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

DATE: August 5, 2015

TO: States Pursuing Capitated Models under Financial Alignment Initiative

FROM: Sharon Donovan
Director, Program Alignment Group, Medicare-Medicaid Coordination Office

Arrah Tabe-Bedward
Director, Medicare Enrollment & Appeals Group, Center for Medicare

SUBJECT: Coordinating State Passive Enrollment with Medicare Prescription Drug Plan Reassignment for January 2016

As provided in section 30.1.4.H of the Medicare-Medicaid Plan (MMP) Enrollment Guidance, beneficiaries may only be passively enrolled or reassigned once per calendar year. This memorandum provides additional information on coordinating their passive enrollment activities with Medicare's annual reassignment process for States implementing demonstrations under the Medicare-Medicaid capitated financial alignment model.

Background on Medicare's Annual Reassignment

Each year, CMS reassigns certain low income beneficiaries who were previously automatically enrolled by CMS into a new Medicare prescription drug plan (PDP) to ensure they continue to pay "zero" monthly premium for their prescription drug coverage in the following plan year. Additionally, CMS reassigns certain low income beneficiaries to a PDP to prevent drug coverage disruptions, i.e., low income beneficiaries enrolled in a terminating Medicare Advantage (MA) plan, a terminating Medicare-Medicaid Plan (MMP), or a PDP; or enrolled in an MA plan that is reducing its service area at the end of the year.

The annual reassignment process occurs in mid-October each year, at which time CMS sends a file to States identifying who has been reassigned in their State. At the same time, CMS also notifies beneficiaries of the plan to which they are being reassigned and their other plan options. The effective date of reassignment into a new PDP is the following January 1st.

For States scheduling passive enrollment into an MMP **effective January 1, 2016**

States may conduct an annual passive enrollment process for individuals newly eligible or re-eligible for MMP enrollment. This also includes the following groups of individuals who become re-eligible for passive enrollment in the new calendar year:

- Those who were involuntarily disenrolled from an MMP during the previous calendar year, e.g., due to short term loss of Medicaid;
- Those who were reassigned by CMS to a PDP effective January of the current calendar year and have not otherwise opted out of passive enrollment in prior years; or
- New dually eligible individuals auto-enrolled by CMS to a PDP effective any month in current calendar year.

In addition, States still phasing in passive enrollment of existing Medicare-Medicaid enrollees may have a round of passive enrollment scheduled for January 1, 2016.

The annual reassignment is considered auto-enrollment or passive enrollment. Individuals being enrolled in an MMP cannot have been passively enrolled within the same calendar year. States scheduling passive enrollment for a January 1, 2016, effective date should follow the steps below to ensure that passive enrollments "trump" Medicare reassignments for the same person.

August – By August 21, 2015, States interested in having passive enrollment "trump" reassignment for a January 1, 2016, effective date should notify MMCO Enrollment (MMCOEnrollment@cms.hhs.gov). Please include the name and contact information of the individual in your State who will have responsibility for receiving the September file (see next item) from CMS.

September – No later than September 4, 2015, CMS will provide States scheduling passive enrollment for a January 1, 2016, effective date a preliminary list of the beneficiaries identified for reassignment (also targeted to be effective January 1, 2016). The list will provide:

- Beneficiary Health Insurance Claim Numbers (HICNs);
- Beneficiary Social Security Number;
- Beneficiary first name, last name, middle initial;
- Date of Birth; and
- Gender code.

States must match this list against those beneficiaries they intend to passively enroll for any effective date from January through December 2016. If a beneficiary is going to be reassigned by CMS for a January 1, 2016, effective date and a State also plans on passive enrollment for that beneficiary into an MMP as of January 1, 2016, the State must include the appropriate passive enrollment transaction in the State's CMS file submission for MMP passive enrollment in October 2016. Additional details on the October 2016 submission timeframe are discussed below.

If a beneficiary is going to be reassigned by CMS for coverage beginning on January 1, 2016, and a State plans on passive enrollment for that beneficiary into an MMP effective for a month after January 1, 2016, the State must either:

(1) "Move up" the passive enrollment of that beneficiary to be effective January 1, 2016, and include the transaction in the October 2015 submission, or;
(2) Wait to passively enroll the beneficiary until calendar year 2017.

For example, for a beneficiary who is scheduled to be passively enrolled into an MMP effective April 1, 2016, the State must either move its passive enrollment effective date up to January 1, 2016, or delay passive enrollment of the beneficiary until January 2017 at the earliest. Passive enrollment transactions can be submitted only for Medicare beneficiaries who, at the time the transaction is submitted, meet the criteria of the given State's demonstration for January 1, 2016.

Once a State receives the preliminary list of beneficiaries identified for reassignment and identifies the beneficiaries to be passively enrolled by applying the requirements above, the State can begin working with InfoCrossing, Inc., to prepare their enrollment submissions to CMS. Transactions may only be submitted during the October submission window discussed next.

October – States must submit all January 1, 2016 passive enrollment transactions (via InfoCrossing) to CMS no earlier than October 5, 2015 6:00 a.m. Eastern Daylight Time (EDT) and no later than October 9, 2015, at 5:00 p.m. (EDT). States are strongly encouraged to ensure that all January 1, 2016, passive enrollment transactions are submitted early in this submission window. Doing so will allow time for the States to work with InfoCrossing, to re-submit corrected records, when appropriate, should any transactions reject or fail. Please note that corrections may not include changes to the required data elements for passive enrollment, such as the application date value (discussed below). All submissions must be successfully received by CMS systems before 5:00 p.m. (EDT), on October 9, 2015.

States must ensure that all passive enrollment transactions are accurately populated with the required data elements for passive enrollment. In particular, the application date on each of the passive enrollment transactions to take effect January 1, 2016 must be the date of the transaction submission to InfoCrossing, and the enrollment source code value must be set to "J". Applying these data elements will allow subsequent beneficiary elections to be respected. CMS may reject or cancel passive enrollment transactions that fail to adhere to all of the required data elements.

On or around October 19, 2015, CMS will send all States the list of individuals who are confirmed reassigned effective January 1, 2016 (see Attachment) to a PDP plan. The State must not schedule passive enrollment for anyone on this list until an effective date of January 1, 2017.

For States that conduct passive enrollment for effective dates after January 1, 2016 (non-January effective dates)

As noted above, States must exclude beneficiaries from passive enrollment who have been reassigned to a Medicare PDP effective January 1, 2016. Each year, CMS completes the annual reassignment process around mid-October and routinely shares with States a list of all beneficiaries who received the blue reassignment letter in their State to facilitate any inquiries the State might receive from beneficiaries (see Attachment for file layout). CMS is tentatively

scheduled to send this file through its normal process to States on October 19, 2015. This file must be used for purposes of identifying individuals who need to be excluded from passive enrollment for calendar year 2016. However, we realize State demonstration staff may not be aware of who in the State receives the file. Please contact MMCO Enrollment at MMCOEnrollment@cms.hhs.gov to obtain this information.

MMP Passive Enrollment Coordination with CMS Reassignment – Process Summary

The table below summarizes the steps and the process to coordinate MMP Passive Enrollment activity with CMS reassignment.

Date	CMS Action	State Action
August 21		State notifies MMCO of interest in having passive enrollment for January 2016 "trump" reassignment, including contact for September file.
September 4	CMS provides the preliminary list of re-assignees to States.	States match their passive enrollment population to this list.
September		States begin preparing passive enrollment transaction files, including the beneficiaries identified on the preliminary list of re-assignees, for passive enrollments with January 1, 2016 enrollment effective dates. States will work with InfoCrossing to prepare the enrollment transaction files.
October 5 – 9 (no later than 5:00 p.m. EDT)		States submit January 1, 2016 effective date passive enrollment transactions to InfoCrossing.
	CMS processes State files as received and provides responses.	States review CMS' responses to submitted transactions and resubmit corrections as needed.
October 19 (tentatively)	CMS provides States with the final list of beneficiaries who have been reassigned.	
Going forward through 2016		States use the final list of CMS reassigned beneficiaries to prevent passive enrollment during calendar year 2016.

Additional Information

We will continue to send any updates as we receive further information and provide technical assistance to successfully coordinate passive enrollment with the CMS annual reassignment process. If you have any questions, please contact MMCOCapsmodel@cms.hhs.gov.

Attachment: File Layout for the Annual Reassignment File to States, Sent Each October

(where "x" can be "H" for header and "T" for trailer)

Table 1: Re-Assignment State Response Files - Header Record

Data Field	Length	Position	Format	Valid Values
Header Code	8	1 … 8	CHAR	'SRA' for re-assign State notification file.
Sending Entity	8	9 … 16	CHAR	'CMS ' (CMS + 5 spaces)
File Creation Date	8	17 … 24	CHAR	CCYYMMDD Date file was created.
File Control Number	9	25 … 33	CHAR	Spaces
Filler	767	34 … 800	CHAR	Spaces

Record Length = 800

Table 2: Re-Assignment State Response Files - Detail Record

Data Field	Length	Position	Format	Valid Values
Record Type	3	1 … 3	CHAR	'DTL'
Beneficiary's Health Insurance Claim	12	4 … 15	CHAR	
Beneficiary's SSN	9	16 … 24	CHAR	Filled with Spaces if the SSN is not present.
Representative Payee Name	44	25 … 68	CHAR	
Beneficiary's First Name	12	69 … 80	CHAR	
Beneficiary's Middle Name	1	81 … 81	CHAR	
Beneficiary's Last Name	28	82 … 109	CHAR	Last name starts in position 83 if a middle initial is present. Last names that exceed the length will have the last characters dropped.
Beneficiary's Address Line 1	40	110 … 149	CHAR	Filled with the Address
Beneficiary's Address Line 2	40	150 … 189	CHAR	Filled with the Address, if available.
Beneficiary's Address Line 3	40	190 … 229	CHAR	Filled with the Address, if available.
Beneficiary's Address Line 4	40	230 … 269	CHAR	Filled with the Address, if available.
Beneficiary's Address Line	40	270 … 309	CHAR	Filled with the

Data Field	Length	Position	Format	Valid Values
5				Address, if available.
Beneficiary's Address Line 6	40	310 … 349	CHAR	Filled with the Address, if available.
Beneficiary's City	26	350 … 375	CHAR	Filled with the City
Filler	1	376 … 376	CHAR	Spaces
Beneficiary's State	2	377 … 378	CHAR	Filled with the State Code
Filler	1	379 379	CHAR	Spaces
Beneficiary's Zip Code	10	380 … 389	CHAR	Filled with the Zip Code
Beneficiary's Next Year's Organization Marketing Name	50	390 … 439	CHAR	
Beneficiary's Next Year's Plan Name	50	440 … 489	CHAR	
Beneficiary's Next Year's Plan Member Services Toll-Free Number	18	490 … 507	CHAR	
Beneficiary's Next Year's Plan Web Address	50	508 … 557	CHAR	
Beneficiary's LIS Subsidy Co-Payment Category	1	558 … 558	CHAR	1 - high co-pay 2 - low co-pay 3 - no co-pay 4 - 15%
Beneficiary's Next Year's Assign Effective Date	8	559 … 566	NUMERIC	CCYYMMDD
Beneficiary's Part D Premium Subsidy Percentage	3	567 … 569	CHAR	'100', '075', '050', or '025'
Beneficiary's PDP Region ID Code	2	570 … 571	NUMERIC	
Beneficiary's Current Year's Organization Name	50	572 … 621	CHAR	
Beneficiary's Current Year's Plan Name	50	622 … 671	CHAR	
Beneficiary's Current Year's Plan Member Services Toll-Free Number	18	672 … 689	CHAR	
Beneficiary's Current	6	690 … 695	DECIMAL	

Data Field	Length	Position	Format	Valid Values
Year's Plan Premium Liability				
Filler	8	696 … 703	NUMERIC	Zero
Beneficiary's Next Year's Contract Number	5	704 … 708	CHAR	
Beneficiary's Next Year's PBP Number	3	709 … 711	CHAR	
Beneficiary's Current Year's Contract Number	5	712 … 716	CHAR	
Beneficiary's Current Year's PBP Number	3	717 … 719	CHAR	
Beneficiary's Next Year's Plan Premium Liability	6	720 … 725	DECIMAL	Used when the premium is increasing, decreasing, or remaining the same amount that is above the benchmark for the following year. Contains next year's premium for the current plan.
Filler	75	726 … 800	CHAR	Spaces

Record Length = 800

Table 3: Re-Assignment State Response Files - Trailer Record

Data Field	Length	Position	Format	Valid Values
Trailer Code	8	1 … 8	CHAR	'TRL' for re-assign State notification file.
Sending Entity	8	9 … 16	CHAR	'CMS ' (CMS + 5 spaces)
File Creation Date	8	17 … 24	CHAR	CCYYMMDD Date file was created.
File Control Number	9	25 … 33	CHAR	Spaces
Record Count	9	34 … 42	NUMERIC	Right justified. Count = Number of detail records.
Filler	758	43 … 800	CHAR	Spaces

Record Length = 800