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TO: All Part D Plan Sponsors

FROM: Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

SUBJECT: Change to Compliance Timeframe for Automated TrOOP Balance Transfer

DATE: October 26, 2012

The purpose of this memorandum is to announce a change in the compliance timeframe for the successful transfer of TrOOP data for 2013. In 2010, CMS indicated that it was our expectation that Part D sponsors successfully transfer TrOOP accumulator data for beneficiaries making contract-level enrollment changes during the coverage year in a timely manner 100% of the time. We expect that most transfers will happen in real-time, as soon as the first inquiry is sent by the CMS Part D Transaction Facilitator. However, for reasons such as delays in transfer of enrollment data among a Part D sponsor's downstream entities, a portion of data transfers may take longer to complete. To measure compliance, we initially established a 30-day timeframe for successful transfer of the data beginning with the effective date of the enrollment change or, if later, the first automated TrOOP balance transfer (ATBT) transaction.

Beginning in January 2013, sponsors will be considered compliant with TrOOP transfer requirements if they successfully transfer TrOOP accumulator data within 15 days of the effective date of the new enrollment or, if later, the date of the initial ATBT transaction. For example, if the effective date of the enrollment change is March 1, 2013, the beneficiary's TrOOP accumulators must be successfully transferred on or before March 15. However, if the Part D Transaction Facilitator did not receive notice of the enrollment change until March 6, the initial ATBT transaction would be sent on March 6 and the TrOOP data would need to be successfully transferred on or before March 20.

In order to facilitate successful transfers within the shorter compliance timeframe, CMS worked with the National Council for Prescription Drug Program's (NCPDP) Work Group 1 Financial Information Reporting Task Group to revise the timing of the ATBT transactions to increase the number of the transactions sent during the new 15-day compliance period. The task group also recommended rescheduling the last three transactions in the sequence to enable sponsors to report data changes that occur late in the current year or in the early months of the subsequent year. In order to keep the cost of transaction facilitation from increasing, we will not change the total number of transactions sent following each enrollment change (which is currently 13). Therefore, these changes will reduce the number of update transactions sent in some of the later months.

Once the changes are implemented, ATBT transactions will be sent as follows:

- The first transaction series will be sent one day prior to the effective date of the change or on the day the facilitator receives notice of the enrollment change, if later.

- The second series will be sent on the day following the initial series.
- During the first month, subsequent transaction series will be sent on days 8, 10, 12, 14, 21 and 28 following the second series.
- The next ATBT transaction series will be sent on day 73; i.e., 45 days (or a month and half) after the series sent on day 28.
- The next series will be sent on day 118; i.e., 45 days (or a month and half) later.
- The last 3 transaction series will be sent on December 1, of the current year and January 15 and February 28 of the subsequent year.

For enrollment changes occurring in 2012, three new end-of-year ATBT transaction series will be initiated for any beneficiary for whom a prior ATBT transaction sequence was initiated in 2012. The three series will be sent on December 1, 2012, January 15, 2013 and February 28, 2013. For beneficiaries who made enrollment changes later in the year, these three transactions will be in lieu of the ATBT transactions that would have been sent on those dates under the current timeframe. For all other beneficiaries, including those whose FIR series have concluded prior to December, as well as those who made late-in-the-year enrollment changes and whose FIR series are continuing, these will be additional transactions.

For enrollment changes occurring in 2013, although the 15-day compliance timeframe will be effective January 1, 2013, we do not expect that the new timing of ATBT transactions will be implemented until about April 1st. Therefore, while we will be monitoring compliance with the new 15-day timeframe during the first 3 months of the year, we will not begin enforcing the 15-day compliance until April 1, 2013; that is, for enrollment changes occurring after April 1st.

If you have any questions concerning this memorandum, please contact Deborah Larwood at 410-786-9500 or via email at Deborah.Larwood@cms.hhs.gov.