

DEPARTMENT OF HEALTH & HUMAN SERVICES  
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**CENTER FOR MEDICARE  
OFFICE OF INFORMATION SERVICES**

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**DATE:** September 01, 2010

**TO:** All Medicare Advantage Organizations, Prescription Drug Plan Sponsors, Cost Plans, PACE Organizations and Demonstrations

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**SUBJECT: End of Year 2010 Enrollment and Payment Systems Processing Information**

This memo provides all organizations and sponsors (referred to hereafter collectively as “Plans,” unless otherwise specified) with information about the End of Year (EOY) systems processing activities and the transition to CY 2011. The dates and information included in this memo are final, however please be aware that there is the potential for adjustments to be made depending upon available systems resources and other factors. While this is not expected, CMS will communicate any changes to this schedule that impact plans as necessary.

The items outlined in this memo regarding the 2010 EOY processing schedule and activities are categorized into two major areas as shown below.

**1. Medicare Advantage & Prescription Drug (MARx) System Transaction Processing**

- A. Plan Enrollment and Disenrollment Transaction Submission Schedule
- B. Submitting Enrollment Transactions (code 60, 61, 62 and 71) with January 1, 2011 Effective Dates
- C. Rollover and Terminating Plan MARx Processing
  - (1) – CMS Generated Rollover (enrollment) and Termination (disenrollment)
  - (2) – Plan Submitted Rollover (enrollment) and Termination (disenrollment)
- D. Payment and Systems Access Information for Plans Non-renewing for 2011
- E. Submission of 2011 4Rx Data and Updates to Payer Sheets for 2011
- F. Plan Change (72, 73, 74, 75) Transactions with 2011 Effective Dates

**2. Plan Reports and System User Interface (UI) Availability**

- A. Premium Adjustments and the Full Enrollment File
- B. October PDP Notification Files for Reassignment and for Auto/Facilitated Enrollment
- C. Loss of Low Income Subsidy Data Files
- D. Monthly Reports
- E. MARx System User Interface (UI) Availability

## **1. MARx System Transaction Processing**

### **A. Plan Enrollment and Disenrollment Transaction Submission Schedule**

CMS has established the following Plan data submission cutoff dates to allow for EOY processing activities. These dates are the same as the dates currently published in the Plan Communications User Guide (PCUG), Appendix C (The MARx Monthly Schedule):

- November Payment Month – October 8, 2010
- December Payment Month – November 12, 2010
- January Payment Month – December 08, 2010
- February Payment Month – January 14, 2011 (tentative date; final will be published via the MARx Monthly Calendar for 2011 under separate cover).

Plans are encouraged to submit transactions early and frequently to meet the seven-day submission requirement. Plans must also reconcile submitted data quickly with all CMS replies, including the Batch Completion Status Summary (BCSS), to ensure accuracy and allow for the timely direct resubmission of corrected errors that may be identified.

Due to end of year processing, CMS will place all MARx batch files it receives beginning immediately after MARx cut-off on November 12, 2010 into a holding status. These files will be held until the 2011 payment configuration tasks are complete. CMS estimates that these held batch files will begin to be processed, in the order in which they were received, beginning on or about November 19, 2010. Plans can expect to begin receiving the BCSS reports at that time.

### **B. Submitting Enrollment Transactions (code 60, 61, 62 and 71) with January 1, 2011 Effective Dates**

Plans must process enrollment and disenrollment requests received in accordance with the CMS enrollment guidance applicable to the specific plan type. Plans may begin to submit enrollment (and disenrollment) transactions for valid January 1, 2011 effective dates, beginning October 9, 2010. These transactions must be submitted using the correct application date (i.e., the appropriate application date as directed in CMS guidance). It is not necessary or allowed to change the application date information.

If a Plan submits enrollment transactions effective January 1, 2011 on or before the October 8, 2010 MARx Plan Data Due date, the transactions will fail with Transaction Reply Code (TRC) 003 (Invalid Contract Number), or reject with TRC 107 (Rejected; Invalid or Missing PBP Number) or TRC 165 (processing delayed).

Plans do not have to split batch files by effective date year. Plans may submit valid enrollment transactions with November 1, 2010, December 1, 2010 and January 1, 2011 effective dates in the same MARx submission file beginning on October 9, 2010. As is customary, Plans may submit transactions for multiple contract numbers in one file. Valid requests for enrollment effective January 1, 2011 received between October 1, 2010 and October 8, 2010 inclusive must be internally processed as usual however the MARx transaction must be held and may be submitted beginning October 9, 2010. The actual and correct values for the election type code (election period identifier) and the application date field must be used.

As a reminder, MARx enrollment transactions reporting unsolicited paper Annual Enrollment Period (AEP) enrollment requests that Plans may receive prior to the start of the AEP, which is November 15, 2010, must be submitted on, and not before, November 15, 2010. Plans must use November 15, 2010 as the application date and the AEP Election Type Code (value = A) on these transactions, as directed in CMS enrollment guidance. Plans are encouraged to review the CMS enrollment policy guidance applicable to your plan type for additional information on the AEP.

### **C. Rollover and Terminating Plan MARx Transaction Processing**

There are two types of rollover (enrollment) and termination (disenrollment) actions in MARx:

- (1) CMS generated actions and
- (2) Plan Submitted actions.

Only those Plans with approved renewal scenarios that require Plan Submitted actions may submit such actions and must adhere to the instructions and timeframes provided in this guidance.

#### **(1) CMS Generated Rollover (enrollment) and Termination (disenrollment) Actions:**

CMS will process CMS generated Rollover and Termination actions between December 08 and December 12, 2010. During this time, CMS will move members (or “rollover” membership) between Plan Benefit Packages (PBPs) and, in some circumstances, between contract numbers as specified by the Plan via the HPMS Crosswalk. CMS will also disenroll all remaining members of terminating Plans (PBPs) effective 01/01/2011. CMS Generated Rollover can accommodate the following scenarios:

- All enrollees in one 2010 PBP moving to a single new 2011 PBP
- All enrollees in multiple 2010 PBPs (in the same contract) moving to one single PBP for 2011
- Certain Contract to Contract consolidations where whole PBPs are cross-walked
- Termination (or non-renewal) of whole PBPs and/or whole Contracts.

The transactions created by CMS Generated Rollover and Termination will appear on the normal Weekly Transaction Reply Report (TRR) which will be made available on or about December 14, 2010. CMS generated rollover enrollment transactions will have a response of TRC 100 (for code 71 transactions) or TRC 011 (for code 61 transactions), an effective date of 01/01/2011 and the value “D” in field 37 (the Enrollment Source Code). Note that when a code 61 transaction must be used, MARx will also generate a TRC 014 to the prior contract. CMS generated disenrollment transactions will have a response of TRC 018 on a transaction type code 51 disenrollment transaction and an effective date of 01/01/2011.

Please note that where the renewal from CY 2010 to CY 2011 did not result in any change to the contract and PBP number, no MARx enrollment action is necessary for membership to continue to be enrolled in 2011.

MA organizations that are adding or removing PBP Segments must contact CMS by calling the MAPD Help Desk no later than September 27, 2010 and request a ticket number for MA PBP 2011 Segment processing instructions.

## **(2) Plan-Submitted Rollover and Termination Actions:**

If the Plan received approval from CMS for a CY 2011 renewal crosswalk exception, the Plan should be aware of which crosswalk scenarios will be processed by CMS as a consolidation or renewal, and which scenarios will require plan-submitted MARx transactions to accomplish. Only those Plans that received this approval may submit plan-submitted rollover actions to MARx where it is necessary to do so.

The accuracy and timeliness of the plan-submitted activity is critically important. Failure to comply with all of the requirements below, and any other CMS direction for this activity, will be referred to CMS Account Management for review.

### **Plan-Submitted Rollover (*Enrollment*) Actions:**

The scenario of all enrollees in one 2010 PBP moving to multiple 2011 PBPs, and certain other crosswalk exceptions, cannot be accomplished under the automated CMS generated rollover process. A CMS approved renewal or crosswalk exception scenario is the only acceptable reason for a Plan submitted rollover (enrollment) MARx transaction. Plans that have been approved for such renewal crosswalks must submit MARx enrollment transactions **not later than 4:00pm Eastern on October 12, 2010** to complete the crosswalk of enrollees to the correct PBP (and in some cases, contract number) effective January 01, 2011.

For an approved crosswalk from a CY 2010 PBP to a different PBP number within the same contract number for CY 2011, Plans must use the code 71 PBP Change Enrollment transaction. For an approved crosswalk into a different contract number, plans must use the code 61 Enrollment Transaction. All Plans submitting enrollment transactions for these limited, previously approved circumstances **must submit these actions accurately by 4:00pm Eastern on October 12, 2010** in a batch submission file (or files, as necessary) separate from any other MARx submission activity. Plans must use the following specific data elements on each transaction:

- October 1, 2010 as the application date
- January 1, 2011 as the effective date
- “X” as the election type code (election period identifier).

As plan-submitted transactions, the MARx response (TRC) will *not* have the special characteristics that CMS generated rollover MARx actions have. The response to the Plan submitted transactions will have an enrollment source code of “B” (instead of the enrollment source code of “D” which indicates CMS generated rollover transactions). Additionally, the usual response TRC to plan submitted transactions should be expected. CMS strongly encourages Plans that must submit plan-generated rollover transactions be diligent in ensuring 100% data accuracy and timeliness for all such submissions.

### Plan Submitted Non-Renewal/Service Area Reduction (*Disenrollment*) Actions:

For the most part, terminating or non-renewing Plans, as well as Plans that are renewing their contract but terminating an entire PBP (or multiple whole PBPs), do not need to submit MARx disenrollment transactions and affected beneficiaries do not need to request disenrollment, except as described below. However, such organizations are required to submit transactions for members that request disenrollment prior to the non-renewal/termination date, (i.e., valid disenrollment effective December 1, 2010), according to the usual disenrollment request processing requirements as provided in CMS Enrollment guidance. For a Plan that is terminating entirely, this must be accomplished while the Plan still has access to CMS systems.

In limited CMS approved circumstances, such as when an MA organization reduces the service area (SAR) of a CY 2010 MA plan (PBP) or plans, only a portion of the PBP is affected. In such cases, the MA organization must submit disenrollment transactions to disenroll only the beneficiaries from the PBP or PBPs affected by the change. Plans that must submit disenrollment transactions under these circumstances **must submit MARx disenrollment transactions not later than 4:00pm Eastern on October 12, 2010** using the following data elements:

- transaction code: 51
- January 01, 2011 effective date (for December 31, 2010 disenrollment)
- “X” as the election type code (election period identifier)
- Disenrollment Reason Code: **92**.

Plan submitted termination (disenrollment) actions must be submitted in a batch file (or files, as necessary) separate from any other MARx submission activity.

### Review of CMS Reply to Plan Submitted Rollover and/or Termination Actions:

Plans that must submit plan submitted rollover and/or termination transactions, as described above, are expected to immediately upon availability review both the Batch Completion Status Summary (BCSS) report and the weekly Transaction Reply Report (TRR) that follow the submission of these actions to ensure successful processing. The BCSS is expected to be available on October 13 or 14, 2010, followed by the Weekly TRR scheduled to be available on or about October 17, 2010.

Plans must report the status of their submission based on the MARx BCSS reply files no later than 4:00pm (Eastern) on October 15, 2010. In this status report, Plans must include the total number of submitted transactions by type (i.e. code 71, code 61, code 51), and a summary of the results of MARx processing including the number of accepted, rejected and failed transactions. Do not attach or send a copy of your BCSS. This status report is due via email to both:

1. The RO Account Manager
2. CMS Central Office at: [John.Campbell2@cms.hhs.gov](mailto:John.Campbell2@cms.hhs.gov)

#### **D. Payment and System Access Information for Plans Non-renewing for 2011**

Information regarding retroactive adjustments for non-renewing plans is described in this section. Please note that MARx monthly reports will no longer be available to terminated organizations 61 days after termination. Copies of MMRs created after that date will accompany a terminated organization's final reconciliation results from CMS. All CMS systems access for all users of a terminated contract (i.e., MARx and BEQ) will end 60 days after the contract terminates.

##### Retroactive Payment Adjustments:

Non-renewed organizations are required to reimburse CMS for any overpayments. Conversely, a Plan will have the right to seek reimbursement from CMS for any previously identified underpayments. MA and PDP organizations seeking payment adjustments should submit requests to report corrected information within 45 days from the date of receipt of January payment Monthly reports (scheduled for the last week in December 2010) to the Retroactive Processing Contractor (RPC). The reporting of requests for corrected information to the RPC will trigger the CMS retroactive payment adjustment process. The requested corrections will be verified and applied to the Plan's member records. These corrections will be included as a part of the Plan's final payment reconciliation after the final risk adjustment reconciliation is completed for 2010.

##### Final Reconciliation:

CMS will complete final reconciliation of its accounts with Plans approximately nine months (or, if applicable, after the final risk adjustment reconciliation for 2010 is performed), after the end date of the Plan's contract, December 31, 2010. However, it is important to note that completion of final reconciliation may be delayed in the event a Plan fails to comply with their remaining risk adjustment data submission requirements. For MA and PDP organizations that are reducing service areas for contracts that will continue in 2011, no final reconciliation will be performed. Payment adjustments related to coverage provided to enrollees in the discontinued portions of the service area will be included as part of the regular payment adjustment process and will appear in the Plan's monthly payments during 2011.

#### **E. Submission of 2011 4Rx Data and Updates to Payer Sheets for 2011**

This section is directed to Part D sponsors and Plans offering a Part D benefit advising them on the timing of 2011 enrollment transactions, communicates the expected availability of 2011 4Rx data in E1 eligibility queries for pharmacies and reminds Plan sponsors to update their payer sheets with their trading partners for any billing changes associated with their 2011 Part D benefits.

The MARx system will begin processing Plan-submitted 2011 enrollments for new enrollees and beneficiaries switching Plans beginning October 9, 2010. The 4Rx data for these types of enrollments, as submitted on the enrollment transactions, will be available to support E1 eligibility queries from pharmacies at that time.

Since Plan sponsors must submit 4Rx data for all CMS-generated enrollments, including all CMS generated rollover transactions, auto-assigned and facilitated enrollments and reassignments, CMS has scheduled the processing of these 2011 enrollment transactions to

ensure 4Rx data are available timely. CMS will continue to monitor and publish the effectiveness of these processes through performance metrics related to pharmacy complaints and 4Rx completeness.

CMS will send re-assignment letters to beneficiaries in early November 2010. Plan sponsors will be receiving a special TRR on or around November 03, 2010 reporting these transactions. Plans must submit the 4Rx data within 48 to 72 hours of receipt of the special TRR. Therefore, the 4Rx data for the CMS reassigned beneficiaries should be available for E1 queries no later than November 06, 2010.

CMS also reminds Plans to replace 4Rx data for all beneficiaries whose 4Rx information is changing in any way between 2010 and 2011. Plans are required to submit the beneficiary's 4Rx data to CMS on a Plan Change (72) transaction **if there will be a change between 2010 and 2011 in any of the BIN, PCN, GROUP or MEMBER ID numbers,** even if the CMS contract and PBP numbers remain the same. However, because 4Rx data changes that are not associated with an enrollment change replace existing 4Rx data for the entire enrollment period, Plans should delay submitting these 4Rx data changes until the last few dates in 2010 or first days of 2011. If the contract number, PBP number and all of the 4Rx data fields mentioned above are not changing for CY 2011, it is not necessary to submit a code 72 change transaction.

In addition to supporting the 4Rx data updating process, Part D Plan sponsors are reminded to update their payer sheets to reflect any billing changes associated with their 2011 Part D benefits, 2011 changes in Plan names, BIN/PCNs, or any other relevant billing information. These payer sheet changes should be communicated to all contracted pharmacies as soon as possible.

#### **F. Plan Change (code 72, 73, 74 and 75) Transactions with 2011 Effective Dates**

Plans are required to submit premium information as clarified below to CMS for their current members using a Miscellaneous Update transaction type 74 by the January 2011 Plan Data Due date (or "cutoff" date), tentative schedule for January 14, 2011. Do not submit these transactions for CY 2011 prior to the October 2010 Plan Data Due date (therefore, not earlier than October 9, 2010). CMS is unable to process any premium-related change requests with 2011 effective dates submitted before October 9, 2010, and if submitted prior to this date, these transactions will not process.

To reduce the number of such transactions to be processed after October 9, 2010, CMS will populate beneficiary records with 2011 premium information based on the bidding data in HPMS. MARx will perform this update for all active enrollees as well as those impacted by Plan rollovers via the HPMS Crosswalk. CMS can determine the 2011 Part D premiums for enrollees in this way, so plans will not have to update those amounts. Plans may, however, have to update the Part C premiums for enrollees if supplemental benefits have been elected.

If the Part C premium information is changing for Plan member(s) and, therefore, the data in HPMS would not be complete, Plans are advised to submit a Miscellaneous Update transaction type 74 with the corrected Part C premium information by the February payment system cutoff date, which is the Plan Data Due Date in January 2011.

**Important Note:** Plans are encouraged to submit new premium withholding requests and changes for existing enrollments that are effective January 1, 2011 after the Plan Data Due date in October 2010 and prior to the Plan Data Due date in December 2010 (therefore, starting on October 9, 2010 and by December 8, 2010). It is important for Plans to understand that, because these premium withholding requests must be submitted to SSA for processing, the resultant changes/updates will not actually be in effect on January 1, 2011. These transactions are expected to be processed by SSA within the 1st quarter of 2011 and will be applied as a retroactive change back to January 1, 2011.

## **2. Plan Reports and System User Interface (UI) Availability**

### **A. Premium Adjustments and the Full Enrollment File**

The Full Enrollment File for the January payment month will be transmitted with the monthly report package on or about December 22, 2010. This file will provide Plans with premium information on all beneficiaries enrolled. If incorrect information is found on this file, Plans should submit a Plan Change (74) transaction with the corrected premium information. Any corrections should be submitted by the Plan Data Due date in January 2011.

**Important Note:** During EOY processing, Plans should *not* submit miscellaneous Update Transaction Type (74) for the purpose of receiving responses with premium and low-income status information. As indicated above, premium amounts and low-income status information will be provided to Plans via the Full Enrollment File.

### **B. October PDP Notification Files for Reassignment**

On or around Friday, October 8, 2010, and Monday, October 18, CMS will transmit to certain Prescription Drug Plans (PDPs) the files described in the HPMS memo “Reassignment of Low-Income Subsidy Beneficiaries for 2011,” dated August 13, 2010. These files will provide a preliminary listing of LIS-eligible beneficiaries whom CMS will reassign to a new PDP effective January 1, 2011.

On or around Wednesday November 03, 2010, CMS will transmit to certain Prescription Drug Plans (PDPs) a special MARx-generated Transaction Reply Report (TRR) containing the confirmed enrollments and disenrollments resulting from the reassignment.

**IMPORTANT:** Please do not submit the 4Rx records for the beneficiaries contained in the one-time files until after you receive the special MARx-generated Transaction Reply Report (TRR) on or about November 03, 2010, containing the confirmed enrollments that result from the reassign process. This is because this preliminary list may not exactly match the list of beneficiaries who are ultimately enrolled in the Plan since voluntary Plan elections may occur after the preliminary file is created.

### **C. Loss of Low Income Subsidy Data Files**

CMS sends two Loss of Low Income Subsidy files to Part D Plans each fall. The first file will be sent in September and will identify members who will no longer have the low income subsidy as of January 1, 2011. This file is for information purposes only. These individuals received, in a joint mailing from CMS and SSA, a personalized letter on grey paper explaining this loss of LIS and an SSA LIS application for extra help to complete and return in an enclosed postage-paid envelope. CMS expects Part D plan sponsors to reach out by phone or mail to



every member who will no longer qualify automatically for extra help beginning in 2011 to encourage them to apply for LIS and help them through the process. CMS will issue an HPMS memo “*Re-Determination of Low-Income Subsidy (LIS) Eligibility for 2011*” in the near future that will include the model script and notices.

The second file will be sent in mid-December and will be an updated version of the September file, indicating those beneficiaries who still no longer have the low income subsidy as of January 1, 2011. The file format can be found in the Plan Communications User Guide. It should be processed through normal plan systems.

#### **D. Monthly Reports**

Plans can expect to receive the standard monthly reports for the January payment month according to the schedule as published in the PCUG. The January payment month reports are expected to be transmitted on or about December 22, 2010.

Plans should carefully review all CMS reports including the January 2011 MMR (scheduled to be available on December 22, 2010) to ensure that all enrollees are in the correct PBP for January 2010. If there are questions, please contact the MAPD Help Desk at 1-800-927-8069 or [MAPDhelp@cms.hhs.gov](mailto:MAPDhelp@cms.hhs.gov) to report the problem immediately.

#### **E. MARx System User Interface (UI) Availability**

The Medicare Advantage and Part D Inquiry System (MARx Common User Interface) should remain available. We anticipate the UI to be in Read-Only mode from approximately 8:00 pm (ET) on Friday, November 12, 2010 until approximately 6:00 am (ET) on Monday, November 15, 2010 to enable regular December payment processing and End of Year activities.

Thank you in advance for your attention. Please take appropriate and timely action as necessary. If you have any questions about the information contained herein, please contact:

- For MARx issues contact the MAPD Help Desk
- For all other issues contact your Account Manager
- For questions regarding premium adjustments please contact your DPO Representative (a list of DPO representative contacts is provided in the Plan Communications User Guide).

The MAPD Help Desk is also available to assist you with any preparation activities or questions you may have. Please call the MAPD Help Desk at 1-800-927-8069 or send email to: [MAPDhelp@cms.hhs.gov](mailto:MAPDhelp@cms.hhs.gov)