



CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

DATE: July 19, 2006

Memorandum to: All Part D Plan Sponsors

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

Subject: Part D Sponsors 4Rx Data

The Center for Medicare and Medicaid Services (CMS) thanks you for your participation in the Part D prescription drug benefit program. In promoting the Administrator's vision on performance improvement, we are pleased to announce that Part D plan sponsors will now have the ability to view their data on the Part D 4Rx rates. These data will be shown on a new module in HPMS titled "4Rx Data" that will be accessible under the "Contract Management" section. Part D plan sponsors will be able to view only information for their current contracts on 4Rx data.

The metrics for this report are based on data received for the weeks of June 26 – July 2, 2006 and July 3, 2006 – July 9, 2006. Updates to this report are expected to occur weekly. Technical notes are also provided on HPMS which describe each of the columns in the report.

Each Part D sponsor is expected to have successfully submitted 4Rx data for at least 95% of their enrollees when CMS reviews the next set of data on August 1, 2006. Part D sponsors not meeting the 95% standard will be identified as outliers within HPMS and determined to be out of compliance with their obligation to process enrollment requests in a timely manner. CMS will require such sponsors to take corrective action to come into compliance with the 4Rx file submission requirement. Should your organization fail to take prompt corrective action, we may then determine that your failure to meet the 95% standard constitutes a substantial failure to carry out the terms of your Part D contract, including the requirement to provide benefits by means of a point of service system to adjudicate drug claims in a timely and efficient manner (42 CFR 423.505(b)(17)). As a result, CMS would consider imposing intermediate sanctions by suspending your organization's Medicare plan marketing and enrollment activities pursuant to 42 CFR Part 423, Subpart O. CMS may also have the authority to impose civil monetary penalties.

CMS believes that providing superior service is vital to the Part D program. Excellent performance in processing enrollment eligibility information helps to ensure access to the Part D

benefit and a high level of beneficiary satisfaction. This new information is designed to help Part D Sponsors determine if they are significant outliers based on the percent of their enrollees that have 4Rx data on file with CMS and its TrOOP Facilitator.

Again, thank you for your participation in the Medicare prescription drug benefit. If you have any questions or comments about the data please submit via email to PartDMetrics@cms.hhs.gov and put "4Rx Data" in the subject line.