

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

SMD #03-010

December 15, 2003

Dear State Medicaid Director:

On Monday, December 8, President Bush signed the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. (P.L. 108-173.) As part of this historic Act, Medicare beneficiaries will be able to receive discounts on their drug purchases by next spring. Furthermore, certain low-income beneficiaries will also receive up to \$600 annually toward the purchase of prescription drugs. The purpose of this letter is to transmit the data specifications that you must use to implement those provisions relating to the Medicare-endorsed prescription drug discount card and transitional assistance (TA) program. The new law requires the Centers for Medicare and Medicaid Services (CMS) and the states to implement the discount card and TA program not later than June 8, 2004. States need to begin preparations immediately to send CMS data test files beginning on January 5, but not later than February 14.

The Act states that Medicare low-income beneficiaries with Medicaid prescription drug coverage (including those who receive prescription drug coverage through a section 1115 waiver) are excluded from participation in the discount card and TA. The Act also requires that states provide CMS with the data we need in the format we stipulate to enable us to identify on a current basis which of the estimated 6 to 7 million dual eligibles in the United States will not be eligible for the discount card or TA.

In early October, we solicited your views on the best way to provide CMS with the data we thought might be needed. Forty-two states and the District of Columbia responded. From the information received, we conducted a pilot test with six volunteer states using a very simple, small set of data specifications. The data specifications, submittal requirements, and due dates that we have attached were designed with the input of those responding states and are based on the results of the pilot test.

If you have technical questions about these data specifications, you can send an e-mail to State_Drug_Card@cms.hhs.gov beginning December 19. For all other questions about the state's role in the eligibility verification process, contact Richard Friedman, of my office, at (410) 786-4451 or rfriedman2@cms.hhs.gov.

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With the implementation deadline, it is essential that you and your staff work to meet the deadlines for your data submittals. We have done everything we can to make this requirement as easy and non-burdensome as we can, and we are grateful for your help and cooperation to ensure the success of this interim program.

Sincerely,

/s/

Dennis G. Smith
Director

Attachment

cc:

Timothy P. Love
Director, Office of Information Services

CMS Regional Administrators

CMS Associate Regional Administrators
for Medicaid and State Operations

Kathryn Kotula
Director, Health Policy Unit
American Public Human Services Association

Joy Wilson
Director, Health Committee
National Conference of State Legislatures

Matt Salo
Director of Health Legislation
National Governors Association

Brent Ewig
Senior Director, Access Policy
Association of State and Territorial Health Officials

Jim Frogue
Director, Health and Human Services Task Force
American Legislative Exchange Council

Trudi Matthews
Senior Health Policy Analyst
Council of State Governments

**Data Specifications for State Data for
Medicare Discount Card Eligibility Verification Process**

Header Input Record Format

Data Field	Size	Format	Information
State-CD	2	X(002)	State Code
Filler	8	X(008)	Filler
Month-CD	2	9(002)	Month Code for Reporting Month - Valid Codes 1 - 12
Year-CD	4	9(004)	Year for Reporting Month - Valid years 2003 and 2004
Return-Option	1	X(001)	Records Return "A" = All "F" = Failed - Default is "F"
Filler	23	X(023)	Filler

State Input Record Format

Data Field	Size	Format	Information
Bene-SSN	9	9(009)	Beneficiary SSN
Bene-HICN-RRB-IND	1	X(001)	Indicator for HICN or RRB - "R" or "H" or Blank
Bene-HICN	11	X(011)	HICN - CAN + BIC
Filler	3	X(003)	Space to allow the RRB in the HICN position in the Record Format
Bene-DOB	8	MMDDCCYY	Month, Day, Century & Year of Beneficiary Birth
Sex Code	1	X(001)	Beneficiary Sex - "M", "F" or "U"
Filler	7	X(007)	Filler

Trailer Input Record Format

Data Field	Size	Format	Information
State-CD	2	X(002)	State Code
Bene-Record-Cnt	8	9(008)	Total Number of Beneficiaries on File
Month-CD	2	9(002)	Month Code for Reporting Month - Valid Codes 1 - 12
Year-CD	4	9(004)	Year for Reporting Month - Valid years 2003 and 2004
Filler	24	X(024)	Filler

Send test files on CDs to:

Division of Quality Coordination and Data Distribution
Attn: Robyn Thomas
Mailstop N1-15-03
7500 Security Blvd.
Baltimore, MD 21244-1850

Please enclose a cover letter indicating that this is a test file for the drug card program, and include the name and contact information for your technical contact.