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MEMORANDUM

Date: August 30, 2006

To: Prescription Drug and Medicare Advantage-Prescription Drug Plan Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: Bi-Weekly Low Income Subsidy Report Data File

This memorandum provides information to Prescription Drug Plan (PDP) and Medicare Advantage-Prescription Drug Plan (MA-PD) Sponsors regarding the biweekly review of the Low-Income Subsidy/Part D Premium Report Data File. The data in the file reflects Low Income Subsidy (LIS) information, premium subsidy levels, low-income co-pay levels, etc., for all beneficiaries who have a low-income designation who are enrolled in your plan. The LIS information is crucial to ensuring that these beneficiaries receive their drugs timely at the point of sale.

Currently, information on LIS eligible individuals is made available to each plan on biweekly basis. Some plans are using this file to update their LIS information, determining match rates of their information to that of CMS, and in some cases, providing those match rates to CMS. Starting on August 20th, CMS has begun to regularly distribute this file to plans, rather than requiring that plans download the file. (Attachment I shows the layout of the LIS file.) These files will be sent to plans on the first and third Sunday of each month. As a result, CMS is now requiring the following:

- All Part D sponsors must utilize the files to determine the extent to which the LIS information which is reflected in the plan's data system matches the data provided by CMS.
 - All Part D sponsors must determine their match rate, which is calculated as the number of beneficiaries with matching premium and copayment levels on both the CMS file and the plan's enrollment file, divided by the total number of LIS beneficiaries identified on the CMS file.
 - Match rates should be calculated twice each month. The first calculation should occur following the receipt of the LIS file on the first Sunday of the month. The second calculation should occur following the receipt of the LIS file on the third Sunday of the month.
 - In each case, the sponsor's match rate should exceed 95 percent.

- Part D sponsors that currently receive auto-enrolled beneficiaries must provide data on LIS matching to CMS on a monthly basis following receipt of the LIS file on the third Sunday of each month. Data will be entered into the Health Plan Management System (HPMS) using the file layout shown in Attachment II, Table 1. The first submission is due on September 6, 2006. Instructions for accessing the data entry module in HPMS and a schedule for submissions are shown in Attachment III.
- Starting in October, Part D sponsors that will be receiving auto-enrolled beneficiaries in 2007 will also be required to provide data monthly on LIS matching to CMS as described above, with the first submission due on October 18, 2006, and thereafter, following the submission schedule in Attachment III.
- Plans that do not currently receive auto-enrolled beneficiaries or will not receive auto-enrolled beneficiaries in 2007 are not required to submit this data for the remainder of the 2006 contract year.

Over the next month, CMS will be securing a contractor to support the LIS matching process. Using this contractor, CMS expects to obtain a file of LIS information from every plan, not only those plans receiving auto-enrollments, and to analyze the extent to which the plan's information is consistent with CMS. Under the contract, all Sponsors will eventually provide a file of LIS eligible individuals to CMS, and match rates will be calculated for each contract.

Please direct any questions about this memorandum to PartDMetrics@cms.hhs.gov, and put "LIS matching" in the subject line.

Please direct questions about the bi-weekly CMS LIS/Premium Report to MMAHelp@cms.hhs.gov.

Attachment I

Bi-Weekly Deemed LIS/Premium Report Data File

Field	Size	Position	Description
1. Claim Number	12	1 – 12	Beneficiary's Claim Account Number
2. Contract Number	5	13 – 17	Contract Identification Number
3. PBP Number	3	18 – 20	Beneficiary's Plan Benefit Package Identification Number, blank if none
4. Segment Number	3	21 - 23	Beneficiary's Segment Identification Number, blank if none
5. Run Date	8	24 - 31	Data File Generation Date, YYYYMMDD
6. Subsidy Start Date	8	32 - 39	Beneficiary's Subsidy Start Date, YYYYMMDD
7. Subsidy End Date	8	40 – 47	Beneficiary's Subsidy End Date, YYYYMMDD
8. Part D Premium Subsidy Percentage	3	48 – 50	Beneficiary's Low-Income Premium Subsidy Percent '100' = 100% Premium Subsidy '075' = 75% Premium Subsidy '050' = 50% Premium Subsidy '025' = 25% Premium Subsidy
9. Low-Income Co-Payment Level ID	1	51 – 51	Co-Payment Category Definitions: '1' = \$2/\$5 (High) '2' = \$1/\$3 (Low) '3' = \$0 (0) '4' = 15%
10. Beneficiary Enrollment Effective Date	8	52 – 59	Beneficiary's Enrollment Effective Date, Format: YYYYMMDD
11. Beneficiary Enrollment End Date	8	60 - 67	Beneficiary's Enrollment End Date, Format: YYYYMMDD Can be blank
12. Part C Premium Amount	8	68 – 75	Part C Premium Amount From Input Transaction, (----9.99)
13. Part D Premium Amount	8	76 – 83	Part D Premium Amount From Input Transaction, (----9.99)
14. Part D Late Enrollment Penalty Amount	8	84 - 91	Beneficiary's Part D Late Enrollment Penalty Amount, (----9.99)
15. LIS Subsidy Amount	8	92 - 99	Beneficiary's LIS Subsidy Amount, (----9.99)
16. LIS Penalty Subsidy Amount	8	100 - 107	Beneficiary's LIS Penalty Subsidy Amount, (----9.99)
17. Part D Penalty Waived Amount	8	108 - 115	Beneficiary's Part D Penalty Waived Amount, (----9.99)
18. Total Premium Amount	8	116 - 123	Total Calculated Premium for Beneficiary , (----9.99)
19. FILLER	155	124 – 278	Filler

(Attachment I cont.)

The data file pushed to the Plans is named:

P#MMA.@BGD5050.PLNxxxxx.YMyyyymm.Ddd.LISPRMD

To order the report from the MARX UI, Plans must select a frequency of weekly, enter a payment month start and end date of _ YYYYMMDD [the file layout has this date range format]_____ and then either:

1. Enter File Type of 'Data' and appropriate contract #, or
2. Do not enter File Type, but review the drop down list for Report/Data File for the LISPRMD report.

Attachment II

Table 1. LIS Beneficiary Match Rate Data Submission Layout

Contract ID	Number of Beneficiaries on CMS File (A)	Number of Beneficiaries LIS eligible on Plan File (B)	Number of Beneficiaries NOT LIS eligible on plan file (C)	Number of Beneficiaries NOT on Plan File (D)	Number of LIS Beneficiaries on Plan File and NOT on CMS File (E)	Number of LIS Matched Beneficiaries with Plan Copayment AND Premium equal to CMS Copayment AND Premium (F)	LIS Match Rate [F ÷ A] (G)	Number of LIS Matched Beneficiaries with Plan Copayment NOT equal to CMS Copayment AND/OR Plan Premium NOT equal to CMS Premium (H)	Number of LIS Matched Beneficiaries with Less Favorable Plan Copayment OR Less Favorable Plan Premium (I)	Number of LIS Matched Beneficiaries with More Favorable Plan Copayment OR More Favorable Plan Premium and NO Less Favorable Conditions (J)
Example	500	495	4	1	2	485	97.0%	10	3	7

Table 2. Premium/Copay Comparison Combinations for Table 1 Columns F through J [For Reference Only]

Column F (Match)		Column H (Do Not Match)		Column I (Less Favorable)		Column J (More Favorable)	
Premium	Copay	Premium	Copay	Premium	Copay	Premium	Copay
Plan = CMS	Plan = CMS	Plan < CMS	Plan < CMS	Plan < CMS	Plan > CMS	Plan < CMS	Plan < CMS
		Plan = CMS	Plan < CMS	Plan > CMS	Plan = CMS	Plan = CMS	Plan < CMS
		Plan < CMS	Plan = CMS	Plan > CMS	Plan > CMS	Plan < CMS	Plan = CMS
		Plan < CMS	Plan > CMS	Plan > CMS	Plan < CMS		
		Plan > CMS	Plan = CMS	Plan = CMS	Plan > CMS		
		Plan > CMS	Plan > CMS				
		Plan > CMS	Plan < CMS				
		Plan = CMS	Plan > CMS				

Notes:

1. [Column B] + [Column C] + [Column D] = [Column A] Files may be rejected if this requirement is not met. Column B requires that the plan determine the number of LIS beneficiaries on the CMS file that are found in their eligibility file that are identified as LIS eligible. Column C requires that the plan determine the number of LIS beneficiaries on the CMS file that are found in their eligibility file that are identified as not LIS eligible. Column D requires that the plan determine the number of LIS beneficiaries on the CMS file that are not found in their eligibility file.
2. Column E indicates the number of beneficiaries that the plan has identified as LIS eligible that were not able to be identified as LIS eligible on the CMS file.
3. [Column F] + [Column H] = [Column B] Files may be rejected if this requirement is not met. Column F is based on the LIS individuals on the both the CMS and plan files where both the plan and the CMS premium and copayment levels match. Column H is also based on the LIS individuals on the both the CMS and plan files, where the either the premium or the copay on the plan's file does not match those on the CMS file.
4. [Column I] + [Column J] = [Column H] Files may be rejected if this requirement is not met. Column I includes the count of LIS beneficiaries from Column H where the plan indicates a less favorable premium or copayment level than CMS indicates. Column J includes the count of LIS beneficiaries from Column H where the plan indicates a more favorable or equal premium or copayment level than CMS indicates. Please refer to Table 2 for the various CMS-to-plan comparison combinations for each column.

Attachment III

Instructions for Submitting LIS Match Rate to CMS

The schedule for plans receiving auto-enrollees:

<i>Date</i>	<i>Submission</i>
September 6, 2006	Match rate for August enrollees
September 20, 2006	Match rate for September enrollees
October 18, 2006	Match rate for October enrollees
November 22, 2006	Match rate for November enrollees
December 20, 2006	Match rate for December enrollees

Data for the LIS Match rate will be directly entered into the Health Plan Maintenance System (HPMS) as shown in Table 1 of Attachment II. The module for data submission will be available starting 08/31/06 and is accessible by selecting “Contract Management” and then “Part D Performance Metrics”. Detailed Technical Notes describing each column are available via a hyperlink on the LIS data entry page in HPMS.