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Retroactive Processing Contractor (RPC) – Reed & Associates, CPAs

Effective August 3, 2009, Reed & Associates, CPAs (Reed) was designated by CMS as the national contractor responsible for processing retroactive transactions for all Medicare Advantage Organizations, Part D Sponsors, Cost-based Plans and PACE Organizations. Under the terms of this contract, Reed validates and processes a number of retroactive requests including those covered by this SOP. All requests submitted by organizations must be in accordance with the processes outlined in these Standard Operating Procedures (SOPs) as well as the latest CMS Enrollment Guidance.

CMS Guidance/Regulations

This SOP is written in accordance with the Centers for Medicare & Medicaid Services' (CMS) "best available evidence" (BAE) policy and submission practices as described in the May 11, 2009 HPMS memorandum, *Additional Guidance on Best Available Evidence*. Please also refer to the Part D sponsors obligations described in the August 4, 2008 HPMS memorandum regarding CMS' Best Available Evidence policy.

Compliance with Standard Operating Procedures (SOPs)

In order to process retroactive requests, formal procedures have been developed by the RPC in accordance with the CMS Retroactive Enrollment and Payment Validation contract. Any retroactive requests that are submitted by organizations that do not comply with the guidelines may not be accepted. Careful adherence to these guidelines will ensure that retroactive requests submitted to the RPC will be processed timely and accurately.

Low Income Subsidy (LIS) Deeming Requests - Definition

Low Income Subsidy (LIS) was originally implemented as a means to assist qualified beneficiaries with out-of-pocket costs associated with Medicare prescription drug benefits. The Medicare Prescription Drug program under the Improvement and Modernization Act of 2003 (MMA) was established to provide the greatest assistance to those with the greatest need. LIS being part of this initiative provides substantial help to Medicare beneficiaries with limited incomes. This help comes in the form of a federal premium subsidy and some cost-sharing for covered drugs.

The following three groups of beneficiaries are automatically eligible for LIS through deeming:

- full-benefit dual eligible individuals,
- partial dual eligible individuals (Medicare Savings Program participant), and
- Individuals who receive Supplemental Security Income (SSI) benefits but not Medicaid.

An individual's LIS deemed start date in CMS systems is always the first day of the month they are deemed LIS eligible and the end date is always December 31, regardless of loss of eligibility during the same year.

When a beneficiary's deemed status is not accurate in CMS systems, Part D sponsors are required to submit their LIS Deeming request to the Retroactive Processing Contractor (Reed & Associates). Please note that effective May 11, 2009, Part D Sponsors are required to provide a copy of the supporting BAE documentation with each LIS request submitted to the Retroactive Processing Contractor.

Other beneficiaries who do not qualify for deemed status may apply to Social Security for an LIS determination. These individuals are sometimes referred to as "LIS applicants" to distinguish them from individuals who are "deemed". If qualified, they are awarded either the full or partial subsidy, based on their income, resources and family size. The partial subsidy includes a premium subsidy ranging from 25 to 100 percent of the monthly premium cost for qualified plans, an annual deductible of up to $63 (in 2010), a coinsurance obligation of 15%.

Definition of "Best Available Evidence" (BAE)

CMS primarily relies on monthly files from states and Social Security to establish an individual's low-income subsidy eligibility and appropriate cost-sharing level. However, when the low-income subsidy information in CMS' systems is not correct or does not exist, CMS relies on the best available evidence policy to manually process LIS deeming requests.

CMS' systems may not reflect beneficiaries' accurate LIS status for several reasons including; a state was unable to successfully report the beneficiary as Medicaid eligible or is not reporting him/her as institutionalized, or SSA data on an LIS Applicant was not successfully processed. Plans are required to override standard cost-sharing and maintain an exceptions process for that beneficiary until the CMS LIS correction is processed.

While the Best Available Evidence policy applies to all individuals with LIS, at this time, corrections to CMS data can only be made for the deemed population.

For those beneficiaries who are awarded LIS by the Social Security Administration (SSA), sponsors must update their <u>own systems</u> to reflect LIS status. Note, however, that CMS does not currently have a process for updating CMS' systems for LIS applicants.

Instructions for Submission to the RPC (Reed & Associates)

Organizations should submit all valid retroactive LIS Deeming requests to the RPC following the specific guidance contained in this SOP. If organizations have questions regarding the submission, they should contact the RPC's Client Services Department.

It is important to keep in mind that the RPC update process for LIS is intended to be used only for beneficiaries who are "**deemed**" eligible for LIS; it may not be used for LIS applicants, that is, individuals who apply and qualify for LIS through SSA (or a State Medicaid Agency) and are awarded either the full or partial subsidy based on their income and resources. The award notices to these applicants indicate whether the award is for a full or partial subsidy, and these notices DO constitute valid proof of an individual's LIS status and thus should be used by plans to determine the correct LIS copay. However, such notices do not reflect or confirm "deemed" LIS-eligibility status and thus have no role in the RPC LIS update process. Any update requests for deemed records accompanied by SSA (or State Medicaid Agency) LIS award notices will be returned to the plan sponsor unprocessed.

Overall, organizations should expect that transactions are received, processed and reported in the same fashion. More discussion will follow, however the general process is noted below:

A. *Organizations submit the following to the RPC:*
   i. *A cover letter from the organization.*
   ii. *The RPC submission spreadsheet.*
   iii. *Documentation for each beneficiary supporting the retroactive requests.*

B. *The RPC will upload the requests into the tracking system and issue acknowledgement e-mails and error reports to the Organizations within 5 calendar days.*

C. *The RPC will make changes in CMS' systems within 35 days of the receipt date. A final disposition report (FDR) will be issued to the organizations communicating the results of the RPC's review. Organizations should carefully monitor CMS' systems, RPC FDRs (Final Disposition Reports), TRRs (Transaction Reply Reports) and MMRs (Monthly Membership Reports) to ensure that all requested transactions are processed.*

D. *Organizations should resubmit requests to the RPC within 45 days of the issuance of the FDR if the original request was not processed as requested. Steps A - E should be repeated for all resubmissions.*

E. *If an organization does not believe that a request has been processed within the 35 day timeframe, they may contact the RPC's Client Services department to request a status update.*

A. Organizations Submitting Requests to the RPC

Submissions that meet all of the requirements explained in this SOP should be sent via traceable mail carrier to:

Reed & Associates, CPAs – CMS RPC
Attn: Support Services
14301 FNB Parkway, Suite 211
Omaha, Nebraska 68154
Phone: *(402) 315-3660*

Organizations should ensure that all packages sent to the RPC have been reviewed very carefully noting that all elements described below are included. Any packages received by the RPC that do not meet the requirements in this SOP will not be processed.

i. Cover Letter

A cover letter should accompany all retroactive requests to the RPC. This letter should, at a minimum, contain the applicable plan number(s) (i.e., H#, S#, R#, E#) and a certification statement which is signed by a member of the Organization. An example of appropriate language for the certification is as follows:

> *"This signature verifies that the information submitted to the Retroactive Processing Contractor on* **<date>** *is accurate and complete. Supporting documentation is being maintained at the organization for each request."*

Organizations must retain the original supporting documentation for the requested changes as they may be required to produce it during a CMS audit.

The cover letter should also include any special circumstances or instructions to assist the RPC in processing requests timely and accurately.

ii. Submission Spreadsheet

Retroactive requests should be gathered by the organization on the Excel submission spreadsheet template. It should be password-protected and saved to a CD *(preferred)*, flash drive or diskette to be submitted to the RPC. The submission spreadsheet template is available on the RPC's website *(http://www.reedassociates.org /payvalMMCPV.php)* in the **RPC Toolkit** section.

The formatting of the submission spreadsheet template should not be changed, or the spreadsheet may not upload properly. Components (including tab names, column headers, column order, cell placement and cell formatting) must be in a proper format to facilitate the upload process. Additionally, there are drop-down boxes for several of the columns which require very specific responses.

If your organization automates the spreadsheet completion process, it is suggested that you review all spreadsheet components carefully (especially the required responses for the drop-down boxes) to avoid upload errors. **The RPC will not upload records that do not meet the standards of the submission spreadsheet.**

In order to assist you in completing the submission spreadsheet, the RPC has developed a Validation Tool for the spreadsheet. It is essential that you take advantage of this tool to avoid common upload errors. Please note that this tool will not catch all upload errors, however it may significantly reduce the number of errors.

In order to take advantage of this helpful tool, it is necessary to click on the "**Enable Macros**" button when opening the spreadsheet. If, when opening the form, you are not prompted to select this option, you may need to lower your Macro Security setting in Excel from "High" to something lower (Tools>Security>Macro Security).

If you elect to "Enable Macros", you will be able to use the Validate button. Once pressed, this button runs a program to verify the data in the current tab of the spreadsheet you are working on. If errors are noted, please correct prior to submitting the requests to the RPC.

If you elect to "Disable Macros", you will still be able to utilize the spreadsheet to submit your requests; however, **if your spreadsheet is not formatted correctly, the likelihood that your submission results in upload errors is increased**.

Specific instructions for how to complete each column of the spreadsheet are included on the spreadsheet itself. Some instructions are listed below the column header and others are included as comments which can be viewed when the mouse pointer is placed on the header. If you have questions on how to complete the spreadsheet, please contact the RPC's Client Services Department.

iii. Documentation Required

Supporting documentation for each retroactive LIS Deeming request is required as these transactions are not subject to probe studies. Documentation supporting each request should be submitted electronically via PDF file _(preferred)_ or in paper format. Please note that paper documentation may increase processing time.

Documentation which has not been approved by CMS will not facilitate processing. Organizations should only submit documentation that is required for processing.

In order for your electronic documentation to be accurately matched to the request listed on your submission spreadsheet, you must submit the documentation in a single PDF file for each request. Each request should include the RPC Documentation Worksheet (found on the RPC's website) along with the specific documents required for the type of transaction and situation (detail to follow). Organizations should also retain a copy of the request and related documentation submitted to the Retroactive Processing Contractor as part of the record for each beneficiary.

The request will not upload properly if it is not named in the following format (note the dash): **[**Contract number**]-[**HIC number**]** (i.e. H1234-999887777A). Any additional characters or missing information will significantly delay the RPC's upload process.

LIS DOCUMENTATION SPECIFICS

All documents listed below are valid for the purpose of establishing the correct cost-sharing and effective date for individuals who should be **deemed** eligible for LIS. They are the only documents permissible for submission to The Retroactive Processing Contractor (Reed) for a LIS deeming update.

- A copy of the member's Medicaid card which includes the member's name, eligibility date, and status level;
- A report of contact including the date a verification call was made to the State Medicaid Agency and the name, title, and telephone number of the state staff person who verified the Medicaid status;
- A copy of a state document that confirms active Medicaid status;
- A print out from the State electronic enrollment file showing Medicaid status;
- A screen print from the State's Medicaid systems showing Medicaid status;
- Other documentation provided by the State showing Medicaid status**;**
- A remittance from the long term care facility showing Medicaid payment for a full calendar month for that individual;
- A copy of a state document that confirms Medicaid payment to the long term care facility for a full calendar month on behalf of the individual;
- A screen print from the State's Medicaid systems showing that individual's status based on at least a full calendar month's stay for Medicaid payment purposes;
- Supplemental Security Income (SSI) Notice of Award with an effective date.
- An Important Information letter from SSA confirming that the beneficiary is "…automatically eligible for extra help…"

Any other documents, such as Social Security LIS Notices of Award, **do not** confirm deemed status and are unacceptable for the purpose of a deeming update. LIS Deeming requests supported by SSA Award letters will not be processed.

Please note: The document type (Type of Documentation Supporting Request) in the drop-down menu on the Excel spreadsheet must match the documentation included with the spreadsheet. If the type of documentation listed on the LIS Submission Spreadsheet does not match the actual documentation provided, the request will be denied and not processed as requested. Failure to adhere to any of the above requirements will result in rejection of the LIS deeming request.

B. *RPC Uploading Requests & Issuing Acknowledgement E-mails (and Error Reports)*

The RPC will upload the requests into the tracking system and issue acknowledgement e-mails to the Organizations within 5 calendar days via e-mail to the organization's designated point of contact (POC). Any errors that are noted during the upload process will also be communicated to organizations at that time.

These acknowledgement and error report e-mails should be carefully monitored by organizations to ensure that all of the requests are 1) received by the RPC, and 2) uploaded properly. A final disposition report (FDR) will not be issued when the records error out during the upload process. Records that error out and are resubmitted to the RPC are not considered to be resubmissions because they were never processed due to upload errors.

C. *RPC Issuance of Final Disposition Reports (FDRs)*

Valid requests for retroactive adjustments will be processed by the contractor within **35 days** of receipt. If the RPC determines that it *should* and *can* make the requested changes, the retroactive change will be made in CMS' systems. Payment adjustments will be made accordingly as CMS processes the changes. Note that payment adjustments are not directly handled by the RPC.

After processing the adjustments, the RPC will provide the organization with a Final Disposition Report (FDR) via e-mail to the organization. The e-mail will be sent to the contact we have on file for all LIS activity. The FDR communicates the disposition of the requests to the organization. The disposition codes used by the RPC can be found on our website at www.reedassociates.org/payvalMMCPV.php.

Organizations must have ongoing membership reconciliation processes that include data comparisons of organization information to all relevant CMS/RPC files and reports including Final Disposition Reports (FDRs), Transaction Reply Reports (TRRs) and Monthly Membership Reports (MMRs).

If the request cannot be processed for any reason, the materials submitted to the RPC will not be returned to the organization; however, the disposition code provided by the RPC on the FDR will indicate why the submission, in whole or in part, could not be completed. The disposition code descriptions should be read very carefully to ensure that each request can be properly resubmitted and processed by the RPC. (See Section D for resubmissions.)

D. *Resubmissions*

Following the issuance of the Final Disposition Report (FDR), organizations may determine (by reviewing the disposition codes provided on the FDRs) that requests were not processed by the Retroactive Processing Contractor (RPC). Once identified and resolved, organizations may file a resubmission request for previously denied retroactive adjustments. There are specific procedures that must be followed so the system does not reject the submission as a duplicate record and the request can be processed by the RPC.

Please note that records that are not uploaded by the RPC are not issued a FDR. Therefore, the second submission of those records to the RPC **would not** be considered a resubmission request. Organizations should submit those records following the normal procedures since they were never originally entered into the system as a valid request.

In general, all of the steps outlined in sections A through B of the "Instructions for Submission to the RPC" must be followed for a resubmission (including all documentation which supports the request). There are a few additional requirements for resubmissions to be uploaded and processed.

1. Resubmission requests must be sent to the RPC within 45 days of receiving the original FDR for the request. It is highly recommended that organizations reconcile the FDRs to CMS' Systems prior to resubmitting requests. Organizations can then submit one master submission for all discrepant retroactive requests.

2. Requests for resubmission must be listed on a completely separate spreadsheet file following the standard spreadsheet submission process described above. Intermingling new requests and resubmitted requests on the submission spreadsheet may delay processing.

3. On the cover letter, organizations should clearly state that the request is a resubmission and that it is not a duplicate request. The system may automatically code records as duplicates unless the upload specialist knows that it is a resubmission. Again, stating this in the cover letter will ensure timely processing.

4. Documentation requirements for resubmissions are identical to the documentation requirements detailed above; however, if a request was not processed due to a missing document, organizations must submit the documentation from the first request *plus* the requested documentation to ensure that the request is processed.

If your resubmission has been denied multiple times, it is strongly recommended that you contact the responsible AM for additional direction and/or for their approval.

E. Status Requests

To follow up on specific previously-submitted adjustment requests, a letter (or e-mail) of inquiry must be sent **separately** from retroactive adjustment requests. The correspondence must be sent to the RPC's Client Services Department. It should clearly state that it is a status request for a record that was previously submitted to the RPC.

The request must include following items to conduct research of the request:

- last name, first initial of the beneficiary,
- last 4 digits of the HIC number plus alpha character,
- the plan contract number,
- the PBP number (if appropriate),
- the dates involved, and
- the date the original request was submitted to the RPC.

The organization must never submit duplicate requests unless the Retroactive Processing Contractor specifically requests that duplicate information be submitted. Inquiries on previously-submitted requests can be made in writing, via e-mail, or by phone.

Refer to the Client Services standard operating procedure (SOP) for more information on inquiring about the status of a previously submitted request.

RPC's Client Services Department

Phone: (402) 315-3660
E-mail: clientservices@reedassociates.org

Reed & Associates, CPAs – CMS RPC
Attn: Client Services Department
14301 FNB Parkway, Suite 211
Omaha, NE 68154