



**CMS – RETROACTIVE ENROLLMENT & PAYMENT VALIDATION
RETROACTIVE PROCESSING CONTRACTOR (RPC)**

**MEDICAID STATUS UPDATES
STANDARD OPERATING PROCEDURE**

TABLE OF CONTENTS

RETROACTIVE PROCESSING CONTRACTOR (RPC) – REED & ASSOCIATES, CPAS..... 1

COMPLIANCE WITH STANDARD OPERATING PROCEDURES (SOPS)..... 1

MEDICAID STATUS CHANGES - DEFINITION 1

CMS GUIDANCE/REGULATIONS..... 2

**GENERAL INFORMATION – MEDICAID STATUS FOR DETERMINING PART C RISK ADJUSTED PAYMENTS
..... 2**

***PART C RISK PAYMENTS:* 2**

***DATA SOURCE POLICY:* 3**

***Automatic Medicaid Status Period Updates* 3**

***Manually Adding a Medicaid Status Period*..... 3**

***Manually Removing a Medicaid Status Period*..... 4**

***ADJUSTMENTS TO RISK PAYMENTS:* 4**

INSTRUCTIONS FOR SUBMISSION TO THE RPC (REED & ASSOCIATES)..... 5

A. ORGANIZATIONS SUBMITTING TRANSACTIONS TO THE RPC..... 5

SUBMISSION PACKAGING INSTRUCTIONS: 6

***i. Cover Letter* 6**

***ii. Submission Spreadsheet* 6**

***iii. Documentation Required for all Medicaid status change transactions*..... 7**

B. RPC IMPORTING TRANSACTIONS & ISSUING ERROR REPORTS 8

C. RPC ISSUANCE OF FINAL DISPOSITION REPORTS (FDRs) 8

D. RESUBMISSIONS 9

E. TRANSACTION INQUIRIES..... 11

***RPC’s Client Services Department:*..... 12**



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

Effective August 3, 2007, Reed & Associates, CPAs (Reed) was designated by the Centers for Medicare & Medicaid Services (CMS) as the national contractor responsible for processing retroactive transactions for all Medicare Advantage Organizations, Part D Sponsors, Cost-based Plans, PACE Organizations, and Medicare-Medicaid Plans (MMPs). Under the terms of this contract, Reed validates and processes all retroactive transactions involving enrollment including those covered by this Standard Operating Procedures (SOP). All transactions submitted by Organizations must be in accordance with the processes outlined in these SOPs as well as the latest CMS Guidance.

Compliance with Standard Operating Procedures (SOPs)

In order to process retroactive transactions, formal procedures have been developed by the RPC in accordance with the CMS Retroactive Processing and Payment Validation (RPC) contract. The RPC has developed guidance to assist Organizations in their compliance with CMS' formal procedures. Any retroactive transactions 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 transactions submitted to the RPC are processed timely and accurately.

Medicaid Status Changes - Definition

Medicaid is a State administered program that is available to certain low-income individuals and families who fit into an eligibility group that is recognized by Federal and State law. Each State sets its own guidelines regarding eligibility and services. More information on each State's Medicaid program can be found at your State's Medicaid office. Some categories of Medicaid eligibility relieve the beneficiary of liability for Medicare cost sharing above State Medicaid program amounts. Organizations should recognize these cost sharing limits established by the beneficiary's Medicaid eligibility. If a beneficiary has Medicaid status in the appropriate time period, the relative factor associated with Medicaid is included in the calculation of the beneficiary risk score.

The Medicare Modernization Act (MMA) State files update beneficiary records within the Medicare Beneficiary Database Suite of Systems (MBDSS) with Medicaid status periods used in calculating the risk score. However, occasionally, Organizations may experience a discrepancy with the risk adjustment payment that is attributed to an incorrect Medicaid status posted for a beneficiary in CMS' Medicare Advantage Prescription Drug (MARx) system, resulting in a risk score payment discrepancy. To correct this discrepancy, Organizations should follow the guidance in this SOP to submit a transaction to the RPC to manually add or remove a Medicaid status period in MARx.

Note: Only Medicaid status periods with a "Medicaid Source" of "Plans" can be added or removed through the RPC. Medicaid status periods reported by the States cannot be removed via this process.

CMS Guidance/Regulations

Please refer to the CMS guidance in the following chapters of the Medicare Managed Care Manual for policy information and additional details.

- Medicare Managed Care Manual Chapter 7 - Risk Adjustment
- Medicare Managed Care Manual Chapter 2 - Medicare Advantage Enrollment and Disenrollment Instructions
- Medicare Managed Care Manual Chapter 17d - Medicare Cost Plan Enrollment and Disenrollment Instructions

The Medicare Managed Care Manual (Publication # 100-16) is available on the web at:

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019326.html?DLPage=2&DLSort=0&DLSortDir=ascending>

General Information – Medicaid Status for Determining Part C Risk Adjusted Payments

Part C Risk Payments:

In 2008, CMS completed a multi-year transition from demographic-only adjustments to Part C payments to risk adjusted payments. As previously stated, if a beneficiary has Medicaid status in the appropriate time period, the relative factor associated with Medicaid is included in the calculation of the beneficiary risk score. CMS considers a beneficiary “full risk” and includes the *Medicaid factor*¹ in the risk score, if the beneficiary has 12 months of Part B in the data collection year and Medicaid status for **at least one full** month in the **data collection** year. The Medicaid factor is also included in the risk score for a “new enrollee”, or a beneficiary with less than 12 months of Part B in the data collection year but **at least one full** month Medicaid status in the **payment** year.

For more information about the CMS-HCC risk model, please refer to the Medicare Managed Care Manual (Chapter 7 - § 70 – Risk Adjustment Models) or the training material found at www.cssoperations.com.

¹ As defined in Medicare Managed Care Manual Chapter 7 (Risk Adjustment) § 70.2.5 – Medicaid.

Data Source Policy:

Automatic Medicaid Status Period Updates

CMS uses the MMA State files, or the Territory Medicaid equivalent, as the main source of information regarding beneficiaries' Medicaid eligibility. The MMA State files provide monthly identification of beneficiaries who are dual eligible (those who are entitled to Medicare and eligible for Medicaid). All States submit monthly files, which include those beneficiaries eligible for comprehensive Medicaid benefits as well as those for whom the State assists with Medicare out-of-pocket expenses such as the Part B premiums. Using the MMA State files as the data source for Medicaid status under the Part C CMS-HCC model promotes consistency across Part C & Part D.

CMS supplements this information on the Medicaid status of Medicare beneficiaries with the following data sources:

- Organization (i.e., Plan) reporting of Medicaid eligibility
- Medicaid eligibility data provided by the Point of Service contractor under the Part D program.
- Territory Medicaid:
 - Medicaid eligibility reported by Puerto Rico on monthly files
 - Data from other Territories, as reported on the Third Party files (this is the only situation in which CMS continues to use the Third Party files)

While CMS allows Organizations to supplement the reporting of Medicaid statuses, CMS expects the Organization updates to beneficiary Medicaid status should be minimal for the following reasons:

- (1) Only one month of Medicaid status is needed to affect the risk score - Since the CMS-HCC model provides for the Medicaid factor to be included when there is at least one month of Medicaid in the data collection (full risk enrollees) or payment (new enrollees) year, Organizations no longer have to report for each month of Medicaid status. If CMS already has at least one month of Medicaid from another source, Organizations should not report Medicaid status for the year. The Monthly Membership Report (MMR) or the MARx User Interface M236 screen can be used to verify a beneficiary's Medicaid status.
- (2) The MMA State files provide a significant number of dual eligible beneficiaries and, as a result, Organizations will not have as many enrollees whose Medicaid status is missing from CMS systems.

Manually Adding a Medicaid Status Period

Medicaid status change transactions can be submitted to the RPC when an Organization identifies a discrepancy. Organizations are expected to reconcile their payments and CMS reports to determine whether or not a Medicaid adjustment should be processed. For example, if the Organization identifies that a beneficiary is dual eligible, but the beneficiary's Medicaid status is not properly

reflected in CMS' files (MMR) or the UI screen (M236) for the appropriate eligibility period (year), then the Organization should submit a Medicaid status "Add" transaction to the RPC.

Manually Removing a Medicaid Status Period

If it is identified that a beneficiary was not eligible for a Medicaid status period that was previously or erroneously reported by an Organization, a Medicaid Status "Removal" transaction should be submitted to the RPC.

However, since the Medicaid factor is included in the beneficiary's risk score calculation for the entire year based on only one month of Medicaid Status, it is no longer necessary to report a beneficiary's **change** in Medicaid status (i.e. entitlement termination), as the entry will not cause the risk score to be recalculated. For example, the MMA State files have reported a Medicaid status period for a beneficiary earlier in the year. If later in the year, the beneficiary has a change in Medicaid status, Organizations should not submit a Medicaid Status Removal Transaction to enter or update an "end date" on the beneficiary's Medicaid status period. Additionally, as previously noted, the RPC cannot remove or update Medicaid status periods reported via the MMA State files.

Adjustments to Risk Payments:

Risk scores are calculated three times for each payment year. The first risk score calculation is made prior to the payment year using lagged data in the calculation and is used in the initial payment months of the year. The second risk score calculation is made and implemented as of the July payment. The third and final risk score calculation is made after the payment year is over. Medicaid status reported after the first or second risk score calculations are captured in the next calculation.

Note: Once final risk scores are run for a given payment year, CMS does not recalculate risk scores in response to retroactive updates of Medicaid status.

For a complete schedule of Risk Adjustment Submission deadlines, please refer to the RAPS training material at:

[http://www.csscooperations.com/internet/Cssc.nsf/files/raps-submission-timetable_030910.pdf/\\$File/raps-submission-timetable_030910.pdf](http://www.csscooperations.com/internet/Cssc.nsf/files/raps-submission-timetable_030910.pdf/$File/raps-submission-timetable_030910.pdf)

Instructions for Submission to the RPC (Reed & Associates)

Organizations must submit all retroactive manual Medicaid status change transactions to the RPC following the specific guidance contained in this SOP. If Organizations have questions regarding the submission of transactions, they should contact the RPC's Client Services Department.

Organizations should expect that transactions are processed and reported in the order received by the RPC. While the detailed submission instructions are noted in sections A-E, the general overall 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. *Supporting documentation for each beneficiary identified in the retroactive transactions.*
- B. *The RPC will import the transactions from the eRPT system into the RPC tracking system and, if necessary, issue error reports to the Organizations within five (5) calendar days.*
- C. *The RPC will review the transaction(s) and, if applicable, 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 have been processed.*
- D. *Organizations should resubmit transactions to the RPC within 45 days of the issuance of the FDR if the original transaction was not processed as requested.*
- E. *If an Organization believes that a transaction has not been processed within the 35 day timeframe, they should contact the RPC's Client Services Department to make a **Transaction Inquiry**. See Section E on how to submit Transaction Inquiries to the RPC.*

A. **Organizations Submitting Transactions to the RPC**

Submissions that meet all of the requirements explained in this SOP should be sent via a "Submission Package" in the Electronic Retroactive Processing Transmission (eRPT) system (<https://portal.cms.gov/>).

Organizations should ensure that all Submission Packages sent to the RPC have been reviewed for accuracy and completeness very carefully noting that all elements described below are included. Any packages received by the RPC that do not adhere to the guidelines in this SOP will not be processed.

Submission Packaging Instructions:

i. Cover Letter

A cover letter must accompany all transactions submitted to the RPC. This letter should, at a minimum, contain the applicable contract number(s) (i.e., H#, S#, R#, E#) and a Certification Statement, signed by an official representing the Organization. Below is an example of appropriate language for the Certification Statement:

"I certify, as an authorized representative of the Organization, 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 transaction."

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

The cover letter should also include any special circumstances or instructions the Organization believes may be necessary to assist the RPC in processing the submitted transactions timely and accurately. For example, if the submission contains transactions that required RO Approval or special handling instructions from an Account Manager, this information should be stated in the cover letter for the RPC to immediately identify.

ii. Submission Spreadsheet

Retroactive transactions must be listed by the Organization on the Excel submission spreadsheet template. The completed spreadsheet must be saved in an ".xls" or an ".xlsx" file format and sent via a "Submission Package" in the eRPT system (<https://portal.cms.gov/>). The submission spreadsheet template is available on the RPC's website (<http://www.reedassociates.org/>) in the **RPC Submission Toolkit** section.

The formatting of the submission spreadsheet template, including tab names, column headers, column order, cell placement and cell formatting, should not be changed or altered in any way, or the spreadsheet may not import properly. Additionally, Organizations should note that there are drop-down menus for several of the columns which require very specific responses.

If your Organization automates the spreadsheet completion process, the RPC suggests that you review all spreadsheet components carefully (especially the required responses for the drop-down menus) to avoid errors in importing the spreadsheets and reviewing the transactions. **The RPC cannot import transactions that do not meet the formatting requirements of the submission spreadsheet.**

NOTE: The completed submission spreadsheet must be saved in an “xls” or an “xlsx” file format in order to upload it to the eRPT system. This can be accomplished on the “Save As” window in the “Save as Type” field.

Specific instructions for how to complete each column of the spreadsheet are included on the spreadsheet itself. Basic instructions are listed below the column headers. Please contact the RPC's Client Services Department with questions on how to complete the spreadsheet.

iii. Documentation Required for all Medicaid status change transactions

Effective immediately, supporting documentation for each retroactive Medicaid status change transaction is required to be submitted in order to be reviewed and processed by the RPC. Retroactive Medicaid status change transactions are no longer subject to Enrollment Data Validation (EDV) review process.

All Organizations must electronically submit the supporting documentation for each transaction covered by this SOP to the RPC as PDF files via a “Submission Package” in the eRPT system (<https://portal.cms.gov/>).

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

In order for the supporting documentation to be accurately matched to the transaction listed on the submission spreadsheet, the documentation for each transaction must be sent in individual PDF files. Each transaction should include the RPC PayVal Documentation Worksheet (found on the RPC's website) along with the specific documents required for Medicaid transactions. Organizations should also retain a copy of the transaction and related documentation submitted to the RPC as part of each beneficiary's record.

The electronic documentation will not import properly if it is not named in the following format (note the dash): **[Contract number]-[Beneficiary ID]** (i.e. H1234-1EG4TE5MK73). Any additional characters or missing information could prevent the documentation from importing into the RPC system and delay the RPC's review of the requested transaction.

IMPORTANT: As outlined above, the exact syntax must be used when naming the supporting documentation file to ensure it is imported into the RPC system and correctly matched to the transaction listed on the accompanying submission spreadsheet. The standard process for submitting retroactive processing transactions

electronically is to create a "Submission Package" in eRPT (<https://portal.cms.gov/>) and upload the supporting documentation to that package.

NOTE: There is no need to encrypt files uploaded to eRPT as it is a secure system.

Documentation Required (choose one from list):

Please be sure that the documentation provided references the Medicaid effective dates, and the beneficiary's name and Beneficiary ID.

- A copy of the State document that confirms Medicaid entitlement for the requested period, or;
- A screen print from the State's Medicaid system that shows the Medicaid status for the requested period, or;
- A copy of the Medicaid card and documentation that the organization verified Medicaid eligibility with the state including:
 - The date of verification call by the Organization,
 - The phone number used to verify eligibility, and
 - The name of the Medicaid staff member who verified the Medicaid period.

B. RPC Importing Transactions & Issuing Error Reports

The RPC will import the transactions into the tracking system and update the status of the Submission Package in eRPT to "In Process" within five (5) calendar days. Any errors that are noted during the importation process will also be communicated to Organizations on an Error Report via eRPT as a "Response Document" at that time.

The status of the Submission Package in eRPT and the error report(s) uploaded to the Submission Package should be carefully monitored by Organizations to ensure that all of the transactions are 1) received by the RPC, and 2) imported properly. A final disposition report (FDR) will not be issued for the transactions that receive an error message during the importation process. Transactions that cause an error message and are subsequently resubmitted to the RPC are not considered to be resubmissions because they were never processed due to importation errors.

C. RPC Issuance of Final Disposition Reports (FDRs)

Valid retroactive transactions will be processed by the RPC 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 according to established policy once CMS processes the changes. Note that payment adjustments are not handled by the RPC.

After processing the adjustments, the RPC will provide the Organization with a Final Disposition Report (FDR) via eRPT to the Organization. The FDR communicates the disposition of the transactions to the Organization. The disposition codes used by the RPC are available on the RPC's website (<http://www.reedassociates.org/>) in the RPC Submission Toolkit section.

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 transaction 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 transaction can be properly resubmitted and processed by the RPC. (See Section D for resubmissions.)

If an Organization has concerns or questions regarding the determination made by the RPC, they should first contact the RPC's Client Services Department by using the Transaction Inquiry form described in Section E. If a transaction is found to have been processed incorrectly by the RPC, then Reed's Quality Assurance Department will work with the RPC Processing team to correct the transaction. For transactions or other matters that cannot be resolved by the RPC, Organizations should contact their local Account Manager for further assistance.

D. Resubmissions

Following the issuance of the Final Disposition Report (FDR), Organizations may determine (by reviewing the disposition codes provided on the FDRs) that transactions were not processed by the RPC. Organizations may file a resubmission request for previously denied retroactive transactions, once the issue has been identified and resolved.

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

In general, all of the steps outlined in section A of the "Instructions for Submission to the RPC" must be followed for a resubmission (including all documentation which supports the transaction). Additional requirements for resubmissions to be imported and processed are listed below.

1. Resubmission transactions 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 transactions. Organizations can then submit a master submission for all discrepant retroactive transactions.

2. Resubmission transactions must be listed on the Excel submission spreadsheet template following the standard submission process described in Section A.
3. On the documentation worksheet, Organizations should clearly state that the transaction is a resubmission and that it is not a duplicate transaction. Not stating this in the documentation worksheet could delay or negate the RPC's review of the transaction.
4. Documentation requirements for resubmissions are identical to the documentation requirements detailed above; however, if a transaction 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 transaction is processed.

If the resubmission has been denied multiple times, it is strongly recommended that the Organization contact the responsible Account Manager for additional guidance and/or a case-specific approval.

E. Transaction Inquiries

To follow up on specific previously-submitted adjustment transactions, an inquiry may be made via "Transaction Inquiry" in eRPT or telephone to our Client Services Department. For inquiries sent via eRPT, organizations are advised to complete the RPC Transaction Inquiry Excel template as instructed below.

Completing the RPC Transaction Inquiry Excel Template:

1. Input the following information associated with the submitted transaction:
 - a. Inquiry Type (select the type of inquiry for this transaction)
 - b. Explanation (If you selected "Question on Rejection" or "Other", please include a brief explanation on your inquiry)
 - c. Beneficiary ID (beneficiary's Beneficiary ID)
 - d. First Name (beneficiary's first name)
 - e. Last Name (beneficiary's last name)
 - f. Contract Number (contract number associated with the transaction)
 - g. PBP Number (if appropriate)
 - h. Transaction type (e.g. Enrollment, LIS, Reinstatement, etc...)
 - i. Effective Date
 - j. RPC Receipt Date (the day eRPT provided the notification the RPC downloaded the package)
 - k. The eRPT Package ID for the Submission Package
2. Create a Transaction Inquiry package in eRPT, upload the completed RPC Transaction Inquiry, and select "Submit" to send it to the RPC for review.

The RPC Transaction Inquiry is available on the RPC's website (<http://www.reedassociates.org/>) in the **RPC Client Services** section.

Note: Organizations should not submit duplicate transactions unless the RPC specifically requests that duplicate information be submitted. All other general processing inquiries can be made via e-mail or by phone.

RPC's Client Services Department:

Reed & Associates, CPAs – CMS RPC
Attn: Client Services Department
1010 South 120th Street, Suite 300
Omaha, Nebraska 68154

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

Furthermore, all system issues and questions regarding the eRPT application should be forwarded to the MAPD Help Desk (email: MAPDHelp@cms.hhs.gov; phone: 1-800-927-8069). Although the RPC relies heavily on the eRPT application, its development and maintenance is managed by another CMS contractor. Therefore, the RPC can only provide limited support regarding the application.