CMS — CENTERS FOR MEDICARE & MEDICAID SERVICES

Training Session for Programs of All-Inclusive Care for the Elderly (PACE) Organizations

Part D Coordination of Benefits

Center for Medicare, Medicare Drug Benefit Group

December 1, 2016

Presentation Topics

1. Introductions
2. What are the Part D Coordination of Benefits (COB) requirements?
3. 1/3 Audit, Common Findings for PACE Organizations (POs)
4. TrOOP Refresher
5. How do POs comply with Part D COB
   - Best Practices
   - Acceptable Alternatives
6. Other topics of Interest?

Introductions

- Shelly Winston, CMS, Part D COB

- Monique Irmen, RelayHealth

- Joscelyn Lissone, CMS Part D COB

- Stephanie Hammonds Ho, CMS Part D Policy

- Jasmine Myers-Duncan, CMS Part D Division of Benefit Purchasing and Monitoring

What are the Part D Coordination of Benefits (COB) Requirements?
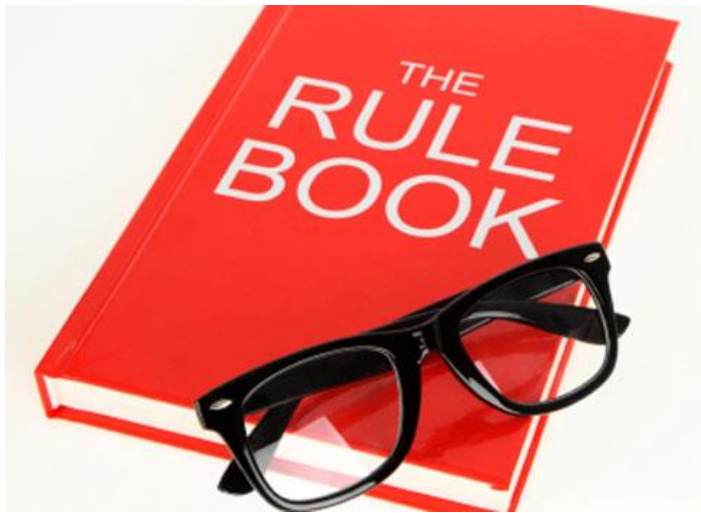
1860D-24(a) of the Social Security Act

- *All Part D plans, including POs are required to coordinate with other payers of prescription drug coverage.*

- *Sponsors are required to transfer TrOOP (true out-of-pocket) and gross covered drug cost balances whenever a beneficiary changes Part D sponsors during the coverage year.*

- *These data are required for the new sponsor to correctly position the beneficiary in the benefit.*

While CMS requires COB, it is only required if certain conditions exist

Part D plans must coordinate benefits if the supplemental payer* follows the CMS-approved industry defined electronic process

- Supplemental payer must have:
  - Electronic eligibility submitted to CMS; and
  - Electronic transactions that contain supplemental payer payment information (batch is allowed)
- A Part D drug:
  - meets the definition of a Part D Drug;
  - is paid for by the Part D Plan (on the plans formulary, covered under transition or via an appeal/grievance); and
  - is purchased at a Part D Plan network pharmacy (Out-of-Network only in special circumstances)

such as State Pharmaceutical Assistance Programs, AIDS Drug Assistance Programs, Medicaid, TRICARE, Veteran's Administration (VA), group health plans, Workers' Compensation, Auto/Life/Liability Insurance, Commercial group health plans, etc

COB Timeframes
(42 CFR 423.466)

➤ Retroactive adjustments

  ▪ Sponsors are required to make retroactive claims adjustments and issue refunds or recovery notices within 45 days of the sponsor's receipt of complete information.

➤ COB time limit

  ▪ Sponsors are required to coordinate benefits with other entities providing drug coverage, and non-network payers (such as beneficiaries and others paying on the beneficiaries' behalf) for a period not to exceed 36 months from the date of fill for a covered Part D drug.
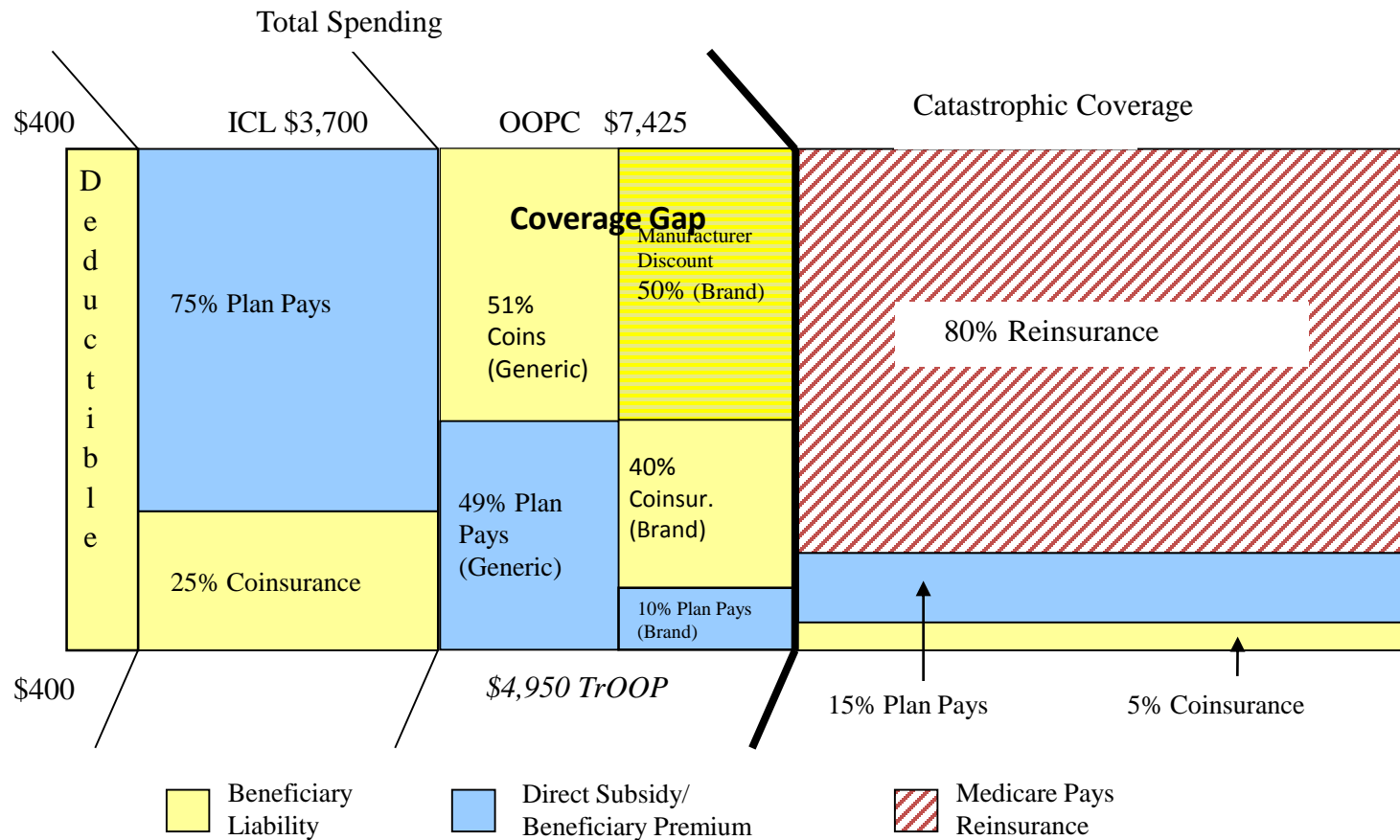
- TrOOP miscalculations

- Failing to use CMS TrOOP calculator, or using calculator for the incorrect year

- Lack of notice to departing beneficiaries

- Non-TrOOP eligible payments included in TrOOP calculations

Why do TrOOP Balance Transfers Matter

- Sponsors are required to transfer TrOOP and gross covered drug cost balances whenever a beneficiary changes Part D sponsors during the coverage year.
  - These data are required for the new sponsor to correctly position the beneficiary in the benefit.

Standard Benefit 2017

Total Spending

$400 ICL $3,700 OOPC $7,425 Catastrophic Coverage

Deductible

75% Plan Pays

25% Coinsurance

Coverage Gap

51% Coins (Generic)

49% Plan Pays (Generic)

Manufacturer Discount 50% (Brand)

40% Coinsur. (Brand)

10% Plan Pays (Brand)

80% Reinsurance

$400 $4,950 TrOOP 15% Plan Pays 5% Coinsurance

| | Beneficiary Liability | | Direct Subsidy/ Beneficiary Premium | | Medicare Pays Reinsurance |

Standard Benefit Across Time

Year	Deductible	ICL	OOPC	TrOOP
2012	$320	$2,930	$6,657.50	**$4,700**
2013	$325	$2,970	$6,733.75	**$4,750**
2014	$310	$2,850	$6,455	**$4,550**
2015	$320	$2,960	$6,680	**$4,700**
2016	$360	$3,310	$7,062.50	**$4,850**
2017	$400	$3,700	$7,425	**$4,950**

Total Drug Spend

TrOOP Refresher

- What counts towards TrOOP?

- Why does it matter?
  - Part D Requirements
  - Protects the Beneficiary from Additional Costs

- Impact of Retroactivity

Which Payments Count Towards TrOOP

Payments for ***covered prescription drugs*** paid for by:

TrOOP eligible:
- Beneficiary, family, friends
- SPAPs/ADAPs
- Medicare Extra Help (LIS)
- Indian Health services
- Most charities
- Manufacturer payments under Coverage Gap Discount Program
- Beneficiary payments from HSAs, FSAs, MSAs

Non-TrOOP eligible
- What Part D plan pays
- Premiums
- Drugs purchased abroad
- Over the counter drugs
- Payments reimbursed by other insurance companies

How Does your Plan Pays for Drugs Covered under PACE?

- Real-time electronic transactions (NCPDP standard)
- Direct billing from the pharmacy to you
  - Invoice
  - Data file
- Does the plan have a copay?

Basic TrOOP Requirements for POs

- When a beneficiary enters a PACE plan, the plan should receive the beneficiary's EOB
- No TrOOP calculation when beneficiary is in PACE
- When beneficiary leaves PACE, TrOOP must be calculated. Calculation must include:
  - supplemental payments,
  - costs for beneficiary before entering PO
- Report values to beneficiary and new Part D plan
- Non-qualified supplemental payments must reduce TrOOP
- If supplemental payer has paid against the copay (such as SPAP/ADAP) and the copay amount changes retroactively (due to LICS level change), the PACE must reimburse the supplemental payer.

How does a PACE Organization receive supplemental coverage information?

- Other Health Insurance Eligibility File (COB File)
  - Separate file that must be uploaded to the Part D Enrollment information in the PACE and PBM system
- From the beneficiary
  - PACE must update information, if other than SPAP/ADAP in Electronic Correspondence Referral System (ECRS)

How do PACE Organizations Comply?

- Communicating TrOOP amounts
- Coordinating with supplemental payers
- Identify and manage beneficiaries
- Business Associates Agreement (BAA)

PO Calculator on cms.gov

PACE_Calculator.xls [Read-Only] [Compatibility Mode] - Excel

A3 — Plan Year

Plan Year	Current Year TGDC Transfer from Non-PACE	Current Year TrOOP Transfer from Non-PACE	Current Year Dual-Eligible TGDC	Total True Out-of-Pocket Cost

INSTRUCTIONS: Enter the Plan year and incoming (non-PACE) TGDC and TrOOP amounts in the first 4 columns in Row 4

Press CTRL-SHIFT-J

Beneficiary's year-to-date total TrOOP will appear in the 5 column in Row 4

Clear boxes by highlighting and pressing the DELETE key

Communicating amounts to Beneficiary

Best Practice (s)

- Participate in ATBT
- Accept and Process "N" transactions
- Automated Coordination of payments with supplemental payers and track amounts as needed
- Give beneficiary sample "Notice of Benefit Information for Your New Medicare Prescription Drug (Part D) Plan" form

Acceptable Alternative (s)

- Manually Coordinate payments with supplemental payers and track amounts as needed
- Give beneficiary sample "Notice of Benefit Information for Your New Medicare Prescription Drug (Part D) Plan" form

Identify and Manage Beneficiary

Best Practice (s)

- Dedicated BIN/PCN
- Communicate enrollee information to CMS
- Ensure that beneficiary information includes any OHI

Acceptable Alternative (s)

- Communicate enrollee information to CMS
- Ensure that beneficiary information includes any OHI

Business Associates Agreement (BAA)

Best Practice (s)	Acceptable Alternative (s)
Active signed BAA with TrOOP facilitator	NONE

Critical Players in Part D COB

- Part D Transaction Facilitator (formerly TrOOP Facilitator)- Responsible for transmitting supplemental claims payment to the Part D plan using an industry and CMS defined set of rules

- National Council for Prescription Drug Programs (NCPDP) - the organization that sets the standards for transactions used in Part D

- COB Contractor- Currently, Group Health Inc (GHI), an Emblem Company that receives health insurance and prescription insurance information from payers/plans/beneficiaries that offer coverage to Medicare Part D beneficiaries

- Part D plan sponsors – plans approved by the Centers for Medicare and Medicaid Services to offer Part D Prescription Drug coverage

- Supplemental Payers

- Pharmacies

Transaction Facilitation Services- RelayHealth as a CMS contractor

- Eligibility (E1) transactions
  - Part D
  - Other Health Insurance
- TrOOP Balance Transfer (FIR) transactions
- Supplemental Payer Payment (Nx) transactions
- Reporting
- Compliance Support
- Industry Support
- NCPDP Leadership/Participation

In what instances would a supplemental payer pay after PACE?

- The drug is not on formulary,
- The drug is not a Part D drug,
- The PACE organization has a copay, or
- The drug was not billed to the PACE organization

Example -
PACE Success Story

- Case Study:
  - $0 copay PACE received an N transaction, but did not have a Part D paid claim for the beneficiary
  - Year prior, beneficiary was enrolled in an MAPD and a SPAP
  - Claim was billed to the old plan which rejected it.
  - Claim then billed to supplemental payer when claim should have been billed to PACE.
  - PACE was tracking the N and intervened.

Where to go for help with N and FIR transactions

- Your PBM should be first resource

- Questions about N transactions (record of supplemental payment) and reports or FIR transactions (automated TrOOP balance Transfer) are often answered in NCPDP task group calls

- Contact Kittye Krempin at kkrempin@ncpdp.org and ask her to join the calls. You can also request a mentor on the call.

Resources for PACE Organizations

- Part D COB
  - PartD_COB@cms.hhs.gov, or Chapter 14 of the Medicare Prescription Drug Manual
- PDE Submission Questions
  - PDEJan2011@cms.hhs.gov
- HPMS Help Desk
  - hpms@cms.hhs.gov
- DMAO Portal
  - https://dmao.lmi.org
- PACE Regulation
  - https://www.gpo.gov/fdsys/granule/CFR-2009-title42-vol4/CFR-2009-title42-vol4-part460
- Proposed PACE Regulation
  https://www.federalregister.gov/documents/2016/08/16/2016-19153/medicare-and-medicaid-programs-programs-of-all-inclusive-care-for-the-elderly-pace
- PACE Manual
  - https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019036.html
- PACE Information on CMS website
  - https://www.cms.gov/Medicare/Health-Plans/PACE/Overview.html

Feedback

- Questions?

- Other Topics of Concern?