Enrollment Reconciliation Process
CMS distributed an enrollment reconciliation file on March 14, 2006. On March 22, CMS will distribute a full enrollment file to all plans. Plans must carefully follow the instructions for handling each of these files, and process the files in the manner prescribed here, in order to successfully complete the enrollment reconciliation process. The goal of this process is to ensure that people are enrolled properly AND that there is complete and up to date billing information available at the pharmacy. It is very important that plan files include complete and correct 4Rx information on all of these members.

The enrollment reconciliation file represents all beneficiaries that were transferred from one plan to another within MARx, and is distributed to the plans from which the beneficiaries were automatically disenrolled in the system. This file is to be used only in support of the enrollment reconciliation effort, and NOT for marketing. All outbound communications to this group of beneficiaries shall be accomplished only as specified by these or future CMS instructions.

Plans shall first analyze the plan reconciliation file as compared with their enrollment/eligibility databases. For any beneficiary already shown as disenrolled on the plan databases, plans shall take no action. These individuals should already have received correspondence informing them of their disenrollment from the plan. Plans shall not mail any further correspondence to these beneficiaries regarding their enrollment status.

For the beneficiaries that remain on the plans' enrollment files, plans must determine which of these beneficiaries have claims activity. Plans shall divide the beneficiaries into two groups, those with claims activity and those without any claims activity. Plans shall perform the routine disenrollment process for all individuals with no claims activity. However, plans shall not mail the special disenrollment letter or any other correspondence to these beneficiaries regarding their enrollment status. Plans shall deactivate these beneficiaries' pharmacy cards to prevent them from accessing plan benefits in the future.

Plans **shall not** act to disenroll any beneficiaries with claims history until plans have taken specific steps to protect these beneficiaries' interests and continuity of benefits. Plans shall send the special disenrollment letter (to be distributed under separate cover) immediately upon identification of these beneficiaries. These letters must be mailed no later than March 27, 2006. This letter will provide beneficiaries the option to remain with the original plan. Disenrollments for this group of beneficiaries will be effective as of April 15, 2006 if the beneficiaries take no further action.

For beneficiaries that declare their intent to stay with the plan, the plan must submit a retroactive transaction type 60 or 61 to CMS on or before April 15, 2006. There is no deadline for the beneficiary to declare this election, but all transactions related to these elections must be submitted to CMS by April 15. In addition, the plan shall submit only one file with all of the retroactive transactions to CMS. Further instructions on the proper submission of these files will be forthcoming. **For beneficiaries that elect to stay, the plan shall submit transactions with an effective date that represents the later of 1) January 1, 2006 or 2) the day after the disenrollment date on the reconciliation file.** The plan shall continue to process pharmacy

claims for any beneficiary that elects to remain in the plan while awaiting confirmation from CMS. The plan **shall not** execute the disenrollment in the plan system for these beneficiaries.

Regardless of beneficiary category and action taken, plans should not send any disenrollment transactions to CMS solely as a result of this process. The individuals CMS has reported to plans as transferred are already disenrolled within CMS's databases. MARx will reject any plan-submitted disenrollment transactions for these beneficiaries.

After following the disenrollment process outlined above, plans should download the full enrollment file to complete the plans' enrollment and eligibility databases. Since the reconciliation process will complete the act of transferring beneficiaries from one plan to another, it is critical that the receiving plan have all active MARx enrollments on its databases, including active 4Rx files, before the original plan acts to disenroll a beneficiary that has been using its services (beneficiaries in the third group). Since disenrollments for these beneficiaries will take effect on April 15, these beneficiaries must all have a benefit available to them in the receiving plan by April 15, 2006 to ensure continuity of benefits. Therefore, receiving plans must have a full roster of enrollments in their systems prior to April 15, 2006, and all beneficiaries must have active pharmacy cards and active "4Rx" files. Because plans have already received this enrollment information and because of the high level of matching between CMS and plan files for enrollees, we expect that plans have already taken these steps. Please confirm this is the case by reviewing the completeness of your eligibility and copayment information.

The full enrollment file will be in a TRR format with the TRC of 999. The rules for processing this enrollment file are generally the same as with the previous enrollment files (distributed February 10 and February 24). Steps include:
- Enroll any individuals that appear on this file and do not currently appear on the plans enrollment/eligibility files
- Add LIS eligibility for any member showing LIS eligibility (copay category of one through four) on this special file but not reflecting LIS eligibility on the plans enrollment/eligibility files
- Update LIS eligibility information if the LIS copay level or premium subsidy level is more favorable to the member than the copay or premium level currently on the plan enrollment and eligibility files. The copay/premium hierarchy, from most to least favorable, is:

Copay category	Premium Subsidy Percentage
3	100
2	100
1	100
4	100
4	75
4	50
4	25
0	0

Plans **SHALL NOT** remove LIS eligibility or cause a beneficiary to have a less favorable premium or copay based solely on information from this file.

The intent of the special enrollment reconciliation process is to execute a one-time synchronization of plan systems with CMS systems while ensuring that beneficiaries are enrolled in the plan of their choice. Plans must keep up with the routine disenrollment process in order to maintain synchronization with CMS systems. In addition to following these instructions for this special one-time activity, plans must continue to process disenrollment and enrollment cancellation transactions received from CMS. CMS is routinely processing these transactions and communicating their results to plans via the weekly TRRs. Plans should immediately process TRRs with transaction reply codes of 014 and 015 and distribute routine disenrollment correspondence to the beneficiary. The effective dates of these disenrollments are provided on the TRRs and will always be associated with a new start date in the receiving plan.