DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

DATE: November 8, 2006

To: All Part D Plan Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: Important Updates for CY 2006 Reporting Requirements

This memo is to alert Part D plan sponsors of two important updates for CY 2006 Reporting Requirements.

Suspension of Enrollment/Disenrollment Reporting
The Centers for Medicare and Medicaid Services (CMS) has suspended the Part D Reporting Requirement section on Enrollment/ Disenrollment data for the remainder of contract year 2006. Until further notice, Medicare prescription drug plan enrollment and disenrollment data will be monitored by CMS via internal data sources for purposes of monitoring and oversight. In light of this change, the Enrollment/ Disenrollment reporting section is no longer displayed in the Health Plan Management System (HPMS).

Resubmission of Medication Therapy Management (MTM) for Period 1
Medication Therapy Management (MTM) data for the first reporting period of 2006 were due to CMS August 31, 2006. Initial analyses of these data have identified a large number of inconsistencies. For example, data were not submitted at the Contract level based on the 7/31/2006 memo, and it is suspected that the total prescription cost per MTMP beneficiary per month was miscalculated in many instances. As a result, CMS is requiring all Part D Sponsors to resubmit their MTM data for the January 1, 2006 to June 30, 2006 reporting period. HPMS will allow resubmission of data between November 8, 2006 and November 15, 2006.

Changes have been made in HPMS to allow the entry of the MTM data at the Part D contract level as indicated in the memo released on July 31, 2006. CMS requests that every organization resubmits data utilizing the new design of the MTM module, regardless of whether or not the data previously submitted need correction or revision.

All Part D sponsors are required to report timely and accurate MTM data to CMS pursuant to 42 CFR §423.514(a) and the Medicare Part D Reporting Requirements. Sponsors that do not

provide the required data by the resubmission deadline may be subject to a contract compliance action, including a request for a corrective action plan or the imposition of intermediate sanctions (e.g., suspension of marketing and enrollment activities).

To assist your organization with this resubmission, CMS would like to provide additional guidance for the correct submission of MTM data. The first four data elements are cumulative totals for the time period. The number of beneficiaries who were eligible, participated, disenrolled, or declined participation in the MTMP at any point in time during the specified reporting period should be reported. Additionally, many of these data elements are a subset of another data element. For example:

- The number of beneficiaries who participated (as defined by the Part D Sponsor) in the MTMP at any point during the time period specified is a subset of the number of beneficiaries who met the criteria for the MTMP in the specified time period.
- The number of beneficiaries who disenrolled (as defined by the Part D Sponsor) from the MTMP at any time during the specified time period is a subset of the number of beneficiaries who participated (as defined by the Part D Sponsor) in the MTMP at any point during the time period specified.
- The number of beneficiaries who declined the offer to participate in the MTMP during the specified time period is a subset of the number of beneficiaries who met the criteria for the MTMP in the specified time period.
- Essentially, unless a response from the beneficiary is pending, the sum of the number of beneficiaries who participated and the number of beneficiaries who declined the offer to participate should equal the number of beneficiaries who met the criteria for the MTMP in the specified time period.

The final data element required is the total prescription cost per MTMP beneficiary per month. The numerator represents the total prescription drug costs. This is based on the sum of all Part D covered prescriptions that were dispensed within the reporting period specified for each beneficiary participating in the MTMP as of the last day of the reporting period. This includes both MTMP beneficiary cost sharing and Part D costs paid. The denominator represents the total number of member months for the MTMP participating beneficiaries. The member months include all months the beneficiaries were enrolled in the Part D Plan during the reporting period, not just the months that the beneficiary participated in the MTMP.

The following equation also describes this calculation:

$$\begin{bmatrix} \text{Total prescription cost} \\ \text{per MTMP beneficiary} \\ \text{per month} \end{bmatrix} = \frac{\sum_{i}^{n}\left(\sum_{j}^{m}(\text{AWP} - \text{network discounts} + \text{tax} + \text{dispensing fee})\right)}{\sum_{i}^{n}(\text{Member Months in Reporting Period})}$$

$\{\text{For beneficiaries } i \text{ to } n, \text{ and prescriptions } j \text{ to } m \text{ from the } i^{\text{th}} \text{ beneficiary}\}$

The following provides an example of this calculation:

Participating beneficiary	Numerator	Denominator
	Total prescription drug cost during the reporting period	**Months enrolled in the Part D Plan during the reporting period**
A	$2,000	6
B	$6,700	6
C	$3,275	5
D	$1,125	3
E	$2,250	4
Total	**$15,350**	**24**

Total prescription cost per MTMP beneficiary per month = $15350/24 = $639

These updated specifications should help clarify the information needed from your organization. We appreciate your cooperation in ensuring the provision of accurate MTM data for Part D beneficiaries.

Questions regarding the suspension of enrollment/disenrollment reporting should be sent to CMS via email to partd-planreporting@cms.hhs.gov and should include "Enrollment/Disenrollment" as the subject. Questions regarding MTM reporting should be sent via email to partd-planreporting@cms.hhs.gov and should include "MTM" as the subject.

Thank you for your continued assistance in supporting the success of the Medicare prescription drug program.