50.2 – Notifying Beneficiaries Regarding Other Prescription Drug Coverage on File and Transmitting Updated Information to CMS

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As provided in the MMA, and also mentioned in section 40.1 in this chapter, beneficiaries are legally obligated to report information about other prescription drug coverage or

reimbursement for prescription drug costs that they have or expect to receive; any material misrepresentation of such information by a beneficiary may constitute grounds for termination of coverage from a Part D plan. Consequently, prior to 2009, Part D sponsors were required to regularly survey their enrollees regarding any other prescription drug coverage they may have had, and report the results of those surveys – including, if known, any *4*Rx data (RxBIN, PCN, RxGRP, and RxID) – to the *BCRC* so that it could be validated, captured, and maintained in MBD for COB purposes.

Since the implementation of Part D, the number of other payers participating in voluntary data sharing agreements with CMS has grown, improving the volume and quality of the other payer information available to Part D sponsors on the COB file. Additionally, the implementation of MSP reporting in 2009 for group health plan and non-group health plan insurers, including liability (including self-insurance), no-fault insurance, and workers' compensation, continues to expand the other payer information available for COB. Given these developments, CMS revised the Part D beneficiary COB survey requirements. Beginning in 2010, in lieu of a survey, Part D sponsors are required to notify each beneficiary of his/her other prescription drug coverage information reflected in the COB file from CMS, and request that the beneficiary review the information and report back only updates (that is, corrections to existing information and new coverage information) to the sponsor.

Beginning with the 2019 Contract Year we are modifying plan notification requirements to give each plan the flexibility to establish a process that meets their beneficiaries' needs as long as the following requirements are met:

> *New Enrollee COB Letter- A COB letter is sent to a new enrollee where either 1) OHI is included on the COB file, or 2) there is no coverage noted on the COB file but beneficiary has provided an affirmative response on the health plan application regarding other drug coverage. If either of these circumstances are met, a COB letter must be sent to the beneficiary within 30 days of the later of the beneficiary's Part D enrollment effective date, or the date the Part D plan is notified of an accepted enrollment on the Transaction Reply Reports (TRR).*
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> *Annual Letter- Each Part D plan is required to reach out to their beneficiaries for whom OHI was received to confirm COB information. Beneficiaries who have received the New Enrollee Letter specified above need not receive an annual letter for the same benefit year. Plans may choose to use information on the annual full replacement file to trigger the annual mailing. The letters should be done; 1) early enough in the year to maximize use of the information obtained and 2) well in advance of open enrollment to minimize member confusion.*

If COB information received from the COB file or from the beneficiary is unclear the Part D plan must follow up with the beneficiary to obtain and report sufficient credible information to the BCRC via Electronic Correspondence Referral System (ECRS) and update the beneficiary's information within the Part D plan's system.

For both these mailings plans are also expected to incorporate beneficiary input into their processes and update pertinent information onto the beneficiary record. However, each plan may develop procedures to withhold loading of data and communications to beneficiaries where the information conveyed from the COB file or beneficiary is outdated, irrelevant to Part D (i.e. home owner's insurance), inaccurate or incomplete such that the plan is unable to determine who the other payer is and therefore coordination of benefits is not required.

ECRS is the electronic interface between Part D sponsors and the BCRC. ECRS allows Part D sponsors to submit post-enrollment transactions that change or add to currently known COB information. Part D sponsors may send ECRS transactions in any of three possible ways: 1) by using Network Data Mover (NDM) (a secure file transfer process) to connect to the ECRS Online Application; 2) by using NDM to send an ECRS flat file; or 3) by using a current SFTP connection to send an ECRS flat file. Part D sponsors are updated on the status of these transactions as they move through the COB systems and are informed of the determination made by the BCRC on the transactions via a COB data report/file. Further information on ECRS is contained in the ECRS User Guide available on the CMS Website; see Appendix B for the specific Web address.

As mentioned above, Part D sponsors are not permitted to update SPAP or ADAP records in ECRS. If an enrollee's other coverage information includes an SPAP or an ADAP, Part D sponsors should not report either of these types of payers to ECRS as an "Other" payer. Doing so results in the SPAP's or ADAP's payment being counted as Patient Liability Reduction Due to Other Payer Amount (PLRO), which is a n–n -TrOOP-eligible amount, rather than being counted as other TrOOP. Instead, plans sponsors should contact the SPAP or ADAP to request that the program update the enrollee's information in its next report of enrollment information to the BCRC.

Absent a report of corrected or new information from the beneficiary, sponsors can assume the information *included in the COB notification* is correct, and there will be no need for follow-up with non-responding beneficiaries. Similarly, if a sponsor receives no response to their initial follow-up with a new enrollee who responded affirmatively on the application regarding other prescription drug coverage, but has no other coverage on the COB file, sponsors can assume the application response was in error and no further sponsor action is required. CMS believes this process, which provides for periodic review and correction of the CMS COB data, will further enhance the quality of the data available to Part D sponsors for COB.

Sponsors have the flexibility to design their COB notification process according to their own needs. Likewise, sponsors have the flexibility to design their COB notices and are not required to submit them to CMS for marketing material review. Sponsors may provide the COB notification by telephone, mail, email if available, or in-person. The notification process should not require that the beneficiary provide his or her SSN; instead, sponsors should use other identifiers, such as the Member ID. Also, if the COB notices are mailed, in addition to providing a self-addressed return envelope for beneficiaries to report updated or new coverage information, sponsors should include a mailing address and telephone number on the notice to be used in case the envelope is lost or damaged and the beneficiary has new or updated coverage information to report.

When a Part D sponsor receives information concerning an addition or revision to an enrollee's existing other coverage information, the new or revised information should be sent electronically via ECRS to the *BCRC* within 30 days of receipt. *The exception to this requirement is coverage types D,E, H and L and* other coverage that the *BCRC* has already applied to MBD and that the sponsor has already received in the COB file but rather only change transactions. Updates to liability coverage, including liability insurance, no-fault insurance and workers' compensation, cannot be processed through ECRS and must be handled by the liability carrier. Therefore, sponsors should direct their members to contact the liability carrier directly if the liability coverage information requires correction.

When an ECRS transaction is received from a Part D sponsor, that transaction's information is automatically stored in the *BCRC* system. The contractor edits the transaction to ensure the information furnished is valid, complete and consistent. Transactions failing these front-end edits are rejected back to the sponsor. Transactions that pass the front-end edits are moved through the *BCRC* system for further processing. If the information on the transaction from the sponsor is determined insufficient to process the transaction to completion, the *BCRC* will undertake development action to obtain additional information. Development action can take up to 100 days-- 45 days each for an initial development letter and a second development letter, and 5 days for mailing time per letter. If the *BCRC* sent development letters but received no response, the contractor will attempt to take the requested action; however, if the contractor is unable to take action, the contractor will close the transaction and indicate on the response file to the sponsor that no development response was received.

50.2.1 – Sponsor Requests to COB Information via ECRS

To request an update or deletion to a prescription drug record, plan sponsors should submit an ECRS prescription drug assistance request. Prescription drug assistance requests with action codes TD – Add Termination Date and DO – Delete Occurrence will automatically process and the record will be updated or deleted within 24-48 hours from the date the transaction was submitted correctly. Note: although CWF assistance requests may be submitted, these requests require manual review and may take up to 15 business days to process.

Plan sponsors are unable to change non-group MSP records or non-group health plan records and thus should not submit requests to update or delete any non-group health plan records. Non-group health plan coverage includes auto insurance and no-fault, workers' compensation and liability (i.e., MSP Types D, E, or L). The only update a Part D sponsor may request is for a prescription drug record to be updated to match the non-group health plan MSP record. For example, if the non-group health plan record has a termination date, but the drug record remains open, sponsors may request that the drug record be closed with the same termination date as the MSP record. As noted previously, updates to liability coverage information must be handled by the liability carrier.

Whenever a Part D sponsor receives credible new or changed other drug coverage information, whether through the annual notification process or otherwise, they should

submit an ECRS request to add, update or delete the record. Credible information regarding a beneficiary's other prescription drug coverage should be available prior to submitting an ECRS request. Plan sponsors should not submit requests to the BCRC to develop termination dates.