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TO: All Part D Plan Sponsors

FROM: Amy K. Larrick, Acting Director
Medicare Drug Benefit and C&D Data Group

SUBJECT: Updates regarding Automated TrOOP Balance Transfer and Plan-to-Plan Reconciliation

DATE: November 25, 2015

The purpose of this memorandum is to provide two updates to current guidance concerning Part D coordination of benefits (COB) processes. The first update pertains to the creation of proxy enrollments requested in conjunction with the automated TrOOP balance transfer (ATBT) process. The second relates to a new procedure developed to support plan-to-plan reconciliation following an audited-off Part D enrollment.

ATBT Proxy Enrollment Requests

On February 12, 2015, CMS issued a final rule (80 FR 7912) revising the COB provisions at §423.464(f)(2)(i) to add a requirement related to the transfer of TrOOP accumulator data whenever a beneficiary changes enrollment during the coverage year. This transfer is necessary to enable the subsequent Part D sponsor to consider previously incurred TrOOP and gross covered drug costs in administering the benefit.

We have become aware that there are instances when a sponsor has paid claims for a beneficiary who was thought to be currently enrolled, but whose enrollment had been terminated in the prior year, usually effective December 31st. When this occurs, if the plan-to-plan (P2P) process requirements are met, the P2P reports will be created and the amounts paid by the prior sponsor after the enrollment termination will be refunded by the beneficiary's current plan of record. The P2P process, however, does not report TrOOP accumulator data; therefore, P2P is not a substitute for the ATBT process.

In addition, because the enrollment change did not occur during the coverage year, the facilitator will not automatically generate ATBT transactions for the prior sponsor to report the TrOOP and gross covered drug costs associated with these current year claims. To report these data, the prior sponsor must request that the facilitator create a proxy enrollment in the prior plan for the current year. Responsibility for making this request lies with the prior sponsor; the current

sponsor cannot make this request. Upon receiving the request, the facilitator will include the prior plan as a “non-plan of record” in the ATBT process preceding the actual plan of record for the months the prior plan paid Part D claims. Creation of the proxy enrollment will initiate the ATBT process and the data transfer will enable the current sponsor to correctly position the beneficiary in the benefit.

Plan-to-Plan Reconciliation and Audited-off Enrollments

Retroactive enrollment changes can result in the elimination of a beneficiary’s enrollment in a Part D plan. This is effectuated by CMS auditing the enrollment off the beneficiary’s Part D enrollment record in the Medicare Beneficiary Database (MBD) and is reported to the plan sponsor on the daily transaction reply report. The audited-off enrollment record, however, is not visible to plan sponsors in MARx system.

If the Part D sponsor has paid claims for the audited-off beneficiary, the automated P2P process will not reconcile these payments with the actual plan of record, because both sponsors involved in the P2P process must be plans of record. The sponsor with the audited-off enrollment does not meet this requirement. Although the sponsor with the audited-off enrollment may seek recoupment of its payments, the reconciliation can be impeded by the inability of the actual plan of record to confirm the other sponsor had an enrollment that was subsequently audited off.

To address this limitation, we are implementing a new process with the MAPD Help Desk to provide confirmation of the audited-off enrollment for the beneficiary. The process will involve the following steps:

1. When a Part D sponsor requires confirmation of an audited-off enrollment for payment reconciliation, the plan will contact the MAPD Help Desk to request the audited-off enrollment information. The Help Desk can be reached on-line at MAPDHelp@cms.hhs.gov or by phone at 1-800-927-8069.
2. The MAPD Help Desk will create a ticket and perform the appropriate research to retrieve the specific enrollment data.
3. When resolving the ticket, MAPD Help Desk analyst will include the following data in the “Resolution” field:
 - a) Enrollment effective date
 - b) Enrollment termination date
 - c) Date of TRR notification of the audited-off enrollment
 - d) Contract number
 - e) Last four digits of the beneficiary’s social security number
4. The resolution email can be provided to the actual plan of record to confirm an enrollment existed for the beneficiary, but was subsequently audited off.

This new process will be implemented on December 1, 2015.

Any questions concerning this guidance should be sent to the CMS Part D policy mailbox at PARTDPOLICY@cms.hhs.gov.