



CENTERS FOR MEDICARE AND MEDICAID SERVICES

DATE: October 1, 2024

TO: All Prescription Drug Plans, Medicare Advantage-Prescription Drug Plans, Section 1876 Cost Plans, Medicare-Medicaid Plans, and PACE Organizations

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SUBJECT: Supplemental Insurance Type Code Updates for Other Health Insurance (OHI) Records

This memorandum describes updates and guidance related to supplemental insurance type codes on other health insurance (OHI) records transmitted to Part D sponsors on the coordination of benefits-other health insurance (COB-OHI) files.

Supplemental Insurance Type Code O No Longer Valid

As mentioned in the August 5, 2024 memorandum, “Update: Clarification of True Out-of-Pocket (TrOOP) Costs for Calendar Year 2025,” supplemental insurance type code O (Other supplemental health insurance) will no longer be a valid value for OHI records as of October 2024.¹ The majority of OHI records with supplemental insurance type code O will be converted to supplemental insurance type code L (Supplemental commercial health insurance) on October 4, 2024. When the records are converted, Part D sponsors will receive the same OHI record with the updated supplemental type code—that is, Part D sponsors will *not* receive a terminated OHI record with supplemental type code O or an OHI record with the updated supplemental type code with a new effective date.

CMS has discovered some OHI records reported as supplemental insurance type code O that are not appropriate to convert to supplemental type code L, since payments made by such supplemental commercial health insurance will be TrOOP-eligible in calendar year (CY) 2025. For example, CHAMPVA records previously reported as supplemental insurance type code O will be converted to supplemental insurance type code T since CHAMPVA is a federally funded program. As stated in the August 5, 2024 memorandum, payments made by federal government

¹ <https://www.cms.gov/about-cms/information-systems/hpms/hpms-memos-archive-weekly>

programs represented by supplemental insurance type code T continue to be TrOOP-ineligible in CY 2025 as they are currently.

As of the October 4, 2024 update, Part D sponsors should no longer have OHI records with supplemental insurance type code O in their beneficiaries' OHI profiles and will no longer receive OHI records with supplemental type code O going forward. If Part D sponsors have OHI records with supplemental type code O that have not been converted following the October 4, 2024 update, Part D sponsors should report these OHI records to the BCRC for investigation.

Federal Employee Health Benefit Program (FEHBP) Supplemental Insurance Type Code

Table [30.2-2](#) in Chapter 14 of the Prescription Drug Benefit Manual incorrectly lists the Federal Employee Health Benefit Program (FEHBP) coverage as supplemental type code T. FEHBP pays supplemental to Medicare for retirees and is considered commercial insurance. Existing FEHBP supplemental OHI records reported via Electronic Correspondence Referral System (E CRS) Prescription Drug Inquiry (PDI) with supplemental type code T will be deleted during the October 4, 2024 update. Part D sponsors are advised that they should report FEHBP coverage as supplemental type code L when reporting such coverage via E CRS. Consistent with the August 5, 2024 memorandum, payments made by insurers with supplemental type code L are TrOOP-eligible starting in CY 2025, whereas payments made by insurers with supplemental type code T are not.

Please email PartD_COB@cms.hhs.gov with questions regarding this memorandum.