

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-16-16
Baltimore, Maryland 21244-1850



Center for Beneficiary Choices
Medicare Plan Payment Group

Date: July 9, 2007

To: All Part D Plan Sponsors and Medicare Advantage Organizations

From: Tom Hutchinson, Director
Medicare Plan Payment Group

Subject: Coverage Year 2006 Enrollment Reconciliation Issues

On May 25, 2007, CMS provided detailed instructions regarding actions to be taken following receipt of the enrollment reconciliation response file. This memorandum provides additional information to Part D Plan Sponsors and Medicare Advantage Organizations for handling beneficiary requests to re-enroll in a plan and for reconciling prescription drug event (PDE) submissions affected by the enrollment reconciliation process.

Beneficiary Requests to Re-Enroll in a Plan

Part D Plan sponsors and Medicare Advantage Organizations were instructed to provide beneficiaries with notice explaining any enrollment changes that resulted from the enrollment reconciliation process. In some limited cases, beneficiaries may be contacting organizations that cancelled enrollments and requesting to be re-enrolled in that plan, either prospectively or retroactively. All individuals affected by the enrollment reconciliation process are entitled to a special election period, and plans may effectuate prospective changes for these individuals by usual enrollment processes. However, plans may not carry out retroactive re-enrollments for these beneficiaries. All beneficiary requests for these retroactive changes should be referred to 1-800-MEDICARE (1-800-633-4227 TTY/TDD 1-877-486-2048).

Reconciling PDE Submissions

All PDEs that were impacted by the 2006 enrollment reconciliation process should be reconciled via plan-to-plan (P2P) reconciliation when necessary. CMS guidance from May 23, 2007, extending the P2P Phase I process through June 30, 2007, ensures that all 2006 claims can be addressed within P2P. That guidance also clearly stated that enrollment reconciliation was not expected to cause any claim administration changes. Nevertheless, CMS has received reports that some Plan Sponsors have been reversing pharmacy claims to recoup payment for claims when beneficiaries have been disenrolled

from their plan. This violates CMS' P2P policy and also raises potential fraud and abuse concerns if organizations are recouping from both the pharmacy and P2P process on the same claims.