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TO: All Part D Plan Sponsors

FROM: Amy K. Larrick, Acting Director
Medicare Drug Benefit and C&D Data Group

SUBJECT: Change to Distribution of Nx and Automated TrOOP Balance Transfer
Performance Reports

DATE: September 23, 2015

The Part D transaction facilitator issues periodic reports regarding Part D sponsor performance in the processing of Nx transactions that report payments by payers supplemental to Part D and financial information reporting (FIR) transactions used for the automated transfer of TrOOP accumulator data. The twice monthly reports of rejected Nx transactions as well as daily FIR aging reports of beneficiaries for whom a FIR transaction has not been successfully processed contain beneficiary identifying information. Currently, sponsors may request that copies of their reports also be sent to the sponsor's PBM/processor. However, when a PBM/processor change occurs, care must be taken to ensure that current and former processors receive only information relevant to the transactions they are responsible for processing.

Recent data breaches have heightened our concern for data security. As a result, beginning January 1, 2016, we are requiring that the facilitator send these Nx and FIR reports only to the Part D sponsor. Therefore, in addition to reviewing reports to monitor their performance and ensure compliance with CMS requirements, sponsors contracting with a PBM/processor to process FIR and/or Nx transactions must also make arrangements for the prompt communication of the report information to their PBM/processor, as applicable, to ensure transactions are successfully processed in a timely manner. Further, since the Nx reject reports may span multiple years, the communication of the report information may entail parsing the report data when multiple PBM/processors are involved.

Finally, as announced in a July 2, 2015 HPMS email entitled, "Enhanced Automated TrOOP Balance Transfer (ATBT) Process," the ATBT process will be extended to automate the transfer of accumulator data for the 36-month coordination of benefits period. To enable the facilitator to appropriately route current and prior year reports to sponsor recipients, the facilitator will be

creating a new distribution sheet for routing Nx and FIR performance reports to sponsors. The new sheet will be accessible on the facilitator website at <http://medifacd.relayhealth.com/> beginning October 1. Sponsors will need to provide recipient email addresses for each year 2013, 2014, 2015, and 2016.