DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR BENEFICIARY CHOICES

January 11, 2006

Memorandum To: All Part D Sponsors

Subject: File Submission Policies

From: Gary Bailey, Deputy Director for Plan Policy and Operations, Center for Beneficiary Choices

The Medicare Prescription Drug program began only 10 days ago. We would like to take this opportunity to remind plans of some of the basic "concept of operations" discussed in various systems letters, presentations at the CMS Enrollment and Payment Conference, and the MARx Plan Communications User's Guide (PCUG), as well as stress a few critical key factors that should improve service to our beneficiaries, in particular the dual eligible population.

Submitting Files to CMS: Enrollment & 4Rx

The 4Rx identifiers are the RxBIN, RxPCN, RxGROUP, and Cardholder ID and these elements are the key drivers of how a pharmacy claim is routed and properly adjudicated.

Key considerations in understanding the importance of timing of submitting the 4Rx file:

- Enrollment processing at many plans tends to be based on a monthly cycle.
- Previously, many plans often did not produce the 4Rx elements until the last stage in the process of enrolling a member (producing a membership package w/ID Card).
- Some Plans rely on a processor/PBM to assign all or part of the 4Rx identifiers before the plan can report it back to CMS.
- MARx enrollment processing is conducted by CMS in a batch mode and responses back to plans are in two parts, the first being a Batch Completion Status Summary (BCSS) report which gives the plan information regarding the accepted and rejected transactions with LIS information in the accepted records and the second is the enrollment confirmation which comes in the weekly Transaction Reply Report (TRR).
- Some plans use the BCSS accepted record to equate as a confirmation of enrollment while other plans will wait for the weekly or even monthly TRR.

- Pharmacies operate in real-time and require accurate information at POS in order to properly adjudicate the claim with all payers that cover the beneficiary.

One of the most difficult issues for CMS and the TrOOP facilitator has been collecting the 4Rx information through the Plan submissions of the 4Rx file and ensuring a steady and accurate flow of 4Rx records to the TrOOP facilitator so pharmacies would be able to assist beneficiaries who do not know which plan in which they are enrolled at point-of-sale. Pharmacists rely on using the E1 eligibility query capability to obtain billing information for the beneficiary, particularly the Cardholder ID, which is a NCPDP mandatory field in the pharmacy transaction. When pharmacists are unable to obtain the 4Rx information from an E1 transaction, they require dedicated phone lines at plans and their processors to assist in providing the essential billing information on the beneficiary such as Cardholder ID. On January 4th, CMS issued a letter via HPMS that underscored the importance of enhancing these phone lines.

In that same letter, CMS provided additional guidance to plans on when they should submit the 4Rx file to CMS. CMS expects and requires plans to send the 4Rx file within 48-72 hours after the plan has received an enrollment confirmation from CMS, usually in the form of a TRR. CMS fully intends on producing a weekly TRR every Saturday to assist plans in expediting a quick turnaround in 4Rx submission.

CMS also realizes that for the PDPs that receive auto-enrollments, the process has to be adjusted somewhat because of the delay in receiving the address file as part of the MARx monthly reports. We are investigating the possibility of giving plans the address information earlier so they don't have to wait until the MARx monthly report. If that is possible, then we would expect a fairly rapid turnaround on the 4Rx file submitted to CMS because the plan will no longer have to wait for the address file.

LIS Co-Pay Category Codes

CMS believes it is possible that some plans may have missed some of the updates/changes that have been issued in the last several months with regard to the LIS Co-Pay category codes. This oversight is ultimately affecting how claims are adjudicated by the Plan. CMS has received feedback that some plans may not have been aware that the LIS Co-Pay category codes in Attachment H, One Time PDP Auto-Assignment Notification File in Systems Letter Number 3, dated July 5th, 2005 which was subsequently updated through a published correction using Attachment C, One Time PDP Auto-Assignment Notification File in Systems Letter Number 4, dated September 20th, 2005. The correct LIS Co-pay category codes have always been specified in the Transaction Reply Report (TRR) and Batch Completion Status Report (BCSS) record layouts in all the Systems Letter and PCUG documentation. They are published again below as they appear in the Appendix of the PCUG under the BCSS and TRR record layout. We are aware that the TRR in many cases did not contain the LIS co-pay and premium amounts. This will be corrected in the monthly reports for February.

Definitions of the co-payment categories:

'0' = none, not low-income
'1' = $2/$5 (High)
'2' = $1/$3 (Low)
'3' = $0 (0)
'4' = 15%
'5' = Unknown

Please ensure your Plan's systems (or your processor/PBM) are adjudicating the correct co-pays based on these codes. Incorrectly charging the co-pay amounts may severely impact service delivery to our low-income beneficiaries and may result in additional delays experienced by both the beneficiary and the pharmacist alike. We appreciate your immediate efforts to confirm and ensure that your systems and/or your processor/PBMs are compliant with these requirements.

Files That Have Missed MARx Cutoff

Many plans are questioning the process they should follow if they are trying to submit files that are past the MARx current processing cutoff date.

As stated in the MARx PCUG page 1-4, "MARx only processes transactions from the current processing month. Transactions that have processing dates prior to the current month are considered retroactive ("retro") transactions and require special handling. MARx does not process these transactions without approval from CMS." For example, if the header date of the file submitted for the February payment cycle reflects a January date, MARx will reject that file. To process these retro transaction files, prior approval will be required.

The approval process for the retroactive status starts by contacting the following appropriate Central Office CMS staff based on where your plan fits within the geographical jurisdiction of states assigned to our ten Regional Offices. Their contact information follows and it is also listed on page B-1 of the Appendix of the PCUG.

Region 1	Boston	Jacqueline Buise John W. Campbell	410.786.7607 410.786.0542
Region 2	New York	John W. Campbell	410.786.0542
Region 3	Philadelphia	James Dorsey	410.786.1143
Region 4	Atlanta	Gloria Webster	410.786.7655
Region 5	Chicago	Janice Bailey	410.786.7603
Region 6	Dallas	Joanne Weller	410.786.5111
Region 7	Kansas City	Gloria Webster	410.786.7655
Region 8	Denver	Luigi Di Stefano	410.786.7611
Region 9	San Francisco	Ed Howard	410.786.6368
Region 10	Seattle	David Evans	410.786.0412

Contacting CMS' Customer Support for Medicare Modernization (CSMM), or more commonly referred to as the MMA Help Desk.

If Plans are experiencing difficulties with file transmissions, setting up connectivity, access to CMS systems, or have general questions about MMA systems and data communication issues, please contact the help desk first. The help desk should be the first check point in logging your issue/problem and it is the best way for CMS to keep track of how to work the plan's issues to resolution. Keep in mind that the help desk is also a resource to assist you in understanding how to navigate the various other CMS systems and support desks your plan may have to encounter. These may include the Customer Service Support Center (CSSC) at Palmetto that supports the Prescription Drug Front-End and Risk Adjustment Processing System data submission process.

The MMA help desk contact information is 1-800-927-8069, mmahelp@cms.hhs.gov

The MMA help desk also maintains a website with content to support the plan community such as PDF versions of the PCUG. The URL is: http://www.mmahelp.cms.hhs.gov

Using available resources, such as our MMA Help Desk, and adhering to a strict process of formally requesting retroactive status before you submit a file with a header date that will not be within the MARx current processing month, will make the processing of plan transactions more efficient and manageable for both plans and CMS. Please ensure you have the latest and correct documentation on LIS Co-pay category codes, as well as other documentation. This is available from the MMA Help Website or by contacting the help desk.

We have sent this letter as a reminder to plans to think about ways to improve current operations and to work more efficiently with the pharmacy community by making the necessary billing information available via your processing systems and support lines for pharmacies. Pharmacies/pharmacists are the face of this program to your members and represent your plan. Like you and the pharmacies, CMS would like to ensure all of our beneficiaries receive the best service and care.