

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



CENTER FOR MEDICARE

DATE: August 3, 2017

TO: All Part D Plans

FROM: Amy Larrick Chavez-Valdez
Director, Medicare Drug Benefit and C&D Data Group

SUBJECT: Part D Coordination of Benefits File Updates

This memo is to notify Part D sponsor staff responsible for the receipt and handling of Coordination of Benefits (COB) files from the Centers for Medicare & Medicaid Services (CMS) of the upcoming annual full replacement file refresh. We are also taking this opportunity to announce a change in the way plans should use the effective date fields on the COB file.

2017 Full Replacement Coordination of Benefits (COB) File

Beginning August 21, 2017 each Part D plan will receive a full replacement COB file for all enrollees with other coverage. Due to file size constraints, sponsors with a large number of Part D enrollees with other coverage may receive multiple COB files over the three day interval. These files will contain no special identifiers to distinguish them from the normal daily COB notification files, but they will be identifiable based on the date of receipt and the large size of the files.

The daily COB process will cease while full replacement files are being generated. Therefore the full replacement files will not include record updates that would normally be included in the daily COB notification files. Any record updates occurring during the week beginning August 21st, will be sent in the daily notification files once those files resume following completion of the full replacement file process.

Use of Effective Date Fields

Part D sponsors use the effective date fields in the Coordination of Benefits (COB) file to determine when beneficiaries' primary and supplemental coverage begins. In addition, Part D sponsors use the COB file to determine if a beneficiary's other drug coverage should be either primary to Medicare (with Part D as a Medicare Secondary Payer), or treated as supplemental to Part D.

Previously, Part D plans were advised to use Field 24 (*COB Effective Date* in positions 282-289 in both the Primary and Supplemental records) for the effective date of other coverage. However, we have become aware that this date does not reflect the actual effective date of other coverage

as submitted by the other insurer, but rather it reflects the first day of Part D coverage. Also, the field is not updated for any Part D retroactivity that might occur.

The correct fields to use for Part D COB are the *Effective Date of Other Drug Coverage* Field 113 (in position 1084-1091 of the Primary record) for the primary insurance, and Field 80 (in position 516-523 of the Supplemental record) for supplemental insurance. These values reflect the actual effective date of other coverage transmitted to CMS by the other insurer. The Plan Communication User Guide (PCUG) was updated to reflect this change in December 2016.

Part D Sponsors not currently documenting these dates in the correct fields must modify their systems to use the *Effective Date of Other Drug Coverage* for purposes of COB processes such as Information Reporting (N transactions), point-of-sale messaging, and compliance with Medicare Secondary Payment (MSP) procedures. We understand that some Part D plans may have already implemented this change; however, if your plan has not, we urge you to implement this change as soon as reasonably feasible.

In summary, the fields to be used for Effective Dates of Coverage for Part D Coordination of Benefits are as follows:

Insurance Type	Previous Method	Revised method
Primary Insurance effective date	Field 24 Position 282-289	Field 113 Position 1084-1091
Supplemental Insurance effective date	Field 24 Position 282-289	Field 80 Position 516-523

The Electronic Correspondence Referral System (ECRS) allows authorized users to electronically transmit requests for changes to existing (non-conditional coverage) Medicare Secondary Payers (MSP) records stored within the Benefits Coordination and Recovery Center (BCRC) system. Plans are responsible for entering selected updates of other health insurance into ECRS as they become aware of changes. CMS is aware that the current ECRS functionality does not support the use of the Effective Date of Other Drug Coverage at the current time. Until such time as ECRS is updated, the BCRC contractor will manually correct any ECRS requests where the effective date provided is the Effective Date of Other Drug Coverage. ECRS requests that error out due to effective dates not matching will be manually matched so that updates can occur. ECRS responses will reflect that the record was successfully processed.

Please submit any questions about this memorandum to PartD_COB@cms.hhs.gov.