



## **CENTERS FOR MEDICARE & MEDICAID SERVICES**

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**DATE:** July 30, 2024 (*Revised from June 13, 2024*)

**TO:** All Prescription Drug Plans, Medicare Advantage-Prescription Drug Plans, Section 1876 Cost Plans, Medicare-Medicaid Plans, and PACE Organizations

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**SUBJECT:** Coordination of Benefits-Other Health Insurance (COB-OHI) Record Updates

CMS is announcing two changes to the COB-OHI file records to support Part D sponsors' ability to comply with coordination of benefits (COB) requirements:

- Change in the data source for Non-Group Health Plan (NGHP) other health insurance (OHI) records transmitted to Part D sponsors on the COB-OHI file; and
- Date and time stamp will be added to all OHI records on the COB-OHI file.

### *NGHP OHI Records Data Source*

This change corrects the issue where reporting of NGHP coverage by Medicare beneficiaries or attorneys and mandatory reporting of NGHP coverage under Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007<sup>1</sup> (Section 111) to the Benefits Coordination and Recovery Center (BCRC) have resulted in the creation of *a significant proportion of* conflicting records. NGHPs include no-fault, liability (including self-insurance), and workers compensation (including black lung benefit program) insurers.<sup>2</sup>

NGHP coverage that is reported to the BCRC *as drug coverage* is transmitted to the Medicare Beneficiary Database (MBD) and to Part D sponsors via the COB-OHI file whereas NGHP coverage reported to the BCRC *as medical coverage* by other means (e.g., Section 111 Responsible Reporting Entities) is transmitted to the Common Working File (CWF) and to Medicare Advantage Organizations via the Monthly Medicare Secondary Payer (MSP) Information Data file. *Thus*, changes to NGHP coverage *may be made by different entities*

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<sup>1</sup> Pub. L. 110-173. <https://www.congress.gov/110/plaws/publ173/PLAW-110publ173.pdf>

<sup>2</sup> See [Chapter 1](#), Section 20, of the Medicare Secondary Payer Manual and 42 CFR §§ [411.20\(a\)\(2\)](#), [411.40\(b\)\(1\)](#).

through separate reporting pathways *and* are *therefore* not uniformly conveyed to Medicare Advantage (Part C) and Part D plans. *In the June 13, 2024 version of this memorandum, we had referred to “self-reported” NGHP OHI records with the COB Source Code of 11110; however, the NGHP OHI records that had been reported or updated through separate reporting pathways were not limited to this specific source code.*

CMS is instituting this change so that NGHP OHI records *with MSP Reason Codes D, E, H, and L that are* transmitted to Part D sponsors in the COB-OHI file are sourced from the CWF. The CWF will serve as the system of record for both NGHP MSP *records* sent to Part C plans and NGHP OHI records sent to Part D plans. This change is also expected to improve Part D sponsors’ ability to validate inquiries from NGHP insurers pursuant to the Provide Accurate Information Directly (PAID) Act.<sup>3,4</sup>

Key details related to this change are as follows:

- **On or about June 30, 2024**, new or updated NGHP OHI records with MSP Reason Codes D, E, H, and L will no longer be included in the COB-OHI file.
- **On or about August 30, 2024**, existing NGHP OHI records with MSP Reason Codes D, E, H, and L will be deleted from beneficiaries’ COB profiles and replaced with NGHP OHI records with MSP Reason Codes D, E, H, and L from the CWF. The deletion of the NGHP OHI records is anticipated to occur first in the COB-OHI file. Then, all existing NGHP OHI records with MSP Reason Codes D, E, H, and L that are in the CWF as of the date of the change will be transmitted in a separate COB-OHI file *that will contain full OHI profiles for beneficiaries with NGHP records with MSP Reason Codes D, E, H, and L in the CWF.*
- **Between June 30 and August 30, 2024**, Part D sponsors may continue to use NGHP OHI records they have previously received in order to carry out investigations and recoveries of conditional payments but should be aware that new or updated NGHP OHI records will not be transmitted during this time. *The BCRC has already completed the deletion of NGHP drug (i.e., OHI) records from its system, therefore these records are no longer available via the Electronic Correspondence Referral System (ECRS). Part D sponsors should not submit out-of-sync updates via ECRS for NGHP OHI records that do not match NGHP MSP records.*
- **After the initial transmission of all NGHP OHI records with MSP Reason Codes D, E, H, and L on the CWF on or about August 30, 2024**, Part D sponsors will continue to receive NGHP OHI records via the daily COB-OHI file as they are added or updated on the CWF. This means that Part D sponsors may receive NGHP OHI records before Part C plans receive the same information via the Monthly MSP Information Data file. *Part D sponsors should no longer observe out-of-sync issues since NGHP OHI records and NGHP MSP records will be from the same data source (i.e., the CWF). Part D sponsors are not permitted to update CWF NGHP records via ECRS. If a Part D sponsor determines that updates to an NGHP OHI record are necessary, the sponsor*

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<sup>3</sup> Section 1301 of the Further Continuing Appropriations Act, 2021, and Other Extensions Act. Pub. L. 116-215. <https://www.congress.gov/bill/116th-congress/house-bill/8900>

<sup>4</sup> For additional discussion of the PAID Act, see <https://www.cms.gov/files/document/june-23-2021-provide-accurate-information-directly-paid-act-webinar-presentation.pdf>.

*should advise the beneficiary to contact the NGHP insurer or the BCRC to update the record.*

There will be no change to the COB-OHI Primary Record layout. If a specific data element is not available in the CWF NGHP record, the corresponding field in the COB-OHI Primary Record layout will be left blank. Notably, the attorney data that is currently provided in NGHP OHI records (Items 43-48 of the COB-OHI Primary Record) is not *currently transmitted from the CWF NGHP records and therefore will not be included on the NGHP OHI records that Part D sponsors will receive on the COB-OHI file when this change takes effect. CMS is working to correct this in the future so that Part D sponsors receive attorney information.* The Payer Order (Item 29 of the COB-OHI Primary Record) is a Part D-specific value that is not available in the CWF NGHP record, therefore CWF NGHP OHI records will be assigned the fixed value 201 (to represent the NGHP payer order range of 201-300<sup>5</sup>). The Sequence Number (Item 11 of the COB-OHI Primary Record) will reflect the CWF Occurrence number (Item 10 of the MSP Detail Record) assigned to the CWF record by the BCRC *and will be reported as 3 digits*. Part D sponsors using the Sequence Number in the COB-OHI Primary Record for internal validations may need to verify that existing records with the same Sequence Number are not overwritten by the CWF NGHP records.

As stated previously, this change applies to NGHP records with MSP Reason Codes D (No-Fault), E (Workers Compensation), H (Black Lung), and L (Liability). NGHP OHI records with MSP Reason Code W (Workers Compensation Medicare Set-Aside) will not be affected by this change since the BCRC is the sole source of these records.

#### *Date and Timestamp on OHI records*

If COB-OHI files are inadvertently transmitted to Part D sponsors out-of-sequence or if more than one COB-OHI file is transmitted within the same day, Part D sponsors may inadvertently apply outdated records to a beneficiary's OHI profile.

Beginning on or about **August 30, 2024**, COB-OHI files will include the date and timestamp indicating when the OHI records in the COB-OHI file were *applied to* MBD. *All records in the COB-OHI file will have the same date and time stamp based on creation of the file by MBD.*

The date and timestamp will be included in the existing filler field, Item 15, of the COB-OHI Detail Record, in the format CCYYMMDD.HH.MM.SS.SSSS. *There will be no change to the number of bytes in Item 15 and no new filler field will be added to the Detail Record layout.*

Part D sponsors *and their processors may* use this date and timestamp to ensure they maintain the most current records in a beneficiary's OHI profile. *CMS understands that Part D sponsors and their processors may not be able to configure their systems to accept the date and timestamp by August 30, 2024; however, they should continue to utilize the OHI records as they are received consistent with current practice.*

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<sup>5</sup> See Table 30.2-1 in [Chapter 14](#) of the Medicare Prescription Drug Benefit Manual.

### *Additional Information*

The changes described in this memorandum do not alter existing Part D sponsor requirements with respect to coordination of benefits. Part D sponsors should refer to [Chapter 14](#) of the Prescription Drug Benefit Manual for guidance. COB-OHI file specifications and Monthly MSP Information Data file specifications can be found in the [MAPD Plan Communication User Guide](#).

Please email [PartD\\_COB@cms.hhs.gov](mailto:PartD_COB@cms.hhs.gov) with questions regarding this memorandum or to report any issues observed with the changes described.