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DATE: June 20, 2007

TO: All Medicare Advantage, Prescription Drug Plan, Cost, PACE, and Demonstration Organizations Systems Staff

FROM: Thomas Hutchinson /s/
Director, Medicare Plan Payment Group

SUBJECT: Summary of 2006 Enrollment Reconciliation Communications

On May 25, 2007, CMS announced plans to transmit a special transaction reply report (TRR) and a special Full Enrollment File reflecting the results of this spring's enrollment reconciliation process. That memo, entitled "Coverage Year 2006 Enrollment Reconciliation," was distributed to Plans via the Health Plan Management System (HPMS). This note provides a summary of the follow-up information that has been sent out through the MMA Help desk to plans and submitters.

- During the enrollment reconciliation processing, the effective date was changed for some of the enrollment transactions before submitting them to MARx. Prior to this change in the effective date, some beneficiaries were changed from premium withhold status (as submitted by the Plan) to direct bill status as part of the enrollment reconciliation process. This latter step in processing resulted in transaction reply code (TRC) 606 being generated. Plans were advised that the effective date on the TRC 606 was incorrect in some cases; to be certain that the correct effective date is utilized when setting a beneficiary to direct bill status in Plan systems, Plans were directed to disregard the effective date on those TRC 606 records and instead use the effective date on the associated TRC 607-610.
- A small number of transactions failed during the editing process, and were not included on the enrollment reconciliation TRR. A separate Failed Transaction Data File was distributed on June 7, 2007. This communication included a note to Third Party Administrators advising that they would receive a single Failed Transaction Data File which would consolidate records for all Plans represented.
- Due to enrollment reconciliation processing issues, CMS was unable to process a limited number of transactions in the first enrollment reconciliation process. Plans were notified that these transactions were pending in the CMS system and would be processed in the near future, and that CMS would provide more detail to Plans

as it became available. At present, more than half of the pended transactions have been successfully processed and a new full enrollment file was distributed on June 8, 2007 to reflect the results of that processing. On June 8, 2007, after distribution was complete, two plans reported a previously unknown issue with the enrollment file related to end dates in 2007. CMS subsequently corrected this issue and released a revised file on June 11, 2007. Plans were provided several examples of data that could be expected on the second replacement special Full Enrollment File including the following:

- The file could contain an enrollment period for a beneficiary with an effective date of March 1, 2005 through August 1, 2006;
 - The file would also contain an enrollment period for the same beneficiary if he/she re-enrolled in the Plan effective December 1, 2006 through to present; and
 - If a beneficiary enrolled in the Plan in 2005 and subsequently disenrolled in 2005, then re-enrolled in 2006 and is still actively enrolled in the Plan, only the 2006 enrollment was contained on the file.
- Some transactions on the June 1, 2007 special TRR incorrectly received enrollment reconciliation TRC 602 (No discrepancy) when a period of discrepancy remained. Plans were advised that CMS had analyzed these transactions and identified several situations where transactions incorrectly received TRC 602. As a result of reprocessing, some of these transactions were adjusted to reflect a TRC 605 (Recon transaction denied). For other transactions, CMS assigned a new transaction code, TRC 611 (No Discrepancy in 2006). This new rejection TRC indicates an enrollment or PBP change transaction (60, 61 or 71) attempted to process. The submitted transaction rejected because there is no discrepancy in CY2006; however a discrepancy does exist in another contract. Plans were directed to refer to the replacement Full Enrollment File to determine the beneficiary's current status, and to work through the established retroactive process with CMS to correct non-calendar year (CY) 2006 discrepancies.
 - A small number of transactions on the June 1, 2007 special TRR incorrectly reflected a TRC 014 (Disenrollment due to enrollment in another plan) or TRC 015 (Enrollment canceled). On the replacement TRR, these transactions were corrected to reflect enrollment reconciliation TRC 604 (Disenrollment).
 - A problem with plan benefit package (PBP) changes, transaction type 71, occurred during the enrollment reconciliation processing. As part of the processing, CMS erroneously generated TRC 600, 602, 605 and 611 for some Plan-submitted 71 transaction types. Some of the TRCs noted were correct. Plans were notified that CMS would reprocess these transactions and execute the PBP changes whenever possible as part of the processing following the resubmission from Plans. Plans were advised that they did not need to resubmit these transactions. In addition, some Plans erroneously submitted a type 61 transaction for a beneficiary already enrolled in that contract. This error caused the

transaction to reject with TRC 602 and TRC 039 was generated. Plans were advised that CMS would attempt to include those transactions as type 71 transactions during reprocessing.

- Some type 71 transactions were rejected with TRC 102 - rejected, invalid or missing application date. CMS determined that the application date submitted by the Plan on these transactions was valid; however, these transactions should have rejected with TRC 106 and another transaction received with a later application date. Plans were advised to treat these transactions as a standard rejection and review the replacement Full Enrollment File to confirm the status of the beneficiary.

Plans were advised to reference several communications on the MMA Help website (<http://www.cms.hhs.gov/MMAHelp/PC/list.asp#TopOfPage>) for additional information about the Enrollment Reconciliation response files.

In addition, this communication advised Plans to direct questions on how to interpret data on the special enrollment reconciliation Full Enrollment File or TRR to their CMS Regional Health Insurance Specialist in the Division of Payment Operations (DPO); contact information is provided as Attachment A. For all other questions or concerns, Plans were directed to contact the MMA Help Desk at 1-800-927-8069 or MMAHelp@cms.hhs.gov

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