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

CENTER FOR BENEFICIARY CHOICES

November 20, 2006

Memorandum to: Selected Prescription Drug Plan Sponsors

Subject: Coordination with Medicare Health Support Organization

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

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established chronic care improvement organizations (now known as Medicare Health Support Organizations ("MHSO")) under §1807 of the Social Security Act ("SSA"). Under the Centers for Medicare & Medicaid Services' (CMS) Part D regulation at 42 CFR §423.153(d)(4), Prescription Drug Plan sponsors are required to coordinate with any care management plan established for a targeted individual under §1807 of the SSA. This coordination includes the sharing of Part D plan claim information with MHSOs.

In an effort to assist plan sponsors with this requirement, in addition to carrying out the provisions of §1807 of the Act, CMS is prepared to send prescription drug event data on your behalf to MHSOs. To that end, we have prepared the attached Business Associate Agreement (see Attachment 3). We strongly encourage plan sponsors to sign the attached Business Associate Agreement so that CMS may share prescription drug event data with the appropriate MHSO(s). Please be certain that the Business Associate Agreement is signed by a plan sponsor official able to bind the plan sponsor. Please also be certain to place the name of your Prescription Drug Plan sponsor in the definition of "Covered Entity" in the Business Associate Agreement. As a note, the information to be disclosed focuses on utilization data and not drug cost data. Please see the definition of "prescription drug event data" in the attached Business Associate Agreement.

We note that Part D sponsors that fail to sign the attached Business Associate Agreement will still be bound to exchange certain information with the MHSOs. Thus, Part D sponsors that fail to execute the Business Associate Agreement will be required to provide the requisite prescription drug event data directly to the appropriate MHSO(s), which includes an initial step where each PDP sponsor must provide retrospective information to each MHSO with monthly updates required thereafter.

Please note that no changes will be made to the Business Associate Agreement and CMS will view the plan sponsors as having executed an original (unmodified) version of the Agreement upon return of an executed Agreement. Please return the executed Business Associate Agreement to CMS, via PartDBenefitImpl@cms.hhs.gov, by 5:00 pm EST, Monday, December 4, 2006. Also, to ensure accurate tracking of responses, on the subject line of the email, enter

the following information: <Contract Number(s)> - MHSO Business Associate Agreement. If the email applies to one, two, or three contract numbers, show all contract numbers on the subject line. If the email applies to more than three contract numbers, show only the lowest contract number and specify the number of other contract numbers to which the email applies. For example, if the email applies to seven contract numbers, the subject line would be "S0001 and 6 others- MHSO Business Associate Agreements". Please then include all of the contract numbers to which the Business Associate Agreement applies within the body of the email.

We expect that if you fail to sign the attached Business Associate Agreement the regulatory requirement to exchange data with MHSOs will occur as follows:

- Each MHSO will send an encrypted finder file to each relevant PDP sponsor containing only those MHSO beneficiaries that are, or have been previously, enrolled in that PDP.

- Upon receipt of the encrypted finder file, the PDP sponsor will provide the relevant MHSO encrypted PDE data on all targeted beneficiaries, in the finder file, using the attached file layout (see Attachment 1). The encrypted PDE data will be provided in separate monthly files for each month from January 2006 through the most recent complete month. This set of monthly PDE data will be provided to each MHSO within four weeks of the PDP receiving the initial finder file.

- Subsequent to the initial PDE data request, each MHSO will send a monthly encrypted finder file to each relevant PDP sponsor containing only those MHSO beneficiaries that are, or have been, enrolled in the relevant PDP so that the PDP may then provide a monthly update to the MHSO.

- Each PDP sponsor will provide to each MHSO the most recent complete month's encrypted PDE on all targeted beneficiaries, included in the monthly finder file, in the attached file format, within four weeks of receiving the monthly finder file from the applicable MHSO(s). The encrypted files should be forwarded to the appropriate MHSO on CD via common carrier, or via other secure means which the MHSO is able to receive. If you do not wish to forward the encrypted data via common carrier, please contact the applicable MHSO(s) to determine the most appropriate means of forwarding the PDE data. Attached is a contact at each MHSO.

- If transmitted electronically, the prescription drug event data must be transmitted over a secure connection. Regardless of how the encrypted information is forwarded to the MHSO, you must comply with all applicable privacy and security laws. For plan sponsors that do not execute the attached Business Associate Agreement, if there are issues with the transmission of information, the issues must be resolved between the plan sponsor and the particular MHSO. Furthermore, CMS will be monitoring any complaints relating to plan sponsors' compliance with this reporting requirement.

Finally, we will be providing each MHSO with the medication therapy management program contact person for your plan (see Attachment 2). We expect that MHSOs will contact your plan if they have additional question involving coordination of care.

To assist plan sponsors, CMS will discuss this issue on the November 29, 2006 Parts C and D User Group Call. Otherwise, please feel free to contact your account manager if you have additional questions on this letter.

Attachments

Attachment 1

PDE File Layout for MHSO

Field #	Field Name	Position	Format	Length	Description/Value
1	FILLER	1 – 50	Alphanumeric	50	SPACES
2	ADJUSTMENT DELETION CODE	51 – 51	Alphanumeric	1	A = Adjustment D = Deletion Blank = Original PDE C = Credit
3	DISPENSING STATUS CODE	52 – 52	Alphanumeric	1	Blank = Not Specified 'P' = Partial Fill 'C' = Completion of Partial Fill
4	RX CLAIM CONTROL NUMBER	53 – 92	Alphanumeric	40	A number assigned by the Plan to identify the prescription drug event
5	RX CARDHOLDER IDENTIFIER	93 – 112	Alphanumeric	20	Plan identification of the enrollee. Assigned by plan.
6	RX SERVICE REFERENCE NUMBER	113 – 121	Numeric	9	The field length is 9 to accommodate proposed future NCPDP standard. Under 5.1, right justify and fill with 2 leading zeros. When plans compile PDEs from non-standard formats, the plans must assign a unique reference number if necessary. A reference number must be unique for any DOS and Service Provider ID combination.
7	RX SERVICE DATE (DOS)	122 – 129	Numeric	8	CCYYMMDD
8	FILL NUMBER	130 – 131	Numeric	2	Values = 0 - 99. If unavailable, use 0.
9	HEALTH INSURANCE CLAIM NUMBER (HICN)	132 – 151	Alphanumeric	20	Medicare Health Insurance Claim Number (HICN) or Railroad Retirement Board (RRB) number.
10	FILLER	152 – 153	Alphanumeric	2	SPACES
11	PATIENT DATE OF BIRTH (DOB)	154 – 161	Numeric	8	CCYYMMDD
12	PATIENT GENDER	162 – 162	Numeric	1	1 = M 2 = F Unspecified or unknown values are not accepted.
13	FILLER	163 – 184	Alphanumeric	22	SPACES

Field #	Field Name	Position	Format	Length	Description/Value
14	COMPOUND CODE	185 – 185	Numeric	1	0 = Not a compound 1 = Compound (single) 2 = Compound (multiple)
15	DISPENSE AS WRITTEN (DAW) PRODUCT SELECTION CODE	186 – 186	Alphanumeric	1	0 = No Product Selection Indicated 1 = Substitution Not Allowed by Prescriber 2 = Substitution Allowed - Patient Requested Product Dispensed 3 = Substitution Allowed - Pharmacist Selected Product Dispensed 4 = Substitution Allowed - Generic Drug Not in Stock 5 = Substitution Allowed - Brand Drug Dispensed as Generic 6 = Override 7 = Substitution Not Allowed - Brand Drug Mandated by Law 8 = Substitution Allowed - Generic Drug Not Available in Marketplace 9 = Other
16	QUANTITY DISPENSED	187 – 196	Amount 9(7)V999	10	Number of units, grams, milliliters, other. If compounded item, total of all ingredients will be supplied as Quantity Dispensed. Partial fill quantities should be submitted for the prescribed quantity. The co-pay should be collected in full and the remaining quantity should be provided to the beneficiary as soon as possible.
17	FILLER	197 – 197	Alphanumeric	1	SPACE
18	DAYS SUPPLY	198 – 200	Numeric	3	0 – 999
19	CATASTROPHIC COVERAGE CODE	201 – 201	Alphanumeric	1	A = Attachment Point C = Above Attachment Point Blank = Attachment Point Not Met
20	NON-STANDARD FORMAT CODE	202 – 202	Alphanumeric	1	Format of claims originating in a non-standard format. X = X12 837 B = Beneficiary submitted claim P = Paper claim from provider Blank = NCPDP electronic format
21	PAID DATE	203 – 210	Numeric	8	CCYYMMDD. The date the plan paid the pharmacy for the prescription drug.

Field #	Field Name	Position	Format	Length	Description/Value
22	RX PRICE EXCEPTION CODE	211 – 211	Alphanumeric	1	An indicator to identify claims where normal pharmacy/plan pricing agreements are not applicable. Examples include out-of-network pharmacies, situations where Medicare is not the primary payer, etc. Values: M - Medicare is a Secondary Payer O - Out of Network Pharmacy Blank - No data available
23	DRUG COVERAGE STATUS CODE	212 – 212	Alphanumeric	1	Coverage status of the drug under part D and/or the PBP. C = Covered E = Supplemental drugs (reported by Enhanced Alternative plans only) O = Over-the-counter drugs
24	PRODUCT SERVICE ID	213 – 231	Alphanumeric	19	NDC, HRI or UPC codes. Fill the first 11 positions, no spaces or hyphens, followed by 8 spaces. Format is NNNNNDDDDPP. DDPS will reject the following billing codes for compounded legend and/or scheduled drugs: 99999999999, 99999999992, 99999999993, 99999999994, 99999999995, 99999999996.
25	SERVICE PROVIDER ID	232 – 246	Alphanumeric	15	When plans report Service Provider ID Qualifier = '99' - Other, populate Service Provider ID with the default value PAPERCLAIM defined for TrOOP Facilitation Contract. When plans report Federal Tax Number (TIN), use the following format: ex: 999999999 (do not report embedded dashes).
26	SERVICE PROVIDER ID QUALIFIER	247 – 248	Alphanumeric	2	The type of pharmacy provider identifier used in field 13. '01' = National Provider Identifier (NPI) '06' = UPIN '07' = NCPDP Number '0'8 = State License '11' = Federal Tax Number (TIN or EIN) '99' = Other Values of '06', '08', '11', or '99' only acceptable if non-standard format = B, X or P.

Field #	Field Name	Position	Format	Length	Description/Value
27	PRESCRIBER ID	249 – 263	Alphanumeric	15	Prescriber DEA number or State License Number. CMS will use NPI in this field when the NPI is implemented. Covered entities must comply by May 24, 2007. Small plans must comply by May 24, 2008.
28	PRESCRIBER ID QUALIFIER	264 – 265	Alphanumeric	2	The type of Prescriber identifier used in field 22. 01 = National Provider Identifier (NPI when implemented) 06 = UPIN 08 = State License Number 12 = Drug Enforcement Administration (DEA) number
29	FILLER	266 – 273	Alphanumeric	8	SPACES
30	Plan Contract Number	274 – 278	Alphanumeric	5	A unique number assigned by CMS to the Contract between CMS and an organization that offers prescription drug coverage under a plan.
31	Plan Benefit Package Number	279 – 281	Alphanumeric	3	A unique number assigned to identify a specific prescription drug plan within a Contract

Attachment 2

CCIO AWARDEE CONTACTS FOR EXTERNAL PARTIES

1. HUMANA, INC.:
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6. HEALTH DIALOG:
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