

**MEMORANDUM**

Date: January 26, 2006

To: Prescription Drug Plans and Medicare Advantage-Prescription Drug Plans

From: Gary Bailey, Deputy Director for Plan Policy and Operations

Subject: Updating Enrollment Files with Low Income Subsidy Information

On January 18, 2006, CMS released a file of low income subsidy (LIS) eligible individuals along with contract enrollment and subsidy levels. The file is a special Transaction Reply Report (TRR) format file. This special LIS TRR was sent to enable plans to reconcile the data on their files with the data that CMS has on file for these individuals. Since releasing that file, CMS has been working to identify discrepancies between plan data and the file we released. By now plans should all have completed their processing and analysis of the file. CMS is now asking that plans take some specific steps to update their enrollment and eligibility information based on this special LIS TRR, and that plans begin to systematically report discrepancies between their files and the information that CMS released.

Actions to take immediately:

- If your files show that the beneficiary is enrolled but at either a lower LIS level or with no LIS eligibility, please update your files to reflect the LIS information provided by CMS.
- If your files reflect that the beneficiary is enrolled and low income eligible but the beneficiary was not on our file, take no action to change that beneficiary's status until notified by CMS to do so. CMS is trying to determine the reasons for this discrepancy and will follow up with more guidance as to how to handle these cases.
- If you cannot match beneficiaries to your enrollment/eligibility files, run the non-matched beneficiaries through the Railroad Retirement Board (RRB) conversion routine (attached). This should improve your match rates and eliminate discrepancies.
- If you are a PDP, your files do not show the beneficiary as enrolled, and you received the beneficiary on the LIS file, you should enroll the beneficiary in the appropriate plan benefit package (PBP) using the Monthly Membership Report to determine the appropriate PBP.
- If you are an MA-PD/Cost plan, do not act to enroll unmatched beneficiaries until receiving further information from CMS.

Immediately upon assigning members or setting up LIS eligibility levels, update your pharmacy benefit systems and provide benefit cards to the affected beneficiaries. In addition, prepare appropriate 4Rx transactions and submit to CMS for processing.

Please note that if you received TRRs for individuals enrolled in plans that do not offer Part D, you are not required to take any action. In order to facilitate processing and expedite distribution to plans, the

TRR was sent to all plans with members that had LIS eligibility without regard to whether or not the plan offers Part D.

Reporting to CMS:

CMS would like structured feedback on what Part D Sponsors have found with respect to discrepancies between plan files and the special LIS TRR. Using the attached spreadsheet, please report discrepancies in the following categories.

For each CMS contract provide:

- A contact person for the report
- The phone number for the report contact person
- Number of records on the special LIS TRR
- Counts of beneficiaries who are:
 - On your plan enrollment/eligibility files, but not on the special LIS TRR
 - On the special LIS TRR, but not on your plan enrollment/eligibility files
 - On the special LIS TRR, but not showing low income subsidy (LIS) eligibility on plan enrollment/eligibility files
 - On the special LIS TRR but with copay/premium level different than the level shown on plan enrollment/eligibility files

In addition, please indicate when you updated your pharmacy systems with the current enrollment and LIS eligibility information as outlined in the actions steps above. If you are updating systems only after receipt of this letter, please indicate when you expect the update to be complete. Finally, please indicate how frequently you submit enrollment transactions to CMS.

Because plan results may differ significantly by contract, if your organization has multiple contract numbers, please provide one report line item for each contract in your organizations report. Please note that the spreadsheet form provides a pull-down menu, sorted by contract ID, to support reporting by contract.

Reports should be sent to by COB Friday, January 27 to:

marietta.mack@cms.hhs.gov

Please use the following subject line: LIS TRR: Organization Name