

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850



Medicare Plan Payment Group

DATE: March 30, 2010

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

FROM: Thomas Hutchinson /s/
Director, Medicare Plan Payment Group

Alan Constantian /s/
Director, Information Services Design and Development Group

SUBJECT: Announcement of July 2010 Software Release

The Centers for Medicare and Medicaid Services (CMS) will be implementing software improvements to the enrollment and payment systems this spring to support the Medicare Advantage and Prescription Drug (MAPD) programs. As part of this effort, system changes have been scheduled for implementation as of July 10, 2010. These changes affect Plan exchanges with CMS for the August 2010 payment month, unless otherwise noted.

This memo provides information regarding these changes so Plans may assess the impact on their organization and accommodate the changes described below. This release focuses on improving the efficiency of the CMS Premium Withhold system and improvements to the end of year transition from one contract year to another.

Please note the advanced announcement of the July release memo dated February 24, 2010, included the reporting of Part B income related monthly adjustment amount (IRMAA) information to Part D plans. This has been removed from the July Release.

The changes for the July 2010 release are categorized as follows and may require plan action:

1. [Premium Withhold Option for Railroad Retirement Board \(RRB\) Members](#)
2. [Improved Synchronization between CMS and SSA Premium Data](#)
3. [Acceptance of January 1st Effective Date after October Plan Data Due Date](#)
4. [Do not Allow Retroactive Premium Withhold Requests on Normal Enrollment Transactions](#)
5. [Remove Premium Withhold Option from the MARx Monthly Full Enrollment Data File](#)

Please note that all new/updated tables and file layouts presented in this memo will be reflected in the next release of the Plan Communications User Guide (PCUG), scheduled for publication in July 2010.

1. Premium Withhold Option for Railroad Retirement Board (RRB) Members

CMS, in conjunction with the Railroad Retirement Board, will be implementing the system changes necessary to allow the premium withhold option for RRB members. The process to enroll RRB plan members will mirror the current premium withhold option for Medicare members.

While the systems will be ready, the actual start date for the acceptance of withholds transactions for RRB members will not occur until sometime after the July Release. The RRB will announce the start date once their processes are complete. CMS will share that information with the plans at that time.

To more clearly communicate this change, CMS has created 3 new Transaction Reply Codes (TRCs - 254, 255 and 256) to accommodate this change. For more detailed information regarding these new TRCs, please refer to ***Attachment A: New/Updated Transaction Reply Codes (TRCs)***.

2. Improved Synchronization between CMS and SSA Premium Data

Effective with the July 2010 software release, enhancements will be made to MARx and the UI to only reflect premium withhold status after CMS has received a definitive response from SSA. Currently, MARx shows a beneficiary in withholding or direct bill status based on the successful processing of a plan transaction in MARx. This is prior to CMS receiving a response from SSA. Effective with the July release, the premium withhold status will not be changed until SSA accepts the CMS transaction.

To more clearly communicate this change, CMS has created new TRC 253 to accommodate this change. For more detailed information regarding this new TRC, please refer to ***Attachment A: New/Updated Transaction Reply Codes (TRCs)***.

3. Acceptance of January 1st Effective Date after October Plan Data Due Date

Generally, MARx accepts enrollment transactions for the Current Processing Month (CPM) plus two months prospectively. In the past, activities necessary to transition from one contract year to another prevented this prospective transaction submission rule from being applied during the December CPM (the period between the October and November Plan Data Due dates). The change being implemented here allows plans to submit January 1st enrollment effective dates beginning immediately after the Plan Data Due date in October. It will also ensure that such enrollments will be included in the CMS generated roll over for a PBP that is changing (i.e. consolidating) via crosswalk for the next plan year.

There are no changes to any transaction or reply format necessary; this is an internal MARx processing improvement. An individual may request enrollment during valid enrollment periods applicable to the plan type. The effective date of enrollment is determined by the enrollment

period in which the election is received by the plan, according to the CMS guidance. For example, an effective date of January 1st is possible for an enrollment request received in October from an individual who has an Initial Enrollment Period for Part D (IEP/D), or certain Special Enrollment Periods. The Annual Enrollment Period (AEP) is of course not available for beneficiary use until it actually begins, as usual. Please refer to the CMS enrollment policy guidance applicable to your plan type for additional information on enrollment periods and effective dates.

4. Do not Allow Retroactive Premium Withhold Requests on Normal Enrollment Transactions

This planned system modification will align the MARx system to support the CPC policy of not allowing Plans to submit retroactive premium withholding requests on normal batch enrollment files. The retroactive requests cause out of sync issues between CMS and SSA systems and result in confusion for beneficiaries and Plans. When a retroactive premium withholding request is detected on a normal batch enrollment transaction (transaction types 61, 62, 71), the request will be converted automatically to direct billing and the Plan will be notified of the change by the Transaction Reply Report (TRR).

To more clearly communicate this change, CMS has modified exiting TRC 144 to accommodate this change. For more detailed information regarding this modified TRC, please refer to ***Attachment A: New/Updated Transaction Reply Codes (TRCs)***.

5. Remove Premium Withhold Option from the MARx Monthly Full Enrollment Data File

This planned system modification will eliminate reporting of the Premium Withholding Option on the Monthly Full Enrollment File (FEF). A difference in report timing currently causes confusion about the current setting of the Premium Withholding Option. The FEF includes all active Plan membership on the date that the file is created. It reflects a snapshot that frequently does not coincide with other MARx reports whose production is tied to the monthly payment cycle. Plans should rely on the Monthly Premium Withhold Report and the TRR for accurate premium withhold status.

One existing field has been modified on the **Monthly Full Enrollment Data File** layout:

Field 39, position 157, Premium Withhold Option/Parts C-D – Data in this field will now be defined as Spaces.

A revised example of the Monthly Full Enrollment Data File has also been included. Please refer to ***Attachment B: Monthly Full Enrollment Data File***

Plans are encouraged to contact the MAPD Help Desk for any issues encountered during the systems update process. Please direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069 or email at mapdhelp@cms.hhs.gov. Plans should contact their DPO Representative for questions regarding the changes to premium withhold processing. The DPO contact list is attached.

New / Updated Transaction Reply Codes (TRCs)

Code/Type	Title	Short Definition	Definition
144 M	Premium withhold option change to direct bill	PREM WH OPT CHG	<p>CMS has changed the premium withhold option specified on the transaction to “D – Direct Bill” for one of the following reasons:</p> <ul style="list-style-type: none"> • Retroactive premium withholding was requested. • The beneficiary’s retirement system (SSA, RRB or OPM) was unable to withhold the entire premium amount from the beneficiary’s monthly check. • The beneficiary has a BIC of M or T and chose “SSA” as the withhold option. SSA cannot withhold premiums for these beneficiaries (there is no benefit check to withhold from). • The beneficiary chose “RRB” or “OPM” as the withhold option. RRB and OPM are not withholding premiums at this time. • The beneficiary is an RRB beneficiary and chose “SSA” as the withhold option. “SSA” is not a valid option for RRB beneficiaries. • The Plan has submitted a Part C premium amount that exceeds the maximum Part C premium value provided by HPMS. <p>This TRC may be generated in response to an accepted enrollment, PBP change or Record Update transaction (61, 62, 71) or may be initiated by CMS.</p> <p>Plan Action: Update the Plan’s beneficiary records to reflect the direct bill payment method. Take the appropriate actions as per CMS enrollment guidance.</p>
253 M	Changed to direct bill; no funds withheld	WH/O CHG; NO W/H	<p>CMS has changed the premium withhold option to “D-Direct Bill: because no funds have been withheld by the withholding agency in the two months since withholding was accepted</p> <p>Plan Action: Update the Plan’s beneficiary records to reflect the direct bill payment method. Take the appropriate actions with member as per CMS enrollment guidance.</p>

New / Updated Transaction Reply Codes (TRCs)

Code/Type	Title	Short Definition	Definition
254 R	Beneficiary set to Direct Bill, spans jurisdiction	WH/O CHG; NO W/H	<p>CMS has changed the premium withhold option to “D-Direct Bill” because the withholding request spans two different withholding agency jurisdictional periods. This could occur for one of the following reasons:</p> <ul style="list-style-type: none"> SSA is the beneficiary’s current withholding agency but the withholding request contains one or more periods from when RRB was the beneficiaries withholding agency. RRB is the beneficiary’s current withholding agency but the withholding request contains one or more periods from when SSA was the beneficiaries withholding agency. <p>Plan Action: Update the Plan’s beneficiary records to reflect the direct bill payment method. Take the appropriate actions with member as per CMS enrollment guidance.</p>
255 I	Plan submitted RRB w/h for SSA beneficiary	WH/O CHG; JURIS	<p>CMS has changed the premium withhold option to “S-SSA Withhold” because SSA is the correct withholding agency for this beneficiary.</p> <p>Plan Action: None required.</p>
256 I	Plan submitted SSA w/h for RRB beneficiary	WH/O CHG; JURIS	<p>CMS has changed the premium withhold option to “R-RRB Withhold” because RRB is the correct withholding agency for this beneficiary.</p> <p>Plan Action: None required.</p>

Monthly Full Enrollment Data File

This file includes all active membership for a Plan on the date that the file was run. This file is considered a definitive statement of current Plan enrollment, and uses the same format as the weekly TRR. CMS will announce the availability of each month's file with the proper dataset name and file transfer date. To distinguish this file from other TRRs, the Transaction Reply Code on all records is 999.

Field	Size	Position	Description
1. HICN	12	1 – 12	Health Insurance Claim Number
2. Surname	12	13 – 24	Beneficiary Surname
3. First Name	7	25 – 31	Beneficiary Given Name
4. Middle Initial	1	32	Beneficiary Middle Initial
5. Gender Code	1	33	Beneficiary Gender Identification Code 0 = Unknown 1 = Male 2 = Female
6. Date of Birth	8	34 – 41	YYYYMMDD Format
7. Medicaid Indicator	1	42	Spaces
8. Contract Number	5	43 – 47	Plan Contract Number
9. State Code	2	48 – 49	Beneficiary State Code
10. County Code	3	50 – 52	Beneficiary County Code
11. Disability Indicator	1	53	Spaces
12. Hospice Indicator	1	54	Spaces
13. Institutional/NHC Indicator	1	55	Spaces
14. ESRD Indicator	1	56	Spaces
15. Transaction Reply Code	3	57 – 59	Transaction Reply Code Defaulted to '999'
16. Transaction Type Code	2	60 – 61	Transaction Type Code Defaulted to '01' for special reports
17. Entitlement Type Code	1	62	Spaces
18. Effective Date	8	63 – 70	YYYYMMDD Format
19. WA Indicator	1	71	Spaces
20. Plan Benefit Package ID	3	72 – 74	PBP number
21. Filler	1	75	Spaces
22. Transaction Date	8	76 – 83	Set to Current Date (YYYYMMDD)

Monthly Full Enrollment Data File

Field	Size	Position	Description
23. Filler	1	84	Spaces
24. Subsidy End Date	12	85 – 96	End date of Low Income Subsidy Period (Present if Bene is deemed for the full year, or if the Bene is losing Low Income status before the end of the current year.)
25. District Office Code	3	97 – 99	Spaces
26. Filler	8	100 – 107	Spaces
27. Filler	8	108 – 115	Spaces
28. Source ID	5	116 – 120	Spaces
29. Prior Plan Benefit Package ID	3	121 – 123	Spaces
30. Application Date	8	124 – 131	Spaces
31. Filler	2	132 – 133	Spaces
32. Out of Area Flag	1	134	Spaces
33. Segment Number	3	135 – 137	Default to '000' if blank
34. Part C Beneficiary Premium	8	138 – 145	Part C Premium Amount (This is the amount submitted on the enrollment record for Part C premium)
35. Part D Beneficiary Premium	8	146 – 153	Part D Premium Amount (This is the 'Part D Total Premium Net of Rebate' from the HPMS file.)
36. Election Type	1	154	Spaces
37. Enrollment Source	1	155	A = Auto Enrolled by CMS; B = Beneficiary Election; C = Facilitated Enrollment by CMS; D = CMS Annual Rollover; E = Plan initiated auto-enrollment; F = Plan initiated facilitated-enrollment; G = Point-of-Sale enrollment; H = CMS or Plan reassignment; I = Invalid submitted value (transaction is not rejected).
38. Part D Opt-Out Flag	1	156	Spaces
39. Premium Withhold Option/Parts C-D	1	157	Spaces

Monthly Full Enrollment Data File

Field	Size	Position	Description
40. Number of Uncovered Months	3	158 – 160	Spaces
41. Creditable Coverage Flag	1	161	Spaces
42. Employer Subsidy Override Flag	1	162	Spaces
43. Rx ID	20	163 – 182	Spaces
44. Rx Group	15	183 – 197	Spaces
45. Secondary Drug Insurance Flag	1	198	Spaces
46. Secondary Rx ID	20	199 – 218	Spaces
47. Secondary Rx Group	15	219 – 233	Spaces
48. EGHP	1	234	Spaces
49. Part D Low-Income Premium Subsidy Level	3	235 – 237	Part D low-income premium subsidy category: '000' = No subsidy (default for blank) '025' = 25% subsidy level, '050' = 50% subsidy level, '075' = 75% subsidy level, '100' = 100% subsidy level
50. Low-Income Co-Pay Category	1	238	Definitions of the co-payment categories: '0' = none, not low-income (default for blank) '1' = (High); '2' = (Low); '3' = \$0 (0); '4' = 15%; '5' = Unknown
51. Low-Income Co-Pay Effective Date	8	239 – 246	YYYYMMDD Format
52. Part D Late Enrollment Penalty Amount	8	247 – 254	Spaces
53. Part D Late Enrollment Penalty Waived Amount	8	255 – 262	Spaces

Monthly Full Enrollment Data File

Field	Size	Position	Description
54. Part D Late Enrollment Penalty Subsidy Amount	8	263 – 270	Spaces
55. Low-Income Part D Premium Subsidy Amount	8	271 – 278	Part D Low Income Premium Subsidy Amount

DIVISION OF PAYMENT OPERATIONS (DPO) REGIONAL ASSIGNMENTS – January 2010

Boston	Louise Matthews (410) 786-6903 Louise.Matthews@cms.hhs.gov
New York	William Bucksten (410) 786-7477 William.Bucksten@cms.hhs.gov
Philadelphia:	James Krall (410) 786-6999 James.Krall@cms.hhs.gov
Atlanta:	Joanne Weller (410) 786-5111 Joanne.Weller@cms.hhs.gov
Chicago:	Janice Bailey (410) 786-7603 Janice.Bailey@cms.hhs.gov
Dallas:	Joanne Weller (410) 786-5111 Joanne.Weller@cms.hhs.gov
Kansas City And Denver:	Terry Williams (410) 786-0705 Terry.Williams@cms.hhs.gov
San Francisco And Seattle:	Kim Miegel (410) 786-3311 Kim.Miegel@cms.hhs.gov
PACE and And Demos	William Bucksten (410) 786-7477 William.Bucksten@cms.hhs.gov
DPO Director	Marla Kilbourne (410) 786-7622 Marla.Kilbourne@cms.hhs.gov