DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Beneficiary Choices
7500 Security Boulevard, Mail Stop C4-23-07
Baltimore, Maryland 21244-1850
MEDICARE PLAN PAYMENT GROUP

DATE: August 30, 2006

TO: All Medicare Advantage Organizations, Prescription Drug Plans, Cost Plans, PACE Organizations and Demonstrations

FROM: Thomas Hutchinson /s/
Director

SUBJECT: Retroactive Adjustment Process in MARx after August 10, 2006 – ACTION

This letter explains how to submit retroactive enrollment, disenrollment, change and correction transactions.

There are three types of transactions:

1. Those requiring entry to the MARx user interface (UI) by Integriguard

This process is mainly for lower volumes of transactions and is outlined in Chapter 19 of the Managed Care Manual. The instructions can also be found on the Integriguard website at www.integriguard.org. The types of transactions involved in this process include "fill-ins" which are defined as having enrollment start and end dates between enrollment periods in other plans. **Failure to follow the procedures defined for the submission of these transactions will result in rejection of such transactions back to the plans.**

2. Those requiring batch file processing for normal systems issues

This process applies to normal retro requests based on batch file rejects due to systems issues, i.e. incorrect header date, from the previous processing month, as outlined in Chapter 19 of the manual.

3. Those requiring processing via batch file as an approved streamlined request

This process is mainly for higher volumes of transactions under the streamlined approval process as was outlined in a May 12, 2006, letter to the plans detailed below. **This process will apply until further notice.**

Mandatory Retroactive Process for Streamlined Requests(Post Aug 10 2006)
The process applies to higher volumes of retroactive open enrollments (those without end dates), disenrollments, change transactions, and corrections submitted in batch, not related to plan processing errors in the previous month.

This process can only be used if the plan has a large number of transactions caused by the same issue. The effective date must be the same for all transactions (with effective dates past what is required for normal processing). The organization will send a request for retroactive transactions processing to your Division of Payment Operations (DPO) representative. See the attached listing for contact information.

If your request is approved for batch processing under the streamlined approval process, a sample of the transactions will be selected for review. You will be instructed by your DPO representative to submit the sample to Integriguard following the attached format. This review is necessary to ensure consistency and to identify discrepancies that may need to be addressed before the file is processed. As part of the sample review, you will be instructed to send documentation to Integriguard within 7 days of their sample review to complete the process. If the documentation is timely and sufficient, the organization will receive approval from their DPO representative to submit a batch file. **Plans must never submit retroactive files without the approval of their DPO Representative. Only approved files will be processed.**

To submit a batch file, e-mail your requests to the DPO representative and include the following

- "H#### Retro File Request" in the subject line as it helps identify these requests quickly.
- your Plan number (H#, R#, or S#).
- the reason that you require retroactive file processing.
- contact information.
- language certifying that the members on the file are members of the plan based on coverage being provided and have no evidence of disenrollment (for retro enrollments and PBP changes).
- the effective date of the transactions and record count for each transaction type, (61, 51, 71, 72 and 01's). The record count must be correct as submitted because this is used to validate receipt of the approved file.

Upon receipt, you will be sent a confirming e-mail that includes the next steps you must take.

Failure to comply with these instructions will result in rejection of any files received.

In addition, organizations that repeatedly violate these procedures will be contacted by their account managers and asked to submit corrective action plans detailing how they will comply with CMS requirements.

If you have any questions or issues that you wish to discuss, please feel free to contact your Division of Payment Operations representative directly (per Appendix B in the Plan Communications User Guide).

cc: Mr. James Kerr, CMS
Mr. Thomas E. Hutchinson, CMS
Mr. David Lewis, CMS
Ms. Cynthia Tudor, CMS
Ms. Marla Kilbourne, CMS
M. Julie Boughn, CMS
RPO HMO Coordinators
DPO

DPO Contacts by REGIONAL ASSIGNMENT

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