX

SEND TO MBD? (Y/N) \_

BENE STRT: \_\_\_\_\_

CITY: \_\_\_\_\_ ST: \_\_\_ ZIP: \_\_\_\_\_ - \_\_\_\_\_ PHONE: \_\_\_ - \_\_\_ - \_\_\_\_\_

CHECK DATE: \_\_\_\_\_ CHECK AMOUNT: \$\_\_\_\_,\_\_\_\_,\_\_\_\_.\_\_\_\_ CHECK NO: \_\_\_\_\_

INFMT NAME: \_\_\_\_\_ PHONE: \_\_\_ - \_\_\_ - \_\_\_\_\_

STREET: \_\_\_\_\_

CITY: \_\_\_\_\_ ST: \_\_\_ ZIP: \_\_\_\_\_ - \_\_\_\_\_ INFMT REL: \_\_\_ XXXXXXXXXXXXXXXX

EMPLR NAME: \_\_\_\_\_ EIN: \_\_\_\_\_

STREET: \_\_\_\_\_ PHONE: \_\_\_ - \_\_\_ - \_\_\_\_\_

CITY: \_\_\_\_\_ ST: \_\_\_ ZIP: \_\_\_\_\_ - \_\_\_\_\_ EMPLOYEE NO: \_\_\_\_\_

F2=MENU F3=RETURN F8=FWD F9=CODES F12=EXIT

# ECRS Prescription Drug Screens (continued)

ECRS PRESCRIPTION DRUG COVERAGE DETAIL

PAGE 2 OF 2

CNTR NBR. 99999 PHONE 999-999-9999 USER ID XXXXXXXX ORIG DT: 99-99-9999  
CNTR REP. XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
BENE NAME XXXXXXXXXXXXXXXX X XXXXXXXXXXXXXXXXXXXXXXXX PATIENT REL \_ XXXXXX  
HICN XXXXXXXXXXXXXXXX DCN XXXXXXXXXXXXXXXX SSN: 999-99-9999  
INFMT NAME XXXXXXXXXXXXXXXX X XXXXXXXXXXXXXXXXXXXXXXXX  
EMPLR NAME XX

POLICY TYPE: \_ XXXXXXXX  
COVERAGE TYPE: \_ XXXXXXXXXXXXXXXXXXXXXXXX  
INSURANCE TYPE: \_ XXXXXXXXXXXXXXXX  
INSURER NAME: \_\_\_\_\_  
ADDR1: \_\_\_\_\_  
ADDR2: \_\_\_\_\_  
CITY: \_\_\_\_\_ ST: \_ ZIP: \_\_\_\_\_ - \_\_\_\_\_  
EFF DATE: \_\_\_\_\_ TERM DATE: \_\_\_\_\_  
POLICY NO: \_\_\_\_\_  
RX BIN: \_\_\_\_\_ RX PCN: \_\_\_\_\_  
RX GROUP: \_\_\_\_\_ RX ID: \_\_\_\_\_  
RX PHONE: \_\_\_\_\_

F2=MENU F3=RETURN F5=UPDATE F7=BWD F9=CODES F12=EXIT

# Part D Plan COB Training

## Question and Answers