

ILLUSTRATIVE CALCULATION OF STATE PHASED-DOWN MONTHLY CONTRIBUTION FOR 2006—  
Continued

	Item	Illustrative Value	Source
(ii) ....	Aggregate State rebate receipts in calendar year 2003 .....	\$100,000,000 .....	CMS–64
(iii) ....	Gross State Medicaid expenditures for prescription drugs in calendar year 2003. ....	\$500,000,000 .....	CMS–64
(iv) ...	Rebate adjustment factor .....	0.2000 .....	(2) ÷ (3)
(v) ....	Adjusted 2003 gross per capita Medicaid expenditures for prescription drugs for full-benefit dual eligibles not in comprehensive managed care plans. ....	\$1,600 .....	(1) × [1 – (4)]
(vi) ...	Estimated actuarial value of prescription drug benefits under comprehensive capitated managed care plans for full-benefit dual eligibles for 2003. ....	\$1,500 .....	To be Determined
(vii) ...	Average number of full-benefit dual eligibles in 2003 who did not receive covered outpatient drugs through comprehensive Medicaid managed care plans. ....	90,000 .....	CY MSIS data
(viii) ..	Average number of full-benefit dual eligibles in 2003 who received covered outpatient drugs through comprehensive Medicaid managed care plans. ....	10,000 .....	CY MSIS data
(ix) ...	Base year State Medicaid per capita expenditures for covered Part D drugs for full-benefit dual eligible individuals (weighted average of (5) and (6)). ....	\$1,590 .....	[(7) × (5) + (8) × (6)] ÷ [(7) + (8)]
(x) ....	100 minus Federal Medical Assistance Percentage (FMAP) applicable to month of State contribution (as a proportion). ....	0.4000 .....	FEDERAL REGISTER
(xi) ...	Applicable growth factor (cumulative increase from 2003 through 2006). ....	50.0% .....	NHE projections
(xii) ...	Number of full-benefit dual eligibles for the month .....	120,000 .....	State submitted data
(xiii) ..	Phased-down State reduction factor for the month .....	0.9000 .....	specified in statute
(xiv) ..	Phased-down State contribution for the month .....	\$8,586,000 .....	1 / 12 × (9) × (10) × [1 + (11)] × (12) × (13)

(2) *Method of payment.* Payments for the phased down State contribution begins in January 2006, and are made on a monthly basis for each subsequent month. State payment must be made in a manner specified by CMS that is similar to the manner in which State payments are made under the State Buy-in Program except that all payments must be deposited into the Medicare Prescription Drug Account in the Federal Supplementary Medical Insurance Trust Fund. The policy on collection of the Phased-down State contribution payment is the same as the policy that governs collection of Part A and Part B Medicare premiums for State Buy-in.

(c) *State Medicaid Statistical Information System (MSIS) Reporting.* Effective with calendar year (CY) 2003 and all subsequent MSIS data submittals, States are required to provide accurate and complete coding to identify the numbers and types of Medicaid and Medicare dual eligibles. Calendar year 2003 submittals must be complete and must be accepted, based on CMS' data quality review, by December 31, 2004.

(d) *State monthly enrollment reporting.*—

(1) States must submit an electronic file as specified in paragraph (d)(2) of this section, identifying each full-benefit dual eligible individual enrolled in the State for each month. This file must include specified information including identifying information, a dual eligible type code, available income data and institutional status. The file includes data on enrollment for the current month, plus retroactive changes in enrollment characteristics for prior months. This file will be used by CMS to establish the monthly enrollment for those individuals with Part D drug coverage who are also determined by the State to be eligible for full Medicaid benefits subject to the phased down State contribution payment. This file is due to CMS no later than the last day of the reporting month. For States that do not submit an acceptable file by the end of the month, the phased down State contribution for that month is based on data deemed appropriate by CMS.

(2)(i) For the period prior to April 1, 2022, States must submit the file at least monthly and may submit updates to that file on a more frequent basis.