

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



CENTER FOR MEDICARE

DATE: October 18, 2018
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 Process Updates

The purpose of this memorandum is to inform Medicare Part D sponsors of two forthcoming updates to the Centers for Medicare & Medicaid Services' (CMS) Part D Coordination of Benefits (COB) process. Both changes pertain to Financial Information Reporting (FIR) transactions which are part of Automated True Out Of Pocket (TrOOP) Balance Transfers (ATBT).

These technical updates will impact how FIR transactions are to be processed for certain retroactive terminations beginning on January 1, 2019. The two affected scenarios and associated examples are as follows:

Scenario 1- There is a gap between the member's retroactive termination and a subsequent enrollment period. This occurs when a member is enrolled in a plan, disenrolls from the plan which creates a retroactive termination, and then enrolls again in that same plan later.

- a. **Current Process:** ATBT transactions are sent for the Plan Of Record (POR) period, but not for any retroactive terminated period(s).

Plan A (original enrollment period no FIR) - From 1-1-16 through 12-31-2016

FIR Sequence 1: Eligibility change received on 01/15/16

Plan A (Audited off) – F1 - From 1-1-2016 through 12-31-2016

Plan B (POR) - F2- From 1-1-2016 through 12-31-2016

FIR Sequence 2: Eligibility change received on 12/10/16

Plan A (Audit off) – N/A - From 1-1-2016 through 12-31-2016 (If the same plan has audit off and POR, only the POR in this scenario will receive the record)

Plan B (POR) – F1 - From 1-1-2016 through 11-30-2016

Plan A (POR) – F2 - From 12-1-2016 through 12-31-2016 (now being current POR, no longer getting F1) If the same plan has audit off and POR, only the POR in this scenario will receive the record)

- b. **Future Process:** ATBT transactions will be sent for each enrollment period, including any retroactive termination period(s).

Plan A (original enrollment period – no FIR) - From 1-1-16 through 12-31-2016

FIR Sequence 1: Eligibility change received on 01/15/16

Plan A (Audit off) – F1 (Audit off) - From 1-1-2016 through 12-31-2016

Plan B (POR) - F2- From 1-1-2016 through 12-31-2016

FIR Sequence 2: Eligibility change received on 12/10/16

Plan A (Audit off) – F1 - From 1-1-2016 through 11-30-2016

Plan B (POR) – F3 - From 1-1-2016 through 11-30-2016

Plan A (POR) – F2 - From 12-1-2016 through 12-31-2016

Plan A may report on the F1 all values for both the Audit off and POR period or may only report for the Audit off period. If Plan A's F1 report both Audit off and POR period, Plan A should ensure that any FIR dollars previously reported are not reapplied to TrOOP.

Scenario 2 - There is a gap between two retroactive termination periods. This occurs when a member disenrolls, reenrolls and then disenrolls again during the same year; both disenrollments result in retroactive terminated enrollments.

- c. **Current Process:** ATBT only send a cycle of transactions for the POR period but not for any retroactively terminated period(s).

Plan A (original enrollment period – no FIR) - From 1-1-16 through 12-31-2016

FIR Sequence 1: Eligibility change received on 01/15/16

Plan A (Audit off) – F1 (Audit off) 1-1-2016 through 12-31-2016

Plan B (POR) - F2- From 1-1-2016 through 12-31-2016

FIR Sequence 2: Eligibility change received on 12/06/16

Plan A (Audit off) – N/A - From 1-1-2016 through 12-31-2016 (If the same plan has audit off and POR, only the POR in this scenario will receive the record)

Plan B (POR) – F1 - From 1-1-2016 through 11-30-2016

Plan A (POR) – F2 - From 12-1-2016 through 12-31-2016 (now being current POR, no longer getting F1) If the same plan has audit off and POR, only the POR in this scenario will receive a FIR)

FIR Sequence 3: Eligibility change received on 12/16/16

Plan A (Audit off) – N/A - From 1-1-2016 through 12-31-2016 (If the same plan has more than one audit off with a gap between the two audit off periods, only the most recent audit off will receive a FIR)

Plan B (POR) – F1 - From 1-1-2016 through 11-30-2016

Plan A (Audit off) – F3 - From 12-1-2016 through 12-31-2016 (now being current plan of record, no longer getting F1) If the same plan has audit off and POR only the PRO in this scenario will receive the record)

Plan C (POR) – F2 - From 12-1-2016 through 12-31-2016

- d. **Future Process:** ATBT will send a cycle of transactions for each enrollment period, including any retroactive termination period(s).

Plan A (original enrollment period – no FIR) - From 1-1-16 through 12-31-2016

FIR Sequence 1: Eligibility change received on 01/15/16

Plan A (Audit off) – F1 (Audit off) 1-1-2016 through 12-31-2016

Plan B (POR) - F2- From 1-1-2016 through 12-31-2016

FIR Sequence 2: Eligibility change received on 12/06/16

Plan A (Audit off) – F1 - From 1-1-2016 through 11-30-2016

Plan B (POR) – F3 - From 1-1-2016 through 11-30-2016

Plan A (POR) – F2 - From 12-1-2016 through 12-31-2016

Plan A may report on the F1 all values for both the Audit off and POR period or may only report for the Audit off period.

FIR Sequence 3: Eligibility change received on 12/16/16

Plan A (Audit off) – F1 - From 1-1-2016 through 12-31-2016

Plan B (POR) – F3 - From 1-1-2016 through 11-30-2016

Plan A (Audit off) – F3 - From 12-1-2016 through 12-31-2016

Plan C (POR) - F2 - From 12-1-2016 through 12-31-2016

These changes will result in an overall increase in the volume of FIR transactions. Plans should ensure that multiple FIR transactions do not result in duplicate accruals to a beneficiary's TrOOP or Accumulated Gross Covered Drug costs.

The Daily FIR Cumulative Reject Report can be used to identify and reconcile any FIR rejects that may occur due to the above scenarios. Consistent with the current practice, plans may request a proxy delete for any retroactively terminated member where the result is no eligibility for the plan year and the beneficiary does not have a paid claim.

These changes will be effective January 1, 2019, for transactions generated beginning in 2019. For additional information on FIR transactions, refer to the National Council for Prescription Drug Programs' (NCPDP) [Financial Information Reporting Questions, Answers, and Editorial Updates](#) or join NCPDP's WG9 Financial Information Reporting Task Group via the [NCPDP Collaborative Workspace](#).
