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**DATE:** December 9, 2010  
**TO:** All Prescription Drug Plan and Medicare Advantage-Prescription Drug Plan Sponsors  
**FROM:** Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit and C&D Data Group  
**RE:** Continuation of the Low Income Subsidy (LIS) Match Rate and Best Available Evidence (BAE) Monitoring Projects

The purpose of this memo is to announce the continuation of the Low Income Subsidy (LIS) Match Rate and Best Available Evidence (BAE) Monitoring projects for the 2011 benefit year. As in past years, the Centers for Medicare and Medicaid Services (CMS) has contracted with Acumen, LLC (Acumen) to ensure LIS data quality. Acumen will continue to assess and quantify benefit mismatches at the contract level and use these data to monitor compliance with CMS' BAE policy. This memo provides an overview of the two projects, as well as describes the expected actions for sponsors.

### **LIS Match Rate Project**

CMS considers the accuracy of LIS information stored by Prescription Drug Plans (PDPs) and Medicare Advantage-Prescription Drug Plans (MA-PDs) for Medicare beneficiaries to be a priority. Accurate LIS information is vital to ensuring that all low-income beneficiaries, especially auto-enrollees, are charged the correct premiums and co-payments for their prescription drugs. We have been facilitating the improvement of enrollment information accuracy for LIS beneficiaries by matching monthly enrollment information submitted by Part D sponsors to the corresponding data on file in CMS' records. Acumen, through CMS, communicates these results to Part D Sponsors using detailed monthly reports that specify the beneficiaries reported with discrepant benefits. CMS is very pleased with the results of this effort, which currently show that approximately 99.4% of LIS beneficiaries on CMS' records have matching or more favorable premium and co-payment information on Part D sponsors' records.

All Part D sponsors will participate in the LIS Match Rate Project, with the following exceptions: PACE contracts, contracts that exclusively service U.S. territories, and contracts where all plans service U.S. territories and are employer plans. For participating Part D sponsors, the process will proceed each month as follows:

1. Sponsors upload enrollee data to Acumen via a secure website. Acumen contacts sponsors to specify submission dates.
2. Acumen analyzes and compares contract and CMS LIS data to calculate a match rate.
3. Acumen releases contract-level reports that include beneficiaries with mismatched benefits via the secure LIS website.

4. CMS monitors plan performance for on-time data submission and data accuracy.
5. On an annual basis, CMS publishes the LIS match rate for each sponsor on the Medicare Plan Finder.

Beginning in 2011, Acumen will be matching beneficiaries not only by contract, but also by plan. Contracts should ensure that the reported Plan Benefit Package (PBP) number (field 3) indicates the actual plan of enrollment for each beneficiary.

Prior to the first data submission period, contracts will have the opportunity to submit test data for validation of proper layout and formatting. Contracts will be notified of any issues that could affect the match rate calculation.

### **Best Available Evidence (BAE) Monitoring Project**

The BAE Monitoring initiative uses data collected through the LIS Match Rate project to monitor compliance with BAE policy. CMS created the BAE policy in 2006 to address timing lags in CMS' receipt of LIS data from State Medicaid agencies and the Social Security Administration<sup>1</sup>. The policy requires sponsors to accept specified forms of documentation supporting a beneficiary's eligibility for the LIS, to change the beneficiary's cost-sharing levels in its systems, and to submit manual correction requests for deemed LIS beneficiaries if the changes do not occur in CMS' system as a result of the routine reporting. Each month, Acumen requests documentation for a sample of beneficiaries for whom sponsors report more favorable LIS benefits, but have not submitted manual correction requests.

The same Part D Sponsors who participate in the LIS Match Rate project will participate in the BAE Monitoring project. The process will proceed each month as follows:

1. Acumen uses data submitted through the LIS Match Rate Project to identify beneficiaries for whom sponsors report more favorable LIS levels for at least four months.
2. Acumen releases contract-level files containing response forms for sampled beneficiaries to sponsors via a secure website.
3. Sponsors complete response forms and locate BAE documentation for sampled beneficiaries.
4. Sponsors upload response forms and corresponding BAE documentation to Acumen via the secure BAE website. Acumen will contact sponsors to specify submission dates.
5. After reviewing submitted documentation to assess compliance with BAE policy, Acumen releases monthly reports with results of their review.
6. CMS monitors sponsor performance on on-time data submission and data accuracy. CMS will also monitor beneficiary complaints to ensure BAE policy is being applied when appropriate.

### **Schedule of Events**

The following table summarizes expected actions and timelines for the 2011 launch of the LIS Match Rate and BAE Monitoring projects. Attachments to this memo detail the next steps for Part D sponsors. Attachment A explains how to obtain website access for new users.

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<sup>1</sup> For more information on the BAE policy, refer to the regulations at 42 CFR § 423.800. A detailed description of the BAE Policy can be found in Chapter 13 of the Medicare Prescription Drug Benefit Manual.

Attachments B and C provide an overview of the LIS Match Rate and BAE Monitoring projects, respectively.

	<b>ACTION</b>	<b>DATE</b>
USER SET-UP	<b>New 2011 Contracts:</b> Medicare Compliance Officer will identify up to five authorized users for Acumen’s LIS Match Rate and BAE Monitoring websites. For each user, submit contact information through the Acumen User Security Website – see Attachment A.	New user requests and current user validation due by 12/17/10
	<b>Contracts Continuing from 2010:</b> The Medicare Compliance Officer must validate current users. Removal of existing users or addition of new users must occur through the Acumen User Security website.	
	<b>New Contracts and Continuing Contracts that authorize new users:</b> Be prepared to receive login credentials to access LIS Match Rate and BAE Monitoring websites.	Rolling-basis, following user authorization
LIS MATCH RATE	<b>All Contracts:</b> Review the <i>Overview of the LIS Data Matching Process</i> in Attachment B and ensure authorized users are familiar with the process and data variables.	No later than 12/17/10
	<b>All Contracts:</b> 2011 Test Period Contracts may upload test data to determine whether file would be accepted for matching. Acumen will validate the file layout. Users will receive notice whether the file would have been accepted or rejected.	12/13/10 to 12/30/10
	<b>All Contracts:</b> 2011 Regular Submission Contracts submit production data for LIS matching. Official LIS Match Rate Reports will be produced.	1/5/11 to 1/7/11 and reoccurring monthly thereafter
BAE MONITORING	<b>All Contracts:</b> Review the <i>Overview of the BAE Monitoring Process</i> in Attachment C and ensure authorized users are familiar with the process.	No later than March 2011
	<b>All Contracts:</b> 2011 Preliminary Beneficiary Mismatch List In preparation for the 2011 data collection, contracts can download a list of beneficiaries with three consecutive months of more-favorable mismatches.	April 2011
	<b>All Contracts:</b> 2011 Data Collection Selected contracts will be requested to complete response forms and provide substantiating documentation for sampled beneficiaries to Acumen. After review of the documentation, Acumen will provide detailed results.	May 2011 and each month onwards

CMS appreciates your cooperation with Acumen, LLC and all of your efforts in making these projects successful. If you have any technical questions, please contact Acumen at [CPC@acumenllc.com](mailto:CPC@acumenllc.com) or (650) 558-8006. For all other questions concerning this project, please contact Keely Ireland at (410) 786-7160 or [keely.ireland@cms.hhs.gov](mailto:keely.ireland@cms.hhs.gov).

## ATTACHMENT A: User Authorization Instructions

Acumen has created websites to facilitate the LIS Match Rate and BAE Monitoring processes. These secure websites are accessible only to authorized participants, with each sponsor utilizing a space on the site that is separately secure from all other participants. The websites will facilitate the communication, tracking, and resolution of contract-specific issues through use of discussion boards and reports exclusive to the Part D sponsor's designated representatives.

In accordance with Federal Information Security Management Act (FISMA) regulations, only the Medicare Compliance Officer is authorized to give access to our websites for each contract. To streamline this process, Acumen has developed the User Security Website – a web tool that allows Medicare Compliance Officers to manage their users on the Acumen websites.

Medicare Compliance Officers should take the following steps to grant access to the LIS Match Rate and BAE Monitoring websites:

1. **Identify individuals who should have access to each site.** Attachments B and C provide an overview of the projects to help plan for this effort.
  - Contracts are limited to **five** authorized users per website.
  - All users will have access to all features of the websites, including uploading data, downloading reports, tracking data submission, and accessing discussion boards. All users will also receive emails regarding data submissions and report availability.
  - As reports contain information for specific beneficiaries, users must be authorized to access identifiable beneficiary data.
2. **Log onto the User Security Website ([https://PartD.ProgramInfo.US/User\\_Security](https://PartD.ProgramInfo.US/User_Security)).**
  - *If you are a Part D sponsor that was active in 2010*, your current Medicare Compliance Officer should already have access to the User Security Website through existing work with Acumen.
  - *If you are a new Part D sponsor for 2011*, your Medicare Compliance Officer should have recently received a welcome email and a letter with login credentials via USPS.
3. **Authorize users.** The Medicare Compliance Officer must submit an Available User Request Form for each proposed user and authorize access permissions for each user.
  - To ensure timely access to the sites, Medicare Compliance Officers must complete the user authorization process by **December 17, 2010**.

If you are an existing Part D sponsor that participated in the LIS Match Rate and BAE Monitoring processes in 2010, you will need to validate current users through the User Security website. If you would like to add or remove users, please make this change by **December 17, 2010**.

If you have any questions, please contact Acumen at [CPC@acumenllc.com](mailto:CPC@acumenllc.com) or (650) 558-8006.

## **ATTACHMENT B: Overview of the LIS Data Matching Process**

This attachment gives an overview of the LIS Match Rate process. More detailed information on variables and file creation will be provided in a User Guide to authorized website users.

### **Initial Setup Steps**

Acumen will send welcome emails to website users authorized by Medicare Compliance Officers. These emails will include usernames and detailed instructions for submitting data and downloading reports. Letters containing login passwords will arrive separately via USPS.

### **Step 1: Upload Data**

Contracts must upload data on a monthly schedule. The format of submitted data sets will be comma delimited text files, zipped using standard archiving software. Detailed information about file structures is available on the website. Acumen will validate data submissions to check formats and structure, and notify authorized LIS Match Rate Website users of any issues. Contracts are expected to resolve any data issues by correcting and resubmitting files.

The following table lists the specific variables that will be requested. Each data file should contain all Part D beneficiaries currently enrolled that month, one row per beneficiary.

<b>Variables for All Part D Beneficiaries</b>
1. Beneficiary's Claim Account Number (HIC)
2. Contract Number (MCO Contract Number)
3. Plan Benefit Package (PBP) Number
4. PBP Start Date
5. Beneficiary Gender
6. Beneficiary Date of Birth
7. Net Part D Premium Amount

  

<b>Additional Variables for LIS Eligible Beneficiaries</b>
8. Low Income Period Start Date
9. Low Income Period End Date
10. Low Income Premium Subsidy Percentage
11. Premium Low Income Subsidy Amount
12. Low Income Co-pay Level ID
13. Beneficiary Source of Subsidy Code

### **Step 2: Reporting**

Acumen will process submitted contract data and link beneficiary records with those contained in CMS files to calculate LIS match rates. Reports will be made available to contracts, presenting match rates and identifying those specific cases that do not match in CMS and contract files. For this reason, LIS Match Rate Website users must be limited to people with authorization to access the beneficiary-level identifiable information contained in these reports.

## **ATTACHMENT C: Overview of the BAE Monitoring Process**

This attachment provides a summary of the BAE Monitoring process and offers suggestions for collecting acceptable BAE documentation. Detailed information on submitting BAE documentation and understanding the reports can be found on the BAE Monitoring website.

### **Step 1: Download Sample Reports**

Each month, contracts will have sample reports containing details on LIS more-favorable mismatches available for download. If a contract has any mismatches selected for review, a download package with response forms for each mismatched beneficiary will also be available.

### **Step 2: Upload Response Forms and BAE Documentation**

If a package was made available for your contract, each response form must be completed and submitted to Acumen. The response form must be accompanied by documents substantiating the benefits reported to the LIS Match Rate project.

Guidelines for acceptable types of BAE documentation can be found in Chapter 13 of the Medicare Prescription Drug Benefit Manual and in the submission materials on the Acumen website. Documentation can come from the following sources:

- State Medicaid Agency, in which case it can support copayment levels of 1, 2, and 3.
  - To support copayment level 1, documentation must support a beneficiary's QMB-Only, SLMB, or QI status.
  - To support copayment level 2, documentation must support a beneficiary's Full Medicaid or QMB-Plus status.
  - To support copayment level 3, documentation must show one full calendar month of payment on behalf of the beneficiary by Medicaid to an institution. Note that documentation that does not show payment will be rejected.
- Social Security Administration in which case it can support copayment levels of 1 and 4.
  - The benefits, as well as effective dates of those benefits, can be found on the first page and last page of SSA documentation.

Unacceptable BAE documentation includes:

- CMS data from MARx, TRR, LIS Bi-Weekly File, or LIS History File
- Internal sponsor data
- Acumen LIS Match Rate reports

When submitting to Acumen, highlight or clearly mark any elements within the documentation that determine the beneficiary's eligibility and benefit levels. These include payment dates, eligibility codes, and copayment levels. Additionally, in the response form, provide definitions of any codes used to specify eligibility. If Acumen does not have sufficient information to interpret the relevant codes, the documentation will be rejected.

### **Step 3: Download Results Report**

After review of submitted documentation, Acumen will release results reports containing submission statistics and metrics on whether documentation was acceptable BAE.