



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

**LOW INCOME SUBSIDY (LIS) DEEMING UPDATES  
STANDARD OPERATING PROCEDURE**

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## **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 Procedure (SOP). All transactions submitted by Organizations must be in accordance with the processes outlined in this SOP as well as the latest CMS Guidance.

### **Compliance with LIS Standard Operating Procedure (SOP)**

The guidelines for Organizations submitting documentation requesting a change in a beneficiary's Low Income Subsidy (LIS) level are written in accordance with CMS Chapter 13. The Best Available Evidence (BAE) section is written specifically in accordance with Chapter 13 70.5.2 and 70.5.3.

These guidelines are intended to assist Organizations in their compliance with RPC's Submission Procedure. Any transactions submitted by Organizations that do not comply with the guidelines may not be accepted. Careful adherence to these guidelines will ensure that transactions submitted to the RPC can be processed timely and as requested.

## **Low Income Subsidy (LIS) Overview**

- The Medicare Modernization Act (MMA) allows beneficiaries to receive extra help (subsidy) with Part D prescription drug costs.
- This extra help takes the form of subsidies paid by the Federal Government to the drug plan in which the Medicare beneficiary enrolls.
- The subsidy provides assistance with the premium, deductible, and co-payments of the program.
- 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).
- Organizations must submit all valid manual LIS deeming requests to the RPC following the guidance contained in this SOP.

## **Timing of Manual LIS Status Correction**

As described in Chapter 13 70.5.4 (Transmitting and Timing of Manual LIS Status Correction), prior to submitting a manual correction request to the RPC, CMS recommends allowing a reasonable time for updated information to be automatically entered into CMS' systems and reported to the Organization. The recommended delay is a minimum of 30 days and a maximum of 60 days, as it is likely that a significant portion of those who qualify under BAE policy in one month will be deemed for LIS via the normal process within the next several weeks.

## Instructions for Submission to RPC

Organizations must submit all manual LIS deeming update 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 ([clientservices@reedassociates.org](mailto:clientservices@reedassociates.org)).

Organizations should expect that transactions are processed and reported in the order received by the RPC. The general process is noted below:

- A. Organizations submit the following to the RPC:
  - a. A cover letter;
  - b. The RPC submission spreadsheet; and
  - c. BAE 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 transactions 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 RPC's review. Organizations should carefully monitor CMS' systems, RPC FDRs, Transaction Reply Reports (TRRs) and Monthly Membership Reports (MMRs) to ensure that all requested transactions have been processed.
- D. Organizations must resubmit transactions to the RPC within 45 days of the issuance of the FDR if the original request 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. Instructions for transaction inquiries can be found in the section titled *Transaction Inquiries by Organization*.

Submissions that meet all 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. Any packages received by the RPC that do not adhere to the guidelines in this SOP will not be processed.

### **Submission Packaging Instructions:**

#### **a. 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 request.”*

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 require 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.

**b. 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 order to be uploaded into the eRPT system (<https://portal.cms.gov/>).

The submission spreadsheet template is available on the RPC’s website at (<https://www.reedassociates.org/rpc-submission-toolkit/>).

The formatting of the submission spreadsheet template, including tab names, column headers, column order, cell placement and cell formatting, must 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.

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 utilize the following table to provide the RPC with the correct information in the *Dual Eligible Status* and *Institutional Status* columns as it relates to the LIS status level being requested:

Dual Eligible Status (Medicaid Status Level)	Institutional or HCBS Status	LIS Level	Co-Payment Amount
Partial	No/Unknown	Level 1	High
Full	No/Unknown	Level 2	Low
Full	Yes	Level 3	None

Table 1 - LIS Deeming Copayment Levels

Please contact the RPC’s Client Services Department with additional questions on how to complete the spreadsheet.

**c. Documentation Required**

- Retroactive transactions covered by this SOP are not subject to the Enrollment Data Validation 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 electronic documentation to be accurately matched to the request listed on the submission spreadsheet, the documentation for each request must be sent in individual PDF files. Each request must include the RPC LIS Documentation Worksheet along with the specific documents required for manual LIS Deeming updates. The worksheet can be found on the RPC’s website at <https://www.reedassociates.org/rpc-submission-toolkit/>.

**Required BAE**

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 an LIS deeming update.



## **Level 1 Partial/No**

Acceptable BAE pertaining to Level 1 P/N (CMS Chapter 13 70.5.2)

- A copy of the beneficiary's Medicaid card that includes the beneficiary's name and eligibility date during a month after June of the previous calendar year
- A copy of a state document that confirms active Medicaid status during a month after June of the previous calendar year
- A print-out from the State electronic enrollment file showing Medicaid status during a month after June of the previous calendar year
- A screen print from the State's Medicaid systems showing Medicaid status during a month after June of the previous calendar year
- Other documentation provided by the state showing Medicaid status during a month after June of the previous calendar year
- A letter from SSA showing that the individual receives SSI (CMS Chapter 13 70.6, 70.6.1, 70.6.2)
- An application filed by Deemed Eligible confirming the beneficiary is "automatically eligible for extra help." (SSA publication HI03094.605)
- The sponsor may also prepare a report of contact as evidence of a beneficiary's status as a full benefit dual eligible individual, institutionalized individual, and/or HCBS recipient when the sponsor makes a verification call to the State Medicaid Agency. The report of contact must include the date of the verification call and the name, title, and telephone number of the state staff person who verified the Medicaid status during a month after June of the previous calendar year.
- If for some reason none of the above is available, sponsors/plans can submit a CTM (Complaint Tracking Module). If that is submitted, proceed to that section for processing instructions.

To substantiate P/N LIS Level 1 BAE Documentation must reflect one or all of bullets a-c (below) during a month after June of the previous calendar year (as defined by CMS Chapter 13 70.5.2):

- a) Indicates Medicaid benefits as Limited; and/or
- b) Member is eligible for SSI; and/or
- c) Medicare Savings Program (QMB, SLMB, QI/QI1, QDWI).

## **Level 2 Full/No**

Acceptable BAE pertaining to Level 2 F/N (CMS Chapter 13 70.5.2)

- A copy of the beneficiary's Medicaid card that includes the beneficiary's name and eligibility date during a month after June of the previous calendar year
- A copy of a state document that confirms active Medicaid status during a month after June of the previous calendar year
- A print-out from the State electronic enrollment file showing Medicaid status during a month after June of the previous calendar year
- A screen print from the State's Medicaid systems showing Medicaid status during a month after June of the previous calendar year
- Other documentation provided by the state showing Medicaid status during a month after June of the previous calendar year
- A letter from SSA showing that the individual receives SSI (CMS Chapter 13 70.6, 70.6.1, 70.6.2)
- An application filed by Deemed Eligible confirming the beneficiary is "automatically eligible for extra help." (SSA publication HI03094.605)
- The sponsor may also prepare a report of contact as evidence of a beneficiary's status as a full benefit dual eligible individual, institutionalized individual, and/or HCBS recipient when the sponsor makes a verification call to the State Medicaid Agency. The report of contact must include the date of the verification call and the name, title, and telephone number of the state staff person who verified the Medicaid status during a month after June of the previous calendar year.
- If for some reason none of the above is available, sponsors/plans can submit a CTM. If that is submitted, proceed to that section for processing instructions

To substantiate F/N Level 2 BAE Documentation must demonstrate Full Comprehensive Medicaid Eligibility during a month after June of the previous calendar year (as defined by CMS Chapter 13 70.5.2).

NOTE: QMB PLUS and SLMB PLUS are Full Comprehensive Medicaid, therefore LIS 2.

### **LIS 3 Full / Yes**

Acceptable BAE pertaining to Level 3 F/Y (CMS Chapter 13 70.5.2)

(For LIS Level 3 Full/Yes, the beneficiary must be Full Comprehensive Medicaid (Full) AND Institutionalized or receiving Home and Community Based Services (Yes))

- Remittance from the facility showing Medicaid payment on behalf of the beneficiary for a full calendar month after June of the previous calendar year.
- Copy of a state document that confirms Medicaid payment on behalf of the individual to the facility for a full calendar month after June of the previous calendar year
- Screen print from the State's Medicaid systems showing the individual's institutional status based on at least a full calendar month stay for Medicaid payment purposes for a month after June of the previous calendar year.
- Effective as of a date specified by the Secretary, but no earlier than January 1, 2017, a copy of:
  - State-issued Notice of Action, Notice of Determination, or Notice of Enrollment that includes the beneficiary's name and HCBS eligibility date during a month after June of the previous calendar year;
  - State -approved HCBS Service Plan that includes the beneficiary's name and effective date beginning during a month after June of the previous calendar year;
  - State-issued prior authorization approval letter for HCBS that includes the beneficiary's name and effective date beginning during a month after June of the previous calendar year;
  - Other documentation provided by the State showing HCBS eligibility status during a month after June of the previous calendar year; or,
  - A state-issued document, such as remittance advice, confirming payment for HCBS, including the beneficiary's name and the dates of HCBS.
  - State-issued document, such as a remittance advice, confirming payment for HCBS, including the beneficiary's name and the dates of HCBS.

- The sponsor may also prepare a report of contact as evidence of a beneficiary's status as a full benefit dual eligible individual, institutionalized individual, and/or HCBS recipient when the sponsor makes a verification call to the State Medicaid Agency. The report of contact must include the date of the verification call and the name, title, and telephone number of the state staff person who verified the Medicaid status during a month after June of the previous calendar year.
- If for some reason none of the above is available, sponsors/plans can submit a CTM. If that is submitted, proceed to that section for processing instructions.

### **Complaint Tracking Module (CMS, Chapter 13 70.5.3)**

When BAE is not available the CTM (Complaint Tracking Module) is another method that may be used to substantiate a Subsidy Level Request on behalf of the beneficiary. To provide expedited service on behalf of Medicare beneficiaries, Part D sponsors are to enter BAE assistance requests into the CTM on behalf of their enrollees.

CMS reviews and completes a resolution section indicating LIS level and effective dates. After receiving the CTM case, CMS will attempt to confirm with the appropriate state Medicaid agency whether the beneficiary is eligible for LIS. The CMS Account Manager reports findings to the plan. The plan submits those findings to RPC so that appropriate subsidy levels can be updated in ELMO.

In order to process the deeming request as submitted, RPC must receive documentation that includes all of the necessary elements of a CTM as listed below. These elements must support the request in order to be processed as requested.

#### Necessary Elements of a CTM

- Complaint Tracking ID#
- CMS Account Manager name
- Beneficiary
- Start of Medicaid/Medicaid Institutional Status (Effective Date)
- Dual Eligible Status (Full/Partial)
- Institutional Status (Yes/No/Unknown)
- LIS Co-Pay Level

## **RPC Importing Transactions & 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 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 received by the RPC and 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.

## **RPC Issuance of Final Disposition Reports (FDRs)**

Valid retroactive transactions 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 eRPT to the Organization. The FDR communicates the disposition of the requests to the Organization. The disposition codes used by the RPC are available on the RPC's website (<https://www.reedassociates.org/rpc-submission-toolkit/>).

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 transaction can be properly resubmitted and processed by the RPC. Instructions for resubmissions are detailed in the section *Resubmissions by Organizations*.

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 the section *Transaction Inquiries by Organization*. 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.

## Resubmissions by Organizations

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. Once the error is identified and resolved, Organizations may file a resubmission request for previously denied retroactive transactions.

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 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 request). Additional requirements for resubmissions to be imported and processed are listed below.

- A. 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.
- B. Resubmission transactions must be listed on the Excel submission spreadsheet template following the standard submission process described in Section A.
- C. On the documentation worksheet, Organizations should clearly state that the transaction is a resubmission and is not a duplicate transaction. Not stating this in the documentation worksheet could delay or negate the RPC's review of the requested transaction.
- D. 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.

## Transaction Inquiries by Organization

To follow up on specific previously submitted adjustment transactions, an inquiry may be submitted by email to [clientservices@reedassociates.org](mailto:clientservices@reedassociates.org), via “Transaction Inquiry” in eRPT, or telephone to our Client Services Department: (402) 315-3660. 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:

- A. 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
  
- B. 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 Template 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 that are not case specific can be made via e-mail or by phone.



**RPC's Client Services Department:**

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Omaha, NE 68154  
Phone: (402) 315-3660  
Email: [clientservices@reedassociates.org](mailto: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](mailto: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.