

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Beneficiary Choices  
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**CENTER FOR BENEFICIARY CHOICES**

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**DATE:** May 4, 2007

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

**FROM:** Thomas E. Hutchinson  
Director, Medicare Plan Payment Group

**SUBJECT: Status of 2006 Premium Withholding Reconciliation**

During coverage year 2006 some beneficiaries in Social Security premium withholding status had incorrect amounts taken out of their benefit. In other cases correct amounts were withheld, but not forwarded in the CMS monthly plan payment. CMS previously noted the need for a complete beneficiary level reconciliation of premium amounts withheld from Social Security benefits in our January 26, 2007 memorandum to plans on premium withholding cleanups. We are taking this opportunity to update you on the progress of that effort.

To date, CMS has conducted a preliminary examination comparing the following: 1) “Expected Withholding” information extracted from MARx Premium Profile table; 2) “Actual Withholding” information loaded from the 2006 Social Security Administration monthly actual withholding files; and 3) “Paid information” from the Monthly Premium Withholding Extract (MPWE) files used to pay the plans. It was determined that the results of this analysis would be substantively impacted by the Enrollment Reconciliation described in more detail elsewhere.<sup>1</sup> Accordingly, CMS will wait until the 2006 Enrollment Reconciliation is complete before initiating the 2006 Premium Withholding Reconciliation (PWR). CMS will issue additional guidance on the PWR once our final analysis is complete.

Questions or comments should be addressed to either Mark Newsom at 410-786-3198 [mark.newsom@cms.hhs.gov](mailto:mark.newsom@cms.hhs.gov) or Bobbie Knickman at 410-786-4161 [bobbie.knickman@cms.hhs.gov](mailto:bobbie.knickman@cms.hhs.gov)

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<sup>1</sup> See guidance release available online at:  
[http://www.cms.hhs.gov/PrescriptionDrugCovContra/downloads/MemoEnrollmentReconUpdate\\_03.06.07.pdf](http://www.cms.hhs.gov/PrescriptionDrugCovContra/downloads/MemoEnrollmentReconUpdate_03.06.07.pdf)