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NEW RDS REASON CODES

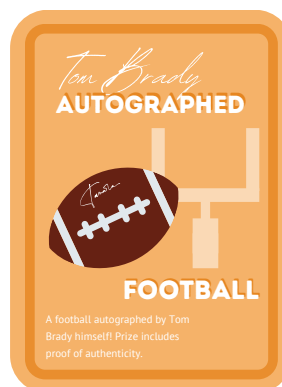
SEPTEMBER MARKS THE ADDITION OF 2 NEW REASON CODES

Learn more about these 2 new identification numbers from CMS / p 1

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WHOSE KID IS THIS?

& OTHER GOOD REASONS TO CONDUCT
DEPENDENT ELIGIBILITY AUDITS

Hear us speak at the 69th annual
IFEBP Conference this October / p 4



DEADLINES

RECONCILIATION &
APPLICATION DEADLINES

Learn the deadlines for submitting
your applications on time / p 5

New RDS Reason Codes NOW ACTIVE¹

On September 1, 2023, CMS' RDS Center implemented two new Reason Codes to communicate RDS eligibility information during retiree data transfers. These codes will support the conditions defined in [42 CFR § 423.4](#).

The new Reason Codes are:

- 97 = Beneficiary is not lawfully present in the United States
- 98 = Beneficiary is incarcerated

CMS' RDS Center will communicate additional information about this change in the coming months, including updates to the [Reason Codes](#) page of the [RDS User Guide](#).

As of September 1, 2023 any RDS application that has **NOT** finalized retirees during Reconciliation and is still active will receive notifications for these two new conditions, as applicable to their retiree population.

What This Means

- Plan Sponsors and Vendors may receive numerous notifications related to these Reason Codes as the new edits are applied to existing RDS applications and Qualified Covered Retiree (QCR) populations.
- When a Notification is received, Plan sponsors **must** process the [Weekly Notification File](#) and update Subsidy Period information in their internal systems so that the appropriate cost calculations can be performed.
- If the Plan Sponsor has initiated Reconciliation, a [Covered Retiree List \(CRL\)](#), **must** be requested **after** the last Notification File was created; the last requested CRL **must** be created by CMS' RDS Center and the last created CRL **must** be downloaded by the Plan Sponsor to complete the [Reconciliation: Finalize Covered Retirees](#) step.

REMINDER

Reason Codes are identification numbers that correspond to a specific message about a record in a [Retiree Response File](#), a Weekly Notification File, or a Covered Retiree List. The reason code that is provided is from the most current Retiree Response File record or Weekly Notification File record for a retiree. Retiree Response records and Weekly Notification records should be reviewed and processed as soon as possible to assure accurate cost reporting. Records containing reason codes may require research. Federal law requires that cost data is submitted only for the QCRs, corresponding Subsidy Periods, and the Benefit Options in which each QCR is enrolled.



¹ "New RDS Reason Codes Are Now Active." New RDS Reason Codes Are Now Active | Retiree Drug Subsidy (RDS), CMS RDS Center, 1 Sept. 2023, www.rds.cms.hhs.gov/?q=announcements%2Fnew-rds-reason-codes-are-now-active.

Changes to the Mandatory Payment Reduction in CMS' Retiree Drug Subsidy Payments²

The Centers for Medicare & Medicaid Services (CMS) Retiree Drug Subsidy (RDS) Program is subject to the mandatory reductions in federal spending, or sequestration, in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended. Beginning with plan sponsors' incurred costs reported on or after April 1, 2013, and for the duration of the sequestration period, CMS applies a mandatory two percent (2%) payment reduction to all plan months when calculating an RDS application's final Reconciliation subsidy payment.

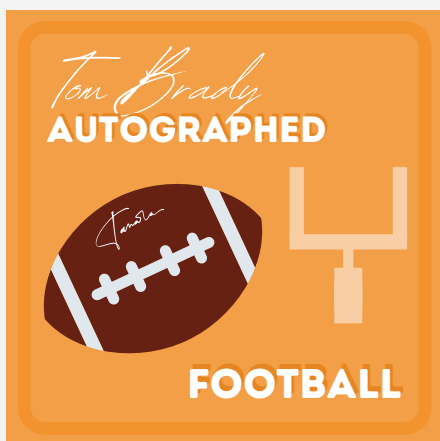
In the coming months, CMS' RDS Center will implement an update to the sequestration policy, whereby the mandatory two percent (2%) payment reduction will be applied at each interim payment request rather than applying the reduction only to the final payment.

Additional information about this change will be provided to the RDS Plan Sponsor community as details become available. If you have questions about the mandatory payment reduction or need additional information, please contact CMS' RDS Center.



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**69th Annual Employee Benefits
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October 1-4, 2023.



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² "Coming Soon – Changes to the Mandatory Payment Reduction in CMS' Retiree Drug Subsidy Payments." *Coming Soon – Changes to the Mandatory Payment Reduction in CMS' Retiree Drug Subsidy Payments* | Retiree Drug Subsidy (RDS), 1 Aug. 2023, www.rds.cms.hhs.gov/?q=announcements%2Fcoming-soon-%E2%80%99-changes-mandatory-payment-reduction-cms%E2%80%99-retiree-drug-subsidy-payments-0.

New SWS Feature: Verify Your Registered User Information During Login³

As of August 2023, CMS' RDS Center requires users of the RDS Secure Website (SWS) to periodically verify their Registered User Information in order to provide consistent, accurate information and uninterrupted access to the system. This is to make sure Plan Sponsors do not miss the correspondence they need in order to get the most out of the RDS Program. This includes:

- Reminders to file annual applications, update application information, complete Reconciliation, and other program deadline reminders.
- Notifications when Retiree Response Files and Weekly Notification Files are available for download.
- Determinations of subsidy payments, overpayments, payment offsets, and appeals.
- Notifications about user accounts, such as registration invitations, password resets, user role changes, and privilege changes.
- Information requests about program compliance.
- Tech support emails about retiree and cost data submissions to CMS' RDS Center.
- Invitations to special program events such as webinars, trainings, listening sessions, and user acceptance testing.

With this enhancement, RDS users will be automatically prompted to verify their Registered User Information during RDS SWS login after selecting **Accept** on the *Login Warning* page.

A new *Verify Registered User Information* page will display your Name, Phone Number, Email Address, and Mailing Address. If the information displayed is **correct**, select **Continue** to proceed to the *Dashboard*. If the information is **incorrect**, select **Edit** to update your information on the *User Profile* page. The process should only take a few minutes and will ensure that CMS' RDS Center can contact you with important program information.

REMEMBER: CMS' RDS Center's official means of communication with the Plan Sponsor community is through email at RDS@cms.hhs.gov. Failure to provide current contact information for **ALL** Plan Sponsor users - Account Manager, Authorize Representative, Actuary, and Designees - may result in missed deadlines and loss of subsidy.

For more information and step-by-step instructions, refer to Instructions to Access the RDS Secure Website in the RDS User Guide. You can also click [HERE](#) to contact CMS' RDS Center.

³ "New SWS Feature: Verify Your Registered User Information During Login." *New SWS Feature: Verify Your Registered User Information During Login* | Retiree Drug Subsidy (RDS), 3 Aug. 2023, www.rds.cms.hhs.gov/?q=announcements%2Fnew-sws-feature-verify-your-registered-user-information-during-login.

⁴ "New Technical Article: Timing of User Role Reassignments." *New Technical Article: Timing of User Role Reassignments* | Retiree Drug Subsidy (RDS), CMS RDS Center, 25 Aug. 2023, www.rds.cms.hhs.gov/?q=announcements%2Fnew-technical-article-timing-user-role-reassignments.

Timing of User Role Reassignments⁴

CMS' RDS Center would like to remind the Plan Sponsor community that Account Manager (AM) and Authorized Representative (AR) reassignments **do not** take effect immediately. Please complete all reassignments well ahead of Application and Reconciliation deadlines to ensure a smooth transition.

A newly appointed AM or AR can be granted access to the RDS Secure Website (SWS) on the same day that the role reassignment is performed. However, that person will **not** have access to the Plan Sponsor account itself, or any associated applications, until **after** the termination date of the previous AM/AR has passed. This means the new user cannot view or modify **any** information for that Plan Sponsor until **at least** the next day.

CMS' RDS Center has published a new Technical Article, Reassigning the Authorized Representative (AR) and Account Manager (AM) Roles. This article contains critical information to keep in mind when changing your Plan Sponsor representatives.

When Reassigning these Roles, Please Remember:

- New AMs & ARs **cannot** access the Plan Sponsor account on the same day the role is reassigned.
- Registration for a user account **does not** guarantee same day access.
- Termination Dates **cannot** be in the past.
- Reassigning a Designee or Actuary to an AM or AR role takes multiple days to complete.
- The AR role has critical functions that only they can perform.
- CMS' RDS Center **does not** have a Call Center.

These major concepts are explained in detail in the new Reassigning the Authorized Representative (AR) and Account Manager (AM) Roles Technical Article. Please review this material and plan ahead for your Application and Reconciliation Deadlines. Failure to do so may result in a missed deadline and possible loss of subsidy.

HEAR US SPEAK @ IFEBP!

Whose Kid Is This?

And Other Good Reasons to Conduct Dependent Eligibility Audits

SESSION: G14-1 **ROOM:** 104

DATES & TIMES: Tuesday | October 3rd | 10:45 AM- 11:45 AM
Wednesday | October 4th | 7:30 AM - 8:30 AM



SPEAKER

Leslie Wilkins
Marketing Manager
Part D Advisors

- Who is an ineligible dependent?
- Why would an ineligible dependent be listed on the plan?
- How to conduct a dependent eligibility audit
- Potential Cost Savings



The value of PDA's Ongoing and Reopening Retiree Drug Subsidy services for plan sponsors is second to none.

Upcoming RDS Deadlines

Reconciliations

(plan year end | recon. due date)

06/2022 | 10/02/2023

07/2022 | 10/31/2023

08/2022 | 11/30/2023

Applications

(plan year start | app. due date | w/ 30-day ext.)

12/01/2023 | 09/01/2023 | 10/02/2023

01/01/2024 | 10/02/2023 | 11/01/2023

02/01/2024 | 11/02/2023 | 12/04/2023

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THE QUARTERLY PUBLICATION OF PART D ADVISORS
VOL. 3 NO. 3 | Q3 2023