



State of Wisconsin SPAP Nx Transaction Remediation – Frequently Asked Questions

Overview of Issue

Wisconsin Department of Health Services (WI SPAP) became aware that qualified (counts towards beneficiary's True out-of-pocket (TrOOP)) and non-qualified (does not count towards beneficiary's TrOOP) Coordination of Benefits – Other Health Information (COB-OHI) records were being provided to Medicare Part D plans using the same RxBIN and RxPCN. In order to differentiate between qualified and non-qualified coverage, there must be distinct RxBIN and RxPCN combinations.

In the COB-OHI record, the RxBIN 610499 and RxPCN WIPARTD combination has been designated as qualified per the quarterly CMS SPAP ADAP Report; however, some of the WI SPAP COB-OHI records were sent with supplemental type code "N" which designates non-qualified.

If Medicare Part D plans/processors use only the supplemental type code indicator in the COB-OHI record when processing Nx transactions, these transactions would have been processed as non-qualified. If Medicare Part D plans/processors use the quarterly CMS SPAP ADAP Report when processing Nx transactions, these transactions would have processed as qualified.

Due to back-end point-of-sale eligibility matching logic, WI SPAP claims resulted in the Nx transactions not aligning with the plan under which they were paid.

Below is a step-by-step remediation process to resolve any potential TrOOP discrepancies. Medicare Part D plans who have or have had WI SPAP in the past three (3) benefit years must review the remediation process and take action where indicated.

The WI SPAP has split the non-qualified COB-OHI records from the qualified COB-OHI records by using a unique RxPCN.

- RxPCN WIPLRO will indicate non-qualified SPAP records.
- RxPCN WIPARTD will indicate qualified SPAP records.

WI SPAP Nx transactions will no longer be routed by the switches in real time after 7/1/2022. WI SPAP will be internally validating the correct RxBIN and RxPCN combinations in their weekly Nx transaction batch files that will be sent to the Medicare Part D Transaction Facilitator.

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Step-by-Step process

1. Medicare Part D plans working with their PBMs will confirm that WI SPAP COB-OHI records with BIN = 610499 PCN = WIPARTD and supplemental type code = N have been deleted. Since this was never a valid combination, there should not be any COB-OHI records for any beneficiaries with the PCN = WIPARTD and supplemental type code = N. This confirmation needs to be completed by 6/30/2022.
 - a. If it is discovered there are COB-OHI records as noted above still active in their systems, Medicare Part D plans working with their PBMs must delete those COB-OHI records.
2. The Medicare Part D Transaction Facilitator will stop transmitting Nx transactions for WI SPAP BIN = 610499 beginning 7/1/2022. This process will remain on hold until the historical Nx transactions are sent in step 8 below.

Question for Step 2:

What if Nx transactions are received after 7/1/22 by WI SPAP but before the one-time cleanup has been completed? Who should Plans/PBMs contact – the Medicare Part D Transaction Facilitator or WI SPAP?

A: Since real-time routing of the BIN/PCN to the Medicare Part D Transaction Facilitator has been terminated for WI SPAP, this should not occur. However, if this occurs, Medicare Part D plans/processors should report these real-time Nx transactions to the Medicare Part D Transaction Facilitator by emailing the details to TBTsupport@RelayHealth.com.

3. The Medicare Part D Transaction Facilitator will generate and send N2 reversal transactions for all beneficiaries that have WI SPAP supplemental coverage and have received Nx transactions where the last status was an N1 or N3 for dates of service 07/01/2019 – 6/30/2022. This will begin on or about 7/1/2022.

Question 1 for Step 3:

How will the N2 reversals that we get a month prior to new N1 affect beneficiary's TrOOP?

A1: Per Chapter 14, plans/PBMs should be using the BIN/PCN combinations on the CMS Qualified SPAP/ADAP Quarterly Report to determine how to apply Nx transactions. If an Nx transaction has a BIN/PCN combination that is on the CMS report, those Nx transactions should be applied as qualified (TrOOP-able). If Plans/PBMs are processing consistent with the guidance, the Nx transactions with the WI SPAP Qualified BIN/PCN = 610499/WIPARTD with a Supplemental Type Code = N, indicating non-qualified, should have been processed as qualified (TrOOP-able). The beneficiary's TrOOP would not have been reduced and the subsequent N2 transaction would not affect the TrOOP during the delay. During this time if adjusted Prescription Drug Events (PDEs) are sent upon receipt of an N2, the PDE will reflect the Medicare Part D Patient Pay dollars in the "Patient Pay" field rather than the "Other TrOOP" field.

Examples A1:

- Primary Medicare claim = Patient Pay \$100.00

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- N1 transactions where BIN/PCN = 610499/WIPARTD Sup type code = N – Patient Pay = \$20.00
 - Matches BIN/PCN = 610499/WIPARTD on CMS SPAP ADAP Report
 - Assumed other payer amount = \$80.00 – applies as qualified
- Beneficiary TrOOP accumulated = \$100.00
- Other TrOOP = \$80.00

Transaction Facilitator sends N2

- Primary Medicare claim = Patient Pay \$100.00
- N2 transactions matches N1, N1 is reversed
 - Other TrOOP = \$80.00 is negated
- Beneficiary TrOOP accumulated = \$100.00

In Example A1, if sending an adjusted PDE*, it will reflect the full \$100.00 patient pay which should be applied towards TrOOP.

*Note: For the one-time cleanup, plans/PBMs may also choose to hold off sending adjusted PDEs due to the receipt of the N2 until they receive the updated WI SPAP Nx transactions.

A2: In the event the original N1 was processed as non-qualified based off the Supplemental Type Code = N, the beneficiary’s TrOOP may have been reduced by what WI SPAP contributed and reported in Patient Liability Reduction Due to Other Payer Amount (PLRO). When the subsequent N2 is received, the amount contributed by WI SPAP would be added back into the beneficiary’s TrOOP and reported on the PDE as if WI SPAP did not contribute. In this scenario, the beneficiary’s benefit stage may be impacted. During the delay between the N2 reversal and the new N1, all financials should be held until all new N1 transactions are received. Part D sponsors will need to work with their PBMs to ensure financials are held during this time.

Example A2:

- Primary Medicare claim = Patient Pay \$100.00
- N1 transactions where BIN/PCN = 610499/WIPARTD Sup type code = N – Patient Pay = \$20.00
 - PBM does not use the CMS SPAP ADAP BIN PCN list
 - Other payer amounts apply as non-qualified
- Beneficiary TrOOP accumulated = \$20.00
- PLRO = \$80.00

Transaction Facilitator sends N2

- Primary Medicare claim = Patient Pay \$100.00
- N2 transactions matches N1, N1 is reversed
- Beneficiary TrOOP accumulated increases = \$100

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Adjustment would occur since TrOOP is increased; **this adjustment needs to be held** until receipt of the new WI SPAP Nx transactions.

Question 2 for Step 3:

What if the originally received WI SPAP Nx transactions rejected, therefore no reversal could be completed, but new N1s are sent? Is there any action required?

A: Even if the original N1 is rejected, if the Medicare Part D Transaction Facilitator sends a reversal (N2) for the rejected N1, the reversal will also reject. If a subsequent N1 is then sent, it will go through the normal process and either reject or process and include in the reconciliation as applicable.

4. Medicare Part D plans should engage their PBMs to ensure N1 or N3 transactions have been reversed by the N2 reversals sent in step 3. If active N1 or N3 transactions are found, Medicare Part D plans working with their PBMs, will need to reverse these transactions internally.
 - a. Medicare Part D plans may use their July 2022 Nx Cumulative reject reports to ensure all N2 transactions processed successfully. If N2 transactions sent in step 3 rejected, they will need to work with their PBMs to ensure all outstanding N1 or N3 transactions are reversed internally.
5. The WI SPAP will send the corrected SPAP Eligibility file to CMS on 7/19/2022. This file will contain the correct BIN/PCN for the WI SPAP plans, based on the beneficiary's enrollment in the qualified (PCN = WIPARTD) or non-qualified (PCN = WIPLRO) plan(s).
 - a. Note: Beneficiaries may be enrolled in both plans and may receive multiple COB-OHI WI SPAP records.
 - b. Note: The Medicare Part D plans may not receive the updated COB-OHI WI SPAP records for up to 15 days after the WI SPAP submits the eligibility files to CMS due to CMS processing timelines.

Question for Step 5:

When the plans receive the updated WI SPAP COB-OHI from CMS, will it affect the beneficiary's TrOOP?

A: No, receiving the updated COB-OHI file should not affect the beneficiary's TrOOP, since this is just the COB-OHI file and all N1 and N3 transactions were reversed by the WI SPAP N2s or the internal reversals.

6. Medicare Part D plans should validate the new WI SPAP COB-OHI records containing PCN = WIPLRO and supplemental type code = N have been received, where applicable.
 - a. Note: Beneficiaries may be enrolled in both plans and may receive multiple COB-OHI records including and updated WIPARTD COB-OHI record(s).
7. The WI SPAP will send a batch Nx transaction file of historical claims to the Medicare Part D Transaction Facilitator. The batch file will contain COB claims with dates of service greater than or equal to 07/01/2019. The estimated date for historical claims is the first or second week of August 2022.
8. The Medicare Part D Transaction Facilitator will process the batch Nx transactions and transmit them to the Medicare Part D plans.

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9. Medicare Part D plans should engage their PBMs to ensure that any Nx transactions received for WIPLRO for dates of service greater than or equal to 7/1/2019 are re-adjudicated as indicated below.
 - a. As a reminder, plans are also required to process adjustments timely per 42 CFR 423.466 (a) which states the following: retroactive claims adjustments, underpayment refunds, and overpayment recoveries are whenever a Part D sponsor receives information that necessitates a retroactive claims adjustment, the Part D sponsor must process the adjustment and issue refunds or recovery notices within 45 days of the Part D sponsor's receipt of complete information regarding claims adjustment.

Question for Step 9:

What happens if the patient paid amount on the updated N1 is different than the patient paid amount on the original N1 transaction?

A: Beneficiary's TrOOP should reflect the updated amounts from the new N1 transaction.

10. Medicare Part D plans should engage their PBMs to ensure that financials are reported to the WI SPAP for reconciliation during this one-time cleanup process.
11. When the re-adjudication of the Nx transactions results in a beneficiary recovery or refund, those beneficiaries' claim-level detail for the Nx transactions impacted should be reported in a CSV or Excel format to the WI SPAP. It is recognized there may be other changes to the associated Part D claim (i.e., retro LICs changes) that occur during the timeframe discussed in this memo that may be included in the reconciliation process.
 - a. Because WI SPAP is responsible for beneficiary financials related to this issue, Part D plans must not pursue recoveries from beneficiaries if the re-adjudications result in net underpayments.
 - b. Because WI SPAP is responsible for beneficiary financials related to this issue, Part D plans must not send refunds to beneficiaries if the re-adjudications result in net overpayments.
 - c. Direct detail reports and inquiries should be sent to DHSTPL@DHS.Wisconsin.gov through secure email or other encrypted method.
 - i. Other Payer Cardholder ID (ID submitted on Nx transaction)
 - ii. MBI
 - iii. First Name
 - iv. Last Name
 - v. Pharmacy NPI
 - vi. Prescription number
 - vii. Date of Service
 - viii. Fill Number
 - ix. Primary Patient Pay Amount on the original claim
 1. Original benefit phase(s) in which the claim paid (optional)
 - x. Primary Patient Pay Amount on the updated claim after the non-qualified Nx was applied and TrOOP reduced.
 1. New benefit phase(s) in which the claim paid (optional)
 - xi. Refund or recovery amount(s)

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Question 1 for Step 11:

After I apply the updated Nx, it results in a net refund. Should Medicare Part D Plans send refunds directly to the beneficiary?

A: No, the refunds should be sent to the State of Wisconsin with the detail claim information included as stated in step 11.

Question 2 for Step 11:

After I apply the updated Nx, it results in a net recovery. Should Medicare Part D Plans pursue recoveries directly from the beneficiary?

A: No, the recoveries should be sent to the State of Wisconsin with the detailed claim information included as stated in step 11.

Question 3 for Step 11: Will there ever be an instance where payment is due between WI SPAP and the Part D plan sponsor? If so, do we need to specify address/payee information in the Direct Detail reports being sent to WI SPAP?

A: Yes, address/payee information should be included in the encrypted email sent to WI SPAP.

Question 4 for Step 11: Direct Detail reports – For refunds or invoice amounts for claims that processed due to the one-time cleanup but outside of WI SPAP claims, how should plans communicate the invoice or refund information? For example, a retro-LICS change that was held during the clean-up process could result in refunds due, or due to the shift in TrOOP dollars, subsequent claims may get impacted, but it may not impact the WI SPAP N1 claim itself. Since we confirmed on the NCPDP WG9 Coordination of Benefits Contractor (COBC)/Benefits Coordination & Recovery Center (BCRC) Task Group call only WI SPAP details should be included in the file, can an example be provided in an FAQ of what this would look like on the detail report?

A: The details of all affected claims – regardless of why it was affected – should be sent to WI SPAP.

12. The WI SPAP Nx transactions will no longer be routed by the switches in real time after 7/1/2022. Paid claims (Nx transactions) will be transmitted to the Medicare Part D Transaction Facilitator using a weekly batch process.

Question 1 for Step 12:

How long will WI SPAP be sending Nx transactions in BATCH mode?

A: Batch mode will be the normal process for WI SPAP moving forward and may create late Nx transactions.

Question 2 for Step 12:

Will BATCH mode create latent Nx transactions?

A: Yes, WI SPAP sending Nx transactions via the batch mode will create latent Nx transactions. Part D plans and their processors should use their established procedures to process these latent Nx transactions.

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13. Primary Part D claims and WI SPAP Nx transactions processed after the one-time cleanup is completed should follow standard re-adjudication/adjustment processing.

Question 1 for Step 13: If a beneficiary refund occurs after the one-time clean-up is completed, would the refund go directly to the beneficiary?

A: Yes, whatever your processor's standard practices are for recoveries and refunds would occur after the one-time clean-up is completed.

Question 2 for Step 13: Do plans/PBMs need to wait for a response from WI SPAP, after sending the file, to begin standard re-adjudication/adjustment processing?

A: No, plans/PBMs should not wait for a response before beginning their standard re-adjudication/adjustment processing. Once the re-adjudication that will occur when the updated N1 transactions are received has been completed, standard re-adjudication/adjustment processing should begin.

The WI SPAP accepts all responsibility for ensuring that any refunds paid to the State of Wisconsin or recoveries due to the Part D plans as a result of this process will be appropriately processed and paid to either the impacted beneficiaries or the Part D plan by the State of Wisconsin.

General FAQs

- 1. *I did not see my contract in the CMS list. Will my beneficiaries be affected if they are not included in the contract list provided by CMS?***

A: No. If your plan's contract is not included in the list provided by CMS, your beneficiaries will not be affected.

- 2. *My contract is included in the CMS list, but that contract has been terminated. Will my beneficiaries be impacted by this process?***

A: No. Because CMS only sends updated COB-OHI information for terminated contracts for 60 days, terminated contracts will not receive the updated COB-OHI information for the non-qualified WI SPAP beneficiaries. Terminated contracts will receive the Nx transactions; however, the Nx transactions should not affect the beneficiary's TrOOP.