



**CENTER FOR BENEFICIARY CHOICES**

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**DATE:** October 4, 2006

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

**FROM:** Abby L. Block, Director  
Center for Beneficiary Choices

**SUBJECT: Synchronization of Beneficiary Premium Withhold and Direct Bill Status**

This letter re-states our policy in regards to billing members who had requested that their plan premiums be withheld from their Social Security checks. As you know, there have been several ongoing premium issues that have occurred this year. Information was provided to you on these problems in an August 28, 2006, letter. It stated that about 65% of the issues had been resolved and that we expected the remaining issues to be corrected by the end of September.

CMS has sent these cases to the Social Security Administration (SSA) for cleanup. We will be sending a file to plans in order to synchronize your member billing status information with ours. In some instances, we have switched a member to direct bill as will be indicated in this file. This is for members where premiums have been withheld from Social Security checks, but their plans have not received them. The member will receive a refund by the end of October of the premiums withheld by SSA to date. The member should be contacted to request repayment by direct bill. Since the member received a full refund, he or she may want to pay the full amount at one time, but if he or she does not, you cannot require it. Note, in some rare cases, direct bill members may still erroneously have their premiums withheld from Social Security checks. They will be reimbursed by Social Security as soon as possible. If a member contacts you with this problem set up a special billing plan. CMS recommends allowing the member time to be reimbursed by SSA for these rare cases.

**Premium policy**

All enrolled Medicare plan members are entitled to the services of the plan, regardless of whether premium has been received by the plan on that member's behalf. Part D plan sponsors may not involuntarily disenroll members for non-payment of premiums until proper notice and procedure per 42 CFR 422.74(c) and (d) are followed (for MA plan enrollees) and per 42 CFR 423.44 (c) and (d) are followed (for PDP enrollees). Disenrollment for non-payment of premiums is optional to the plan, however a consistent policy must be followed related to all members of a plan. Also see Chapter 2, section 50.3.1 of the Medicare Managed Care Manual and section 40.3.1 of the PDP Guidance for additional information on optional involuntary disenrollments for failure to pay premiums.

Per 42 CFR §422.262(f) for Part C and 42 CFR §423.293(a) for Part D, the member is entitled to choose Social Security benefit withholding to pay their MA or Part D premiums. Therefore, if the member still wants premium withhold after these payment issues have been resolved through direct bill, the plan can request this on the member's behalf.

**Synchronization of member premium billing status**

We will issue a file indicating the billing status (direct bill or withhold) that plans should follow. The new output file -[D@MMA.SPCLTRR.FULLENRL.WITHHOLD.DT092606](#)- names will be in accordance with the standard naming convention used for the 'non-weekly/monthly' TRRs - the file name will reflect the date that the file is pushed to the plans, which will differentiate it from the weekly, monthly, or other special TRRs. Note that the withhold option code is now in position 157 (field 39), the TRC has been changed to '995', and the effective date is now present in position 85 (field 24.) The full file layout is attached.

If you have any questions about the information contained in this letter, you may contact your central office representative per the attached list.

cc: Mr. James Kerr, CMS  
Mr. Thomas E. Hutchinson, CMS  
Mr. David Lewis, CMS  
Ms. Cynthia Tudor, CMS  
Ms. Marla Kilbourne, CMS  
Ms. Julie Boughn, CMS  
RO HMO Coordinators  
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**ATTACHMENT A**  
**MARx Full Enrollment File with WH Option Code Data Record Layout**  
*As of 09.27.2006*

<b>Field</b>	<b>Size</b>	<b>Position</b>	<b>Description</b>
1. Claim Number	12	1 – 12	Claim Account Number
2. Surname	12	13 – 24	Beneficiary Surname
3. First Name	7	25 – 31	Beneficiary Given Name
4. Middle Name	1	32	Beneficiary Middle Initial
5. Sex Code	1	33	Beneficiary Sex Identification Code 0 = Unknown 1 = Male 2 = Female
6. Date of Birth	8	34 – 41	YYYYMMDD Format
7. Medicaid Indicator	1	42	Spaces
8. Contract Number	5	43 – 47	Plan Contract Number
9. State Code	2	48 – 49	Beneficiary State Code
10. County Code	3	50 – 52	Beneficiary County Code
11. Disability Indicator	1	53	Spaces
12. Hospice Indicator	1	54	Spaces
13. Institutional/NHC Indicator	1	55	Spaces
14. ESRD Indicator	1	56	Spaces
15. Transaction Reply Code	3	57 – 59	Transaction Reply Code Defaulted to '995' for withhold report
16. Transaction Type Code	2	60 – 61	Transaction Type Code Defaulted to '01' for special reports
17. Entitlement Type Code	1	62	Spaces
18. Effective Date	8	63 – 70	YYYYMMDD Format
19. WA Indicator	1	71	Spaces
20. Plan Benefit Package ID	3	72 – 74	PBP number
21. Filler	1	75	Spaces
22. Transaction Date	8	76 – 83	Set to Current Date (YYYYMMDD )
23. Filler	1	84	Spaces
24. Normally dependent on TR code	12	85 – 96	Effective date of withhold Option in Field 39
25. District Office Code	3	97 – 99	Spaces
26. Filler	8	100 – 107	Spaces
27. Filler	8	108 – 115	Spaces
28. Source ID	5	116 – 120	Spaces
29. Prior Plan Benefit Package ID	3	121 – 123	Spaces
30. Application Date	8	124 – 131	Spaces
31. Filler	2	132 – 133	Spaces

Field	Size	Position	Description
MMA fields start here:			MMCS Data file ended with position 133.
32. Out of Area Flag	1	134 – 134	Spaces
33. Segment Number	3	135 – 137	Default to '000' if blank
34. Part C Beneficiary Premium	8	138 – 145	Spaces
35. Part D Beneficiary Premium	8	146 – 153	Spaces
36. Election Type	1	154 – 154	Spaces
37. Enrollment Source	1	155 – 155	A = Auto Enrolled by CMS B = Beneficiary Election C = Facilitated Enrollment by CMS D = CMS Annual Rollover Space = not supplied
38. Part D Opt-Out Flag	1	156 – 156	Spaces
39. Premium Withhold Option/Parts C-D	1	157 – 157	Premium Withhold option code
40. Number of Uncovered Months	3	158 – 160	Spaces
41. Creditable Coverage Flag	1	161 – 161	Spaces
42. Employer Subsidy Override Flag	1	162 – 162	Spaces
43. Rx ID	20	163 – 182	Spaces
44. Rx Group	15	183 – 197	Spaces
45. Secondary Drug Insurance Flag	1	198-198	Spaces
46. Secondary Rx ID	20	199 – 218	Spaces
47. Secondary Rx Group	15	219 – 233	Spaces
48. EGHP	1	234 - 234	Spaces
49. Part D Low-Income Premium Subsidy Level	3	235 – 237	Part D low-income premium subsidy category: '000' = No subsidy (default for blank) '025' = 25% subsidy level, '050' = 50% subsidy level, '075' = 75% subsidy level, '100' = 100% subsidy level
50. Low-Income Co-Pay Category	1	238 – 238	Definitions of the co-payment categories: '0' = none, not low-income (default for blank) '1' = \$2/\$5 (High) '2' = \$1/\$3 (Low) '3' = \$0 (0) '4' = 15%
51. Low-Income Co-Pay Effective Date	8	239 - 246	YYYYMMDD Format
52. Part D Late Enrollment Penalty Amount	8	247 - 254	Spaces

Field	Size	Position	Description
53. Part D Late Enrollment Penalty Waived Amount	8	255 - 262	Spaces
54. Part D Late Enrollment Penalty Subsidy Amount	8	263 - 270	Spaces
55. Low-Income Part D Premium Subsidy Amount	8	271- 278	

**ATTACHMENT B  
CENTRAL OFFICE CONTACT LIST**

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