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TO: Medicare Advantage Plans and Part D Plans, including cost, PACE and demonstration Plans

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SUBJECT: Social Security Number Removal Initiative (SSNRI) Selected Updates for Medicare Advantage and Part D Plans

The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015, requires that the Centers for Medicare & Medicaid Services (CMS) remove Social Security Numbers (SSNs) from all Medicare cards by April 2019. A new Medicare Beneficiary Identifier (MBI) will replace the SSN-based Health Insurance Claim Number (HICN) on new Medicare cards which will be issued to beneficiaries no earlier than April 2018. There will be a transition period where CMS will accept either the HICN or the MBI when submitting data to the agency. The transition period will begin no earlier than April 1, 2018, and run through December 31, 2019.

The Social Security Number Removal Initiative (SSNRI) will require coordination between all stakeholders involved. We recognize that Medicare Advantage Organizations (MAOs) and Part D sponsors, and other payers are interested in learning more about how the SSNRI will affect them. To that end, this memorandum provides general information about several CMS processes in order to assist plans in preparing for this transition. Additional details about the systems outlined below and updates about other processes and systems will be communicated in the future.

Medicare Health and Drug Plan Enrollment

As outlined in 42 CFR 417.422, 422.50, and 423.32, individuals must complete an enrollment request to join a Medicare health or drug plan. No earlier than April 2018, CMS will begin to distribute new Medicare cards containing the MBI to new and existing beneficiaries. During this

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transition period, all Medicare health and drug plans will need to be able to accept either the HICN or the MBI on any enrollment request and complete enrollment and Part D penalty processing as outlined in Chapters 2 and 17D of the Medicare Managed Care Manual and Chapters 3 and 4 of the Medicare Prescription Drug Benefit Manual. CMS will make revisions to the enrollment guidance and provide updated models for plans to use in preparing for the enrollment application changes. CMS anticipates providing draft guidance for plan input in the Spring of 2017 and issuing final guidance in the Summer of 2017.

Questions related to enrollment can be submitted to PDPENROLLMENT@cms.hhs.gov.

Drug Data Processing System (DDPS) and Payment Reconciliation System (PRS)

Part D sponsors use the Drug Data Processing System (DDPS) to submit information on every prescription drug claim covered under the Part D plan's benefit package in accordance with the Prescription Drug Event (PDE) record layout. The PDE record layout currently has a field titled "Health Insurance Claim Number" which will be repurposed under the SSNRI to allow both HICN and the new Medicare Beneficiary Identifier to be submitted in that field. The name of the current field will change to "Medicare beneficiary identifier." Because the format of the MBI is distinctly different than the HICN, it is not necessary to add a Medicare beneficiary identifier qualifier field to the PDE record layout.

In addition to the PDE record layout, there are a number of reports issued from the DDPS and also from the Payment Reconciliation System (PRS) that contain the HICN. In every instance, the HICN field will be titled the "Medicare beneficiary identifier" field. There will be no new fields created on any inbound or outbound files to accommodate the newly issued MBIs under the SSNRI.

Part D sponsors may continue to submit either the HICN or an MBI on the PDE record during and after the transition period. Part D plans should submit the MBI on PDE records when possible. CMS will monitor the progress of Part D sponsors in making the transition to submitting MBIs on PDE records.

CMS will release additional guidance on DDPS and PRS and will post updated file layouts and the PDE edit spreadsheet when requirements are finalized. Questions related to DDPS and PRS can be submitted to PDEJan2011@cms.hhs.gov.

Part D Coordination of Benefits (COB)

Part D sponsors are required to coordinate with State Pharmaceutical Assistance Programs (SPAPs) and other providers of prescription drug coverage with respect to the payment of premiums and coverage, including coverage supplementing benefits available under Part D. The Part D Transaction Facilitator (Facilitator) provides the infrastructure to support information exchanges for Part D Coordination of Benefits (COB). As the SSNRI is implemented an individual payer may have access to a given beneficiary's MBI, HICN or to both identifiers. CMS and the Facilitator will be making changes in order to accommodate COB-related data exchanges between payers. These changes are described below:

Eligibility Inquiries (EIs). The Facilitator processes a pharmacy eligibility inquiry (E1) to determine a patient eligibility in a Part D plan. If a patient enrolled in Medicare Part D does not

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present a Medicare Part D ID card to the pharmacy provider or the pharmacy provider wants to verify coverage, this transaction can be used to determine which plan(s) to bill and if known, in what order.

The Facilitator is in the process of modifying its internal process to accommodate the MBI. Consistent with the current transaction set, if the pharmacy submits a Social Security Number, HICN or MBI on an E1, and a match is found, the facilitator will return the requested 4Rx information.

COB-Related Transactions. The Facilitator also supports the exchange of beneficiary information between payers for the COB purposes. This includes information about supplemental payments made (Nx) and TrOOP balance transfers (FIRs). Neither the FIR nor the Nx transactions currently include a HICN so they will not be impacted by SSNRI. However, the performance reports issued to the Part D plans for these two transaction types include the HICN and will therefore be modified to support the MBI. As MBIs gradually replace HICNs, the Facilitator will modify these reports to include beneficiary MBIs as they become available. Once an MBI is available on an individual record, only the MBI will be reported back to the payer.

Questions related to Medicare Part D Coordination of Benefits can be submitted to PartD_COB@cms.hhs.gov.

Encounter Data System (EDS)

MAOs submit information to CMS on every service and item rendered to beneficiaries enrolled in their plans through the Encounter Data System (EDS). MAOs submit these data, including beneficiary identifier information (i.e., health insurance claim number or HICN), on encounter data records (EDRs). CMS is requesting that MAOs begin submitting the MBI on their EDRs (as these data become available for beneficiaries enrolled in their plans) to CMS, in place of the HICN. Both during and after the transition, CMS will continue to accept the HICN from MAOs that have yet to receive an MBI for beneficiaries enrolled in their plans, and from MAOs that are submitting pre transition EDRs for which there is no MBI. CMS will capture the submitted beneficiary identifier information (HICN or MBI) in the same field that is currently used to submit the beneficiary HICN during and after the transition period. All EDS transaction return reports will reflect the beneficiary identifier information submitted to CMS by the MAO, in the same fields that plans are accustomed to seeing beneficiary identifier information.

Additional detail about any changes concerning SSNRI that will impact MAO data submissions to the EDS will be published in upcoming software release announcements.

Questions related to the implementation of SSNRI in the Encounter Data System can be emailed to encounterdata@cms.hhs.gov.

Health Plan Management System (HPMS)

To accommodate SSNRI, CMS must implement modifications within the Health Plan Management System (HPMS). The Complaints Tracking Module (CTM) will be updated to use the MBI in place of the HICN, which will impact functionality such as entry screens, uploads,

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reports, and data extracts. The HICN will also be replaced in any impacted functionality in the Performance Metrics Module as well as the Audit Module. All other HPMS modules that do not include a HICN will not be impacted.

Questions related to HPMS can be submitted to HPMS@cms.hhs.gov.

Risk Adjustment Suite of Systems (RASS)

MAOs submit diagnosis information to CMS through the Risk Adjustment Processing System (RAPS). Plans currently submit HICNs or RRBs during the RAPS daily process. CMS will repurpose the Member ID portion of the RAPS record to allow submission of either HICN, RRB, or the MBI. CMS is requesting that MAOs begin including the MBI on their submissions (as these data become available for beneficiaries enrolled in their plans) in place of the HICN. Both during and after the transition, CMS will continue to accept the HICN from MAOs that have yet to receive an MBI for beneficiaries enrolled in their plans, and from MAOs that are submitting pre transition RAPS data for which there is no MBI (ex. overpayment data submissions that are part of the specified look back period).

There are a number of reports issued from RAPS that contain the HICN (including the RAPS Transaction Error Report, RAPS Transaction Summary Report, RAPS Duplicate Diagnosis Cluster Report and RAPS 502 Error Report – Detail File). In each of these instances, the “HIC Number” or “Corrected HIC” fields will be retitled as “Member ID” or “Corrected Member ID” as appropriate. There will be no new fields created on any inbound or outbound files to accommodate the newly issued MBIs under the SSNRI. On all of these reports, the reports will return the submitted Member ID that was submitted by the plans in the CCC record. Questions related to the implementation of SSNRI in the Risk Adjustment Suite of Systems can be emailed to riskadjustment@cms.hhs.gov.

Medicare Advantage-Prescription Drug (MARx) System

The Medicare Advantage Prescription Drug (MARx) system stores Medicare Advantage Part C and Prescription Drug Sponsor Part D enrollment, payment, and premium information and calculates monthly Part C/D payments and adjustments for each plan. Via MARx, MAOs and Part D sponsors are able to submit batch data files, view information on a User Interface (UI), and download reports.

To assist MAOs and Part D sponsors with the ability to determine or match their beneficiary population between HICN and MBI, MARx will generate and distribute a monthly crosswalk data file. Each crosswalk data file will be created at the MAO/PDP Contract level. The crosswalk files will be sent monthly during the transition period.

While transitioning to the MBI, MAO and Part D sponsors will be able to submit data either using the HICN or MBI on all input transaction types, including any online interaction with the MARx UI. All MARx output data files/reports will contain the MBI. After the transition period, MARx will only accept and process a transaction that contains the valid MBI from the MAO or Part D

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sponsor. If an incorrect MBI is submitted, MARx will notify and return a reject notification via the Daily Transaction Reply Report.

Additional detail about the MARx enhancements concerning SSNRI will be published in upcoming 2017 software release announcements. Questions related to the implementation of SSNRI MARx implementation can be emailed to MARXSSNRI@cms.hhs.gov.

CMS also launched the SSNRI Webpage available at <https://www.cms.gov/Medicare/SSNRI/Index.html> to provide interested stakeholders with general information regarding this initiative.

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