

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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**Medicare Plan Payment Group**  
**Enterprise Systems Solutions Group**

**DATE:**           **October 23, 2015**

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

**FROM:**          Cheri Rice /s/  
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**SUBJECT:**   **Advance Announcement of the February 2016 Software Release**

The Centers for Medicare and Medicaid Services (CMS) continues to implement software improvements to the enrollment and payment systems that support Medicare Advantage and Prescription Drug (MAPD) programs. This letter provides advanced information regarding the planned release of systems changes scheduled for February 2016. This release focuses on improving the efficiency of CMS systems as well as Plan processing.

The February 2016 Release changes will include the following:

1. [Adding the Common Working File \(CWF\) Occurrence Number to the Medicare Secondary Payer \(MSP\) File](#)
2. [Late Enrollment Penalty Report \(LEPR\) Enhancements](#)
3. [Medicare Savings Account \(MSA\) Deposit Report](#)
4. [Medicare Advantage Prescription Drug System \(MARx\) Agent Broker Compensation Report](#)
5. [Eligibility for Enrollment and Involuntary Disenrollment Due to Unlawful Presence Status](#)

In November 2015, CMS intends to provide the detailed information that Plans will require for implementation in February 2016.

### **1. Adding the Common Working File (CWF) Occurrence Number to the Medicare Secondary Payer (MSP) File**

To assist Plans in submitting corrections to the coordination of benefits contractor (COBC), the occurrence numbers associated with specific MSP periods in the CWF will be populated to the monthly MSP file.

The CWF Occurrence Number field is currently included on the MSP file; but it contains spaces. It will be populated beginning with the file created at the end of March 2016 for April 2016 payment.

### **2. Late Enrollment Penalty Report (LEPR) Enhancements**

In order to improve the accuracy of the data on the LEPR and to improve the ability of Plans to reconcile LEP data, the following enhancements are being implemented.

Effective with the April 2016 payment, MARx will use the same source to populate the LEPR and the payment request files. This change will eliminate inconsistencies between the LEP data on the Plan payment report and on the LEPR.

In addition, a cleanup identifier, similar to that used on the Monthly Membership Report (MMR), will be added to the LEPR. This identifier will allow Plans to track LEP records involved in premium cleanups.

### **3. Medicare Savings Account (MSA) Deposit Report**

Effective April 2016 payment, CMS will create a new Medicare Savings Account (MSA) deposit report and remove the Medicare Savings Account (MSA) deposit fields from the MMR. The MSA deposit report will provide Plans in the MSA program the ability to reconcile and identify the MSA deposit amounts paid to the Plans for participating beneficiaries.

### **4. Medicare Advantage Prescription Drug System (MARx) Agent Broker Compensation Report**

This section provides advance notice to Medicare Advantage, Prescription Drug Plan Sponsors, Section 1876 Cost Plans, and Medicare-Medicaid Plans regarding the planned release of MARx Agent Broker Compensation system/report changes scheduled for February 2016. The release/changes focus on clarifying when Plans should compensate Agents/Brokers.

The February 2016 MARx Agent Broker Compensation Report changes will include the following:

1. Add a new data element "DOB" (Date of Birth)
2. Add a new data element "Beneficiary Gender"

3. Add a new data element “Beneficiary Enrollment Application Date”
4. Delete data element “Cycle-year as of Enrollment Effective Start Date” and add “Compensation Type (I/R) as of Enrollment Effective Date”
5. Change “-1” to only represent prospective enrollments (no longer representing retrospective enrollments)
6. Add a new data element “Compensation Payment Year”
7. Add a new data element “Correction Indicator”
8. Add a trailer record that provides a count of the beneficiary records that are contained in the Brokers’ Compensation file

CMS is making these changes to help Plans to better crosswalk members to enrollment data and to better identify what type of compensation (Initial or Renewal) they should pay to agents/brokers. Specifically, changes one (1), two (2), and three (3) will help Plans crosswalk members when there is a change, such as to a name. Change four (4) will clarify whether the compensation is Initial (I) or Renewal (R). Change five (5) will simplify the report to only represent prospective enrollments. Change six (6) will clarify what compensation payment year is associated with the enrollment effective date. Change seven (7) will provide information regarding what change occurred to a previous enrollment, such as a retroactive enrollment or an update to an enrollment effective date, change in Initial vs. Renewal, or prior plan type change. Change eight (8) will help Plans ensure that they have received a full/complete Brokers’ Compensation File.

#### **5. Eligibility for Enrollment and Involuntary Disenrollment Due to Unlawful Presence Status**

CMS notified Plans previously of this upcoming adjustment in the “Advance Announcement of the November 2015 Software Release.” This release was rescheduled to occur in February 2016. A summary of the changes is included for additional reference.

CMS codified new eligibility criteria for enrollment into Medicare Advantage, Part D, and cost plans to include United States citizenship or lawful presence status of individuals seeking such coverage. Outlined in [“CMS-4159-F2, Contract Year 2016 Policy and Technical Changes to the Medicare Advantage and the Medicare Prescription Drug Benefit Programs”](#), as published on February 12, 2015, individuals will not be eligible to enroll in or remain enrolled in such Plans if they are not lawfully present in the U.S. This provision also includes CMS-effectuated disenrollments for Plan members on this basis to align with the statutory requirements outlined in Section 401 of the Personal Responsibility and Work Reconciliation Act (PRWORA) of 1996 which prohibit receipt of benefits under certain Federal programs, including benefits under Title XVIII of the Act (Medicare) for individuals who are not U.S. citizens or nationals, or lawfully present in the U.S.

CMS currently obtains official lawful presence data from the Social Security Administration (SSA) and uses this information to adjudicate Fee for Service claims. With the implementation of this update, MARx will use this data to make the determination as to whether the individual is eligible to enroll in a Medicare health or drug plan. Individuals ineligible for enrollment on this basis and those involuntarily disenrolled will have Original Medicare coverage. However,

Medicare doesn't pay for hospital or medical services while individuals are unlawfully present in the U.S., as required by PRWORA.

If the SSA determines an individual as unlawfully present, MARx will be updated with the unlawful presence status and be reported to the Plan through the Daily Transaction Reply Report (DTRR). In most cases, Plans will obtain an individual's ineligibility based on unlawful presence status at the time of enrollment from the Beneficiary Eligibility Query (BEQ) process or MARx online query.

MARx will reject any new enrollments into a MA, Part D, or cost plan using an effective date during which a beneficiary is ineligible due to an unlawfully presence status. Plans will receive notice of the rejection through the DTRR using a new Transaction Reply Code (TRC).

In addition, MARx will involuntarily disenroll individuals who are currently enrolled in MA, Part D, or cost plan when it receives notification from SSA of a period of unlawful presence status. Plans will receive notice of the rejection through the DTRR using a new TRC. The effective date of such disenrollments will be the first of the month following the date the unlawfully presence notification is received by MARx.

Plans are encouraged to contact the MAPD Help Desk for any issues encountered during the systems update process. Please direct any questions or concerns to the MAPD Help Desk at 1-800-927-8069 or e-mail at [mapdhelp@cms.hhs.gov](mailto:mapdhelp@cms.hhs.gov).