

Slide 1

The slide content area has a light olive green background. It features a large white title, a subtitle, a 'NEXT' button with a right-pointing arrow, and two logos at the bottom. The logos are for RDS (Retiree Drug Subsidy) and CMS (Centers for Medicare & Medicaid Services).

# Interim Payments in the Retiree Drug Subsidy (RDS) Program

Introduction:  
Overview of the Interim Payment Process

NEXT →

**RDS**  
RETIREE DRUG SUBSIDY

**CMS**  
CENTERS for MEDICARE & MEDICAID SERVICES

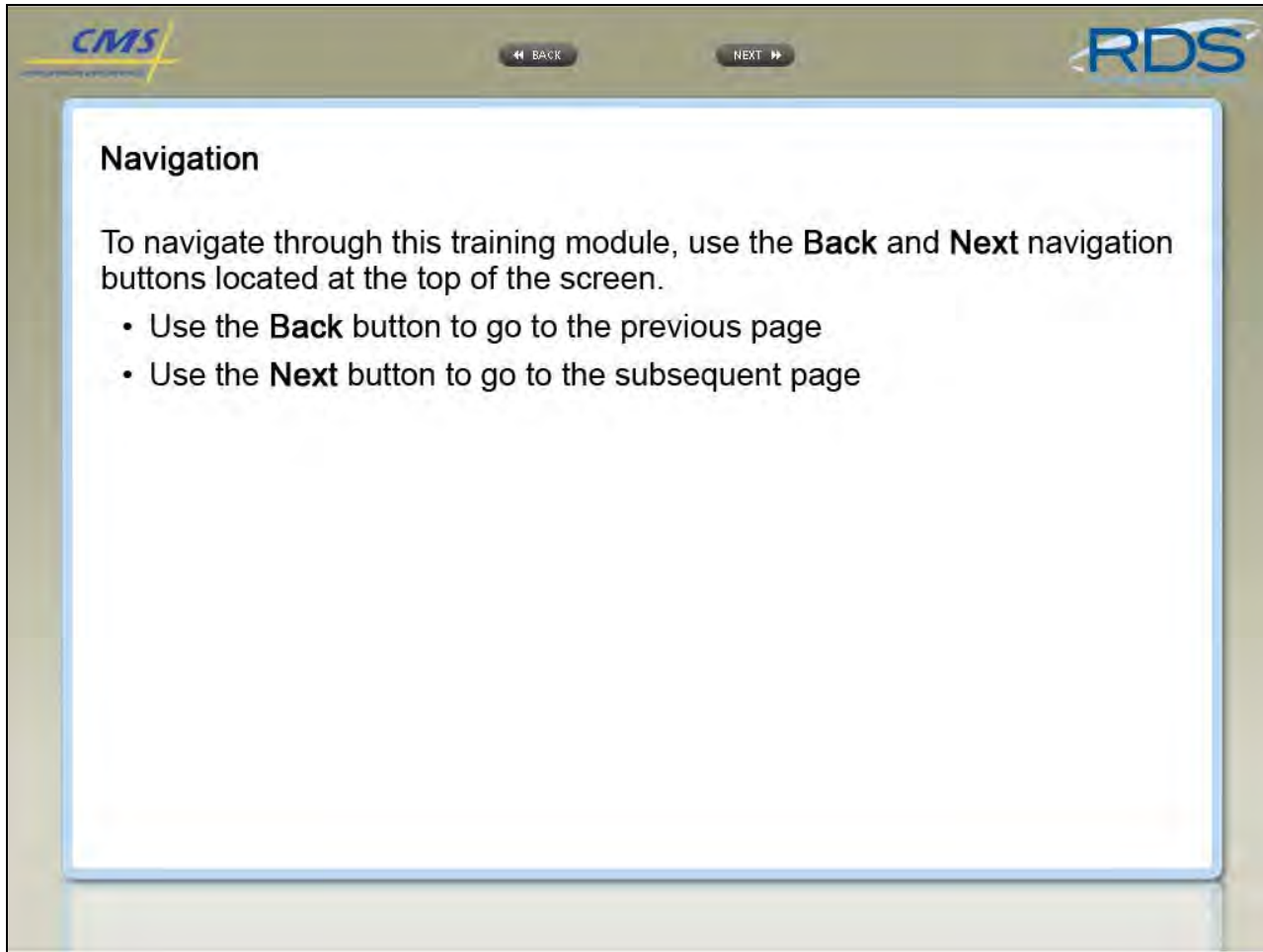
**Slide notes**

Interim Payments in the Retiree Drug Subsidy Program.

Introduction: Overview of the Interim Payment Process.

Click the Next button to begin the training.

Slide 2



**Slide notes**

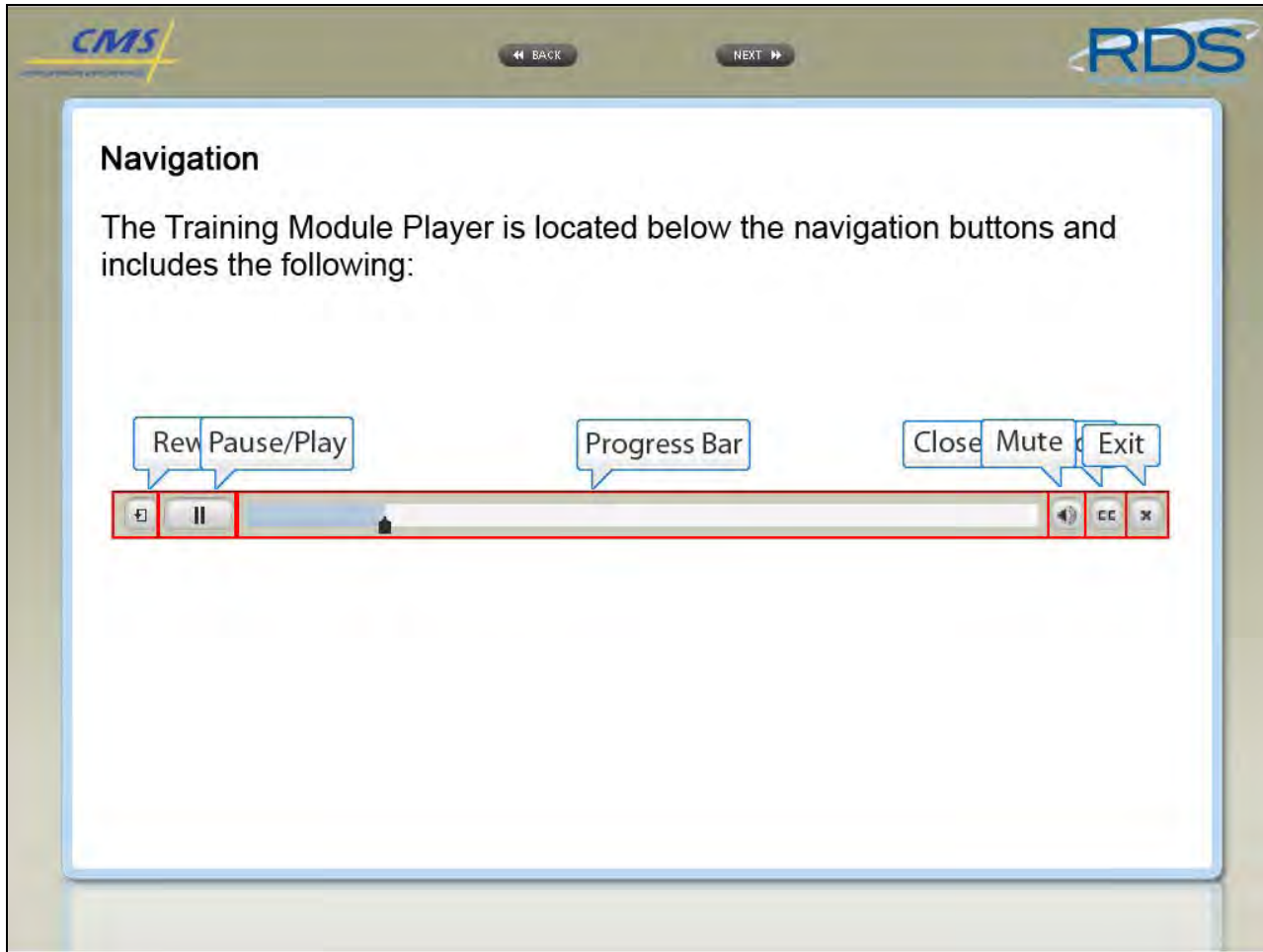
Navigation.

To navigate through this training module, use the Back and Next navigation buttons located at the top of the screen.

Use the Back button to go to the previous page.

And Use the Next button to go to the subsequent page.

Slide 3



**Slide notes**

The Training Module Player is located below the navigation buttons and includes the following:

The Rewind button, which replays the course from the beginning;

The Pause or Play button, which pauses or continues the current page;

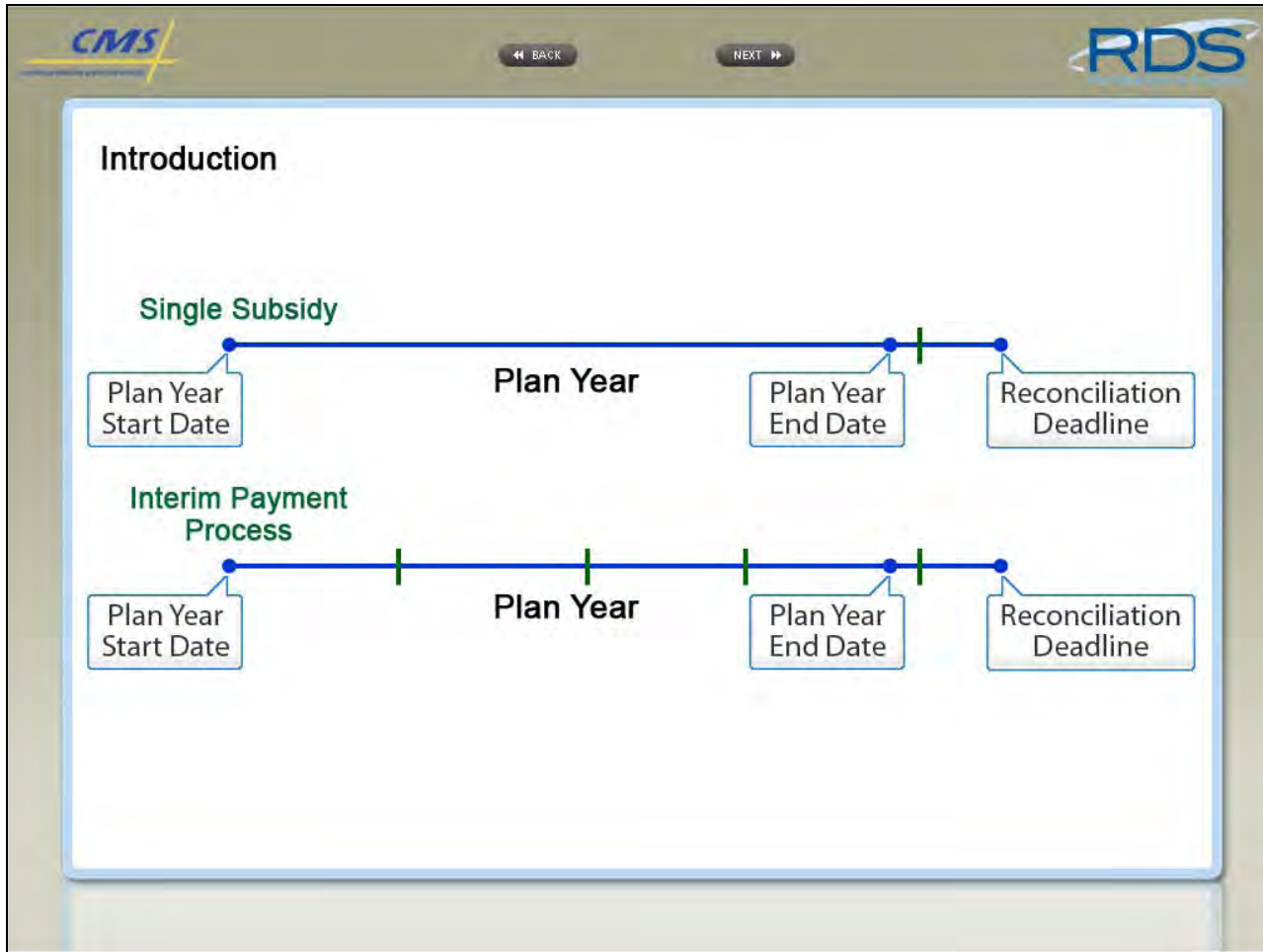
The Progress bar, which displays training progress and can be used to move through the pages of this training;

The Mute button, which turns the audio on or off;

The Closed Caption button, which displays the closed caption text;

And the Exit button, which terminates the training.

Slide 4



**Slide notes**

Introduction

Instead of receiving a single subsidy payment after the Plan Year has ended and all necessary final cost data has been collected, the Plan Sponsor may choose to send Interim Cost Reports and receive Interim Payments using the Interim Payment Process.

The advantage to the Plan Sponsor is that they can receive subsidy payments sooner. The Plan Sponsor does not have to wait until Reconciliation to submit Final Cost Reports and submit their one and only subsidy Payment Request.

In this training module, you will be introduced to the Interim Payment Process and learn how it fits into the Application Lifecycle.

Slide 5

The screenshot shows a presentation slide with a light blue border. At the top left is the 'CMS' logo, and at the top right is the 'RDS' logo. In the center, there are two buttons: 'BACK' with a left arrow and 'NEXT' with a right arrow. The main content area is titled 'Objectives' and contains the following text:

After completing this training module, you will be able to:

- ✔ Define the Interim Payment Process
- ✔ Explain how the Interim Payment Process fits into the Application Lifecycle
- ✔ List and describe the stages of the Interim Payment Process
- ✔ Define Interim Payment Frequency and describe the frequency options
- ✔ List functions involved with the Interim Payment Process

**Slide notes**

Training Module Objectives

After completing this training module, you will be able to:

Define the Interim Payment Process;

Explain how the Interim Payment Process fits into the Application Lifecycle;

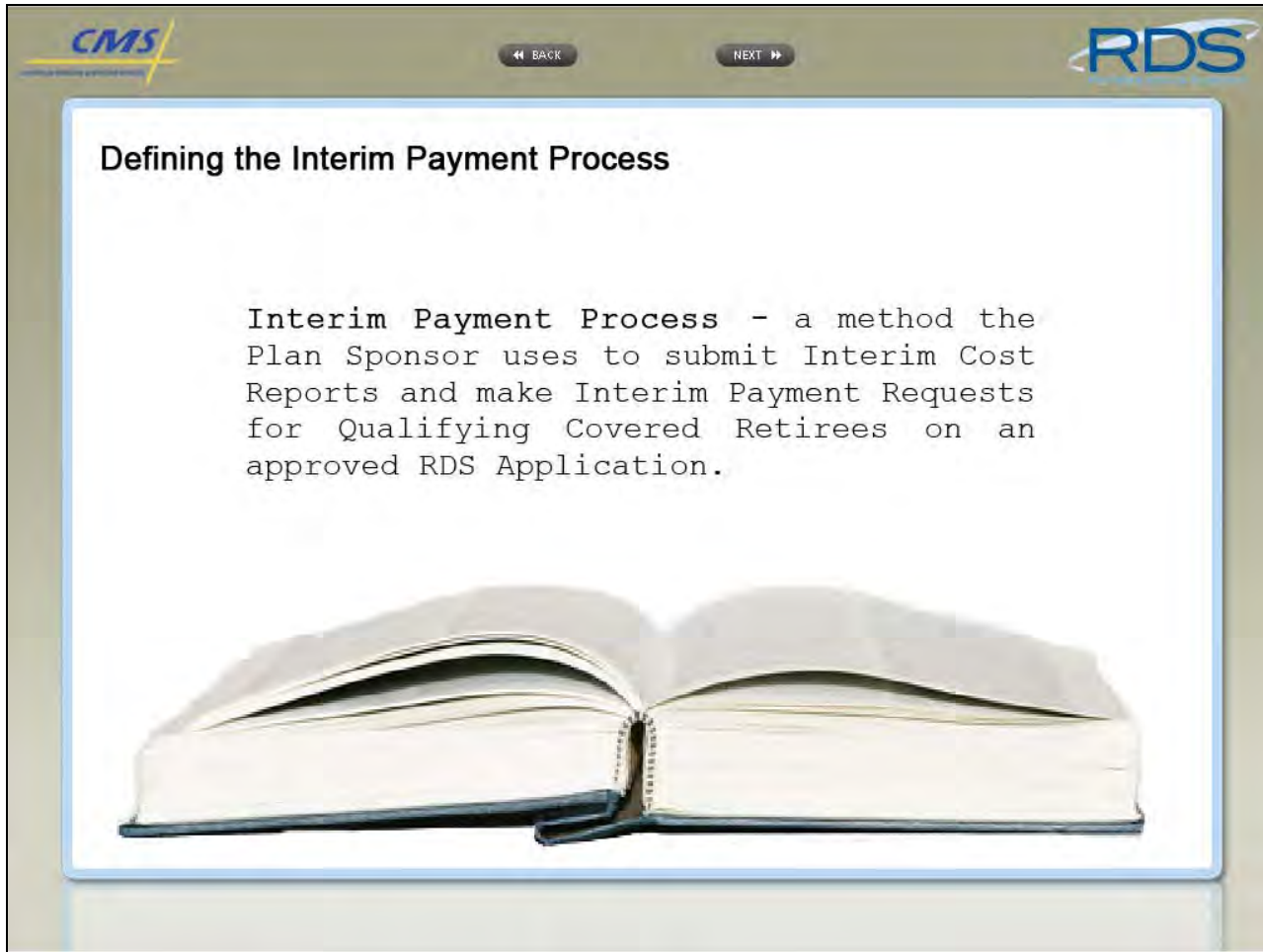
List and describe the stages of the Interim Payment Process;

Define Interim Payment Frequency and describe the frequency options; and

List the functions involved with the Interim Payment Process.

Now that you understand the objectives, let's get started.

Slide 6



The slide features a light blue border. In the top left corner is the CMS logo, and in the top right corner is the RDS logo. Between them are two navigation buttons: a left-pointing arrow labeled 'BACK' and a right-pointing arrow labeled 'NEXT'. The main content area has a white background with a blue border. At the top of this area is the title 'Defining the Interim Payment Process'. Below the title is a paragraph of text in a monospaced font. At the bottom of the slide is a photograph of an open book with white pages and a dark cover.

**Defining the Interim Payment Process**

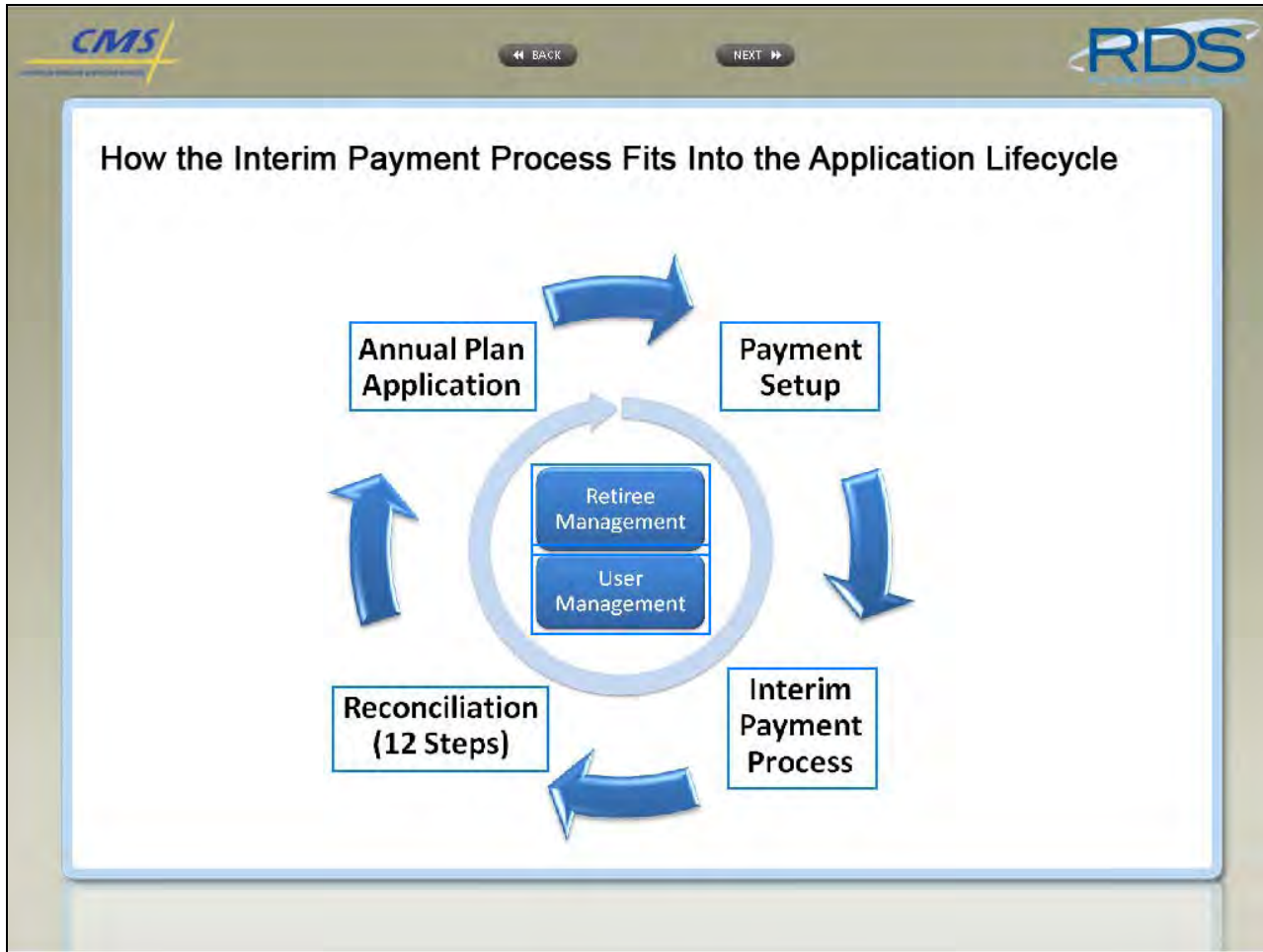
Interim Payment Process - a method the Plan Sponsor uses to submit Interim Cost Reports and make Interim Payment Requests for Qualifying Covered Retirees on an approved RDS Application.

**Slide notes**

Defining the Interim Payment Process

The Interim Payment Process is a method the Plan Sponsor uses to submit Interim Cost Reports and make Interim Payment Requests for Qualifying Covered Retirees on an approved RDS Application. Let's explore how this process fits into the Application Lifecycle.

Slide 7



**Slide notes**

How the Interim Payment Process fits into the Application Lifecycle.

The Application Lifecycle consists of four stages that occur sequentially: Annual Plan Application, Payment Setup, Interim Payment Process, and Reconciliation. It also consists of two stages that are ongoing and occur throughout the lifecycle: Retiree Management and User Management.

**Annual Plan Application:** Each RDS Plan Year, a Plan Sponsor must submit one Application, which includes group health plans for which it seeks subsidy, and have it attested by an Actuary.

The Application Submission Process consists of defining the frequency of Interim Payments, providing Electronic Funds Transfer or EFT Banking Information for payment disbursement, establishing Electronic Data Interchange Methods and Sources for Retiree Enrollment Maintenance, submitting a Valid Initial Retiree List, and signing the Plan Sponsor Agreement.

**Payment Setup:** Payment Setup is the process in which the Plan Sponsor determines who reports cost data for each Benefit Option on the Application, how the information gets transmitted to CMS' RDS Center, and who requests Interim Payments if the Plan Sponsor has elected an Interim Payment Frequency.

**Interim Payment:** As you just learned, the Interim Payment Process is the method the Plan Sponsor uses to submit Interim Cost Reports and make Interim Payment Requests for Qualifying Covered Retirees on an approved RDS Application.

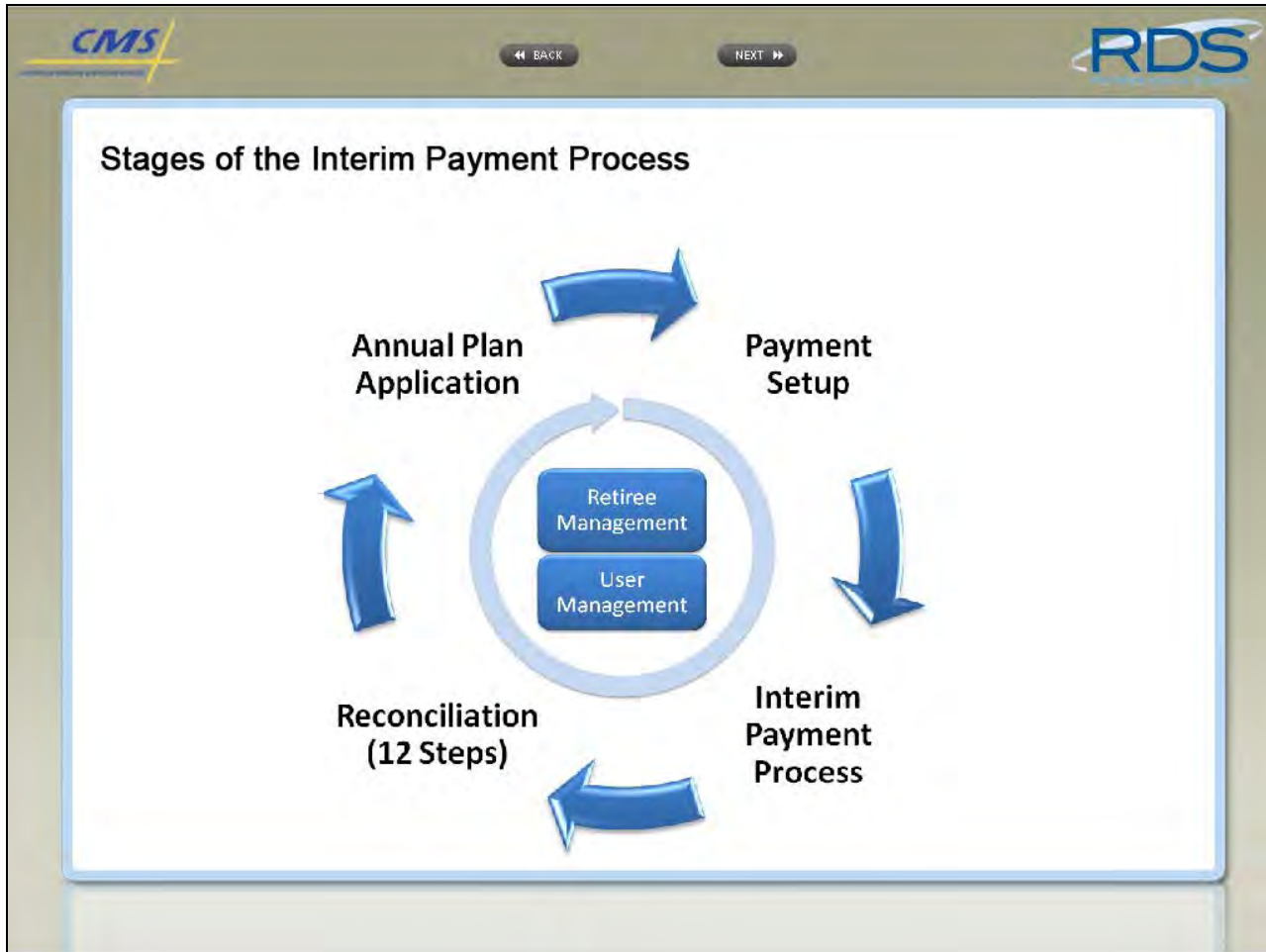
**Reconciliation:** The process where after the end of the Plan Year, the Plan Sponsor finalizes the Covered Retiree List, submits all final cost data, and submits the final Reconciliation Payment Request.

**Retiree Management:** Retiree management occurs throughout the Plan Year and in Reconciliation, as the Plan Sponsor or their designated third party administrator submits changes to Benefit Option, enrollment, or demographic information to CMS' RDS Center. In turn, CMS' RDS Center processes each retiree file, sets subsidy as appropriate, and returns Response Files and Weekly Notification Files by the method specified in the Application.

**User Management:** User Management is the process where the Plan Sponsor keeps their system users' information accurate and up-to-date.

To be paid in Interim or Reconciliation, Plan Sponsors must maintain active Account Manager and Authorized Representative user roles, and the Authorized Representative must be verified. User Management also involves verifying Designee privileges to ensure uninterrupted access to manage the Application.

Slide 8



**Slide notes**

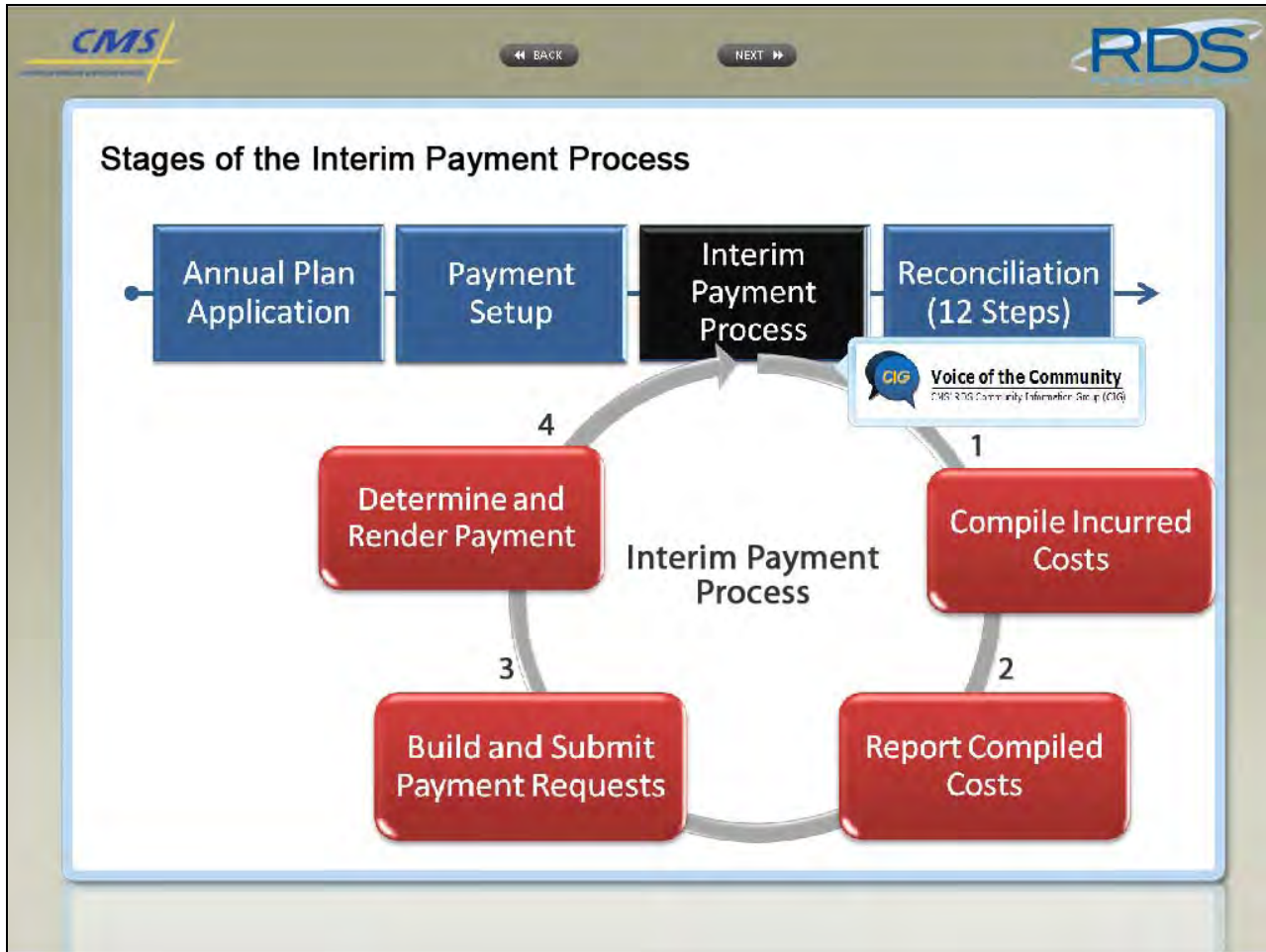
Stages of the Interim Payment Process.

There are four stages of the Interim Payment Process. They include:

- Compile Incurred Costs;
- Report Compiled Costs;
- Build and Submit Payment Requests;
- and Determine and Render Payment.

A Plan Sponsor often repeats the Interim Payment Process several times throughout the Application Lifecycle. The maximum number of times this process can be repeated is determined by the Payment Frequency selected for the Application. Payment Frequency is discussed in more detail later in this course. For now, let's examine the stages of the Interim Payment Process.

Slide 9



**Slide notes**

Before starting the first stage of the Interim Payment Process, the RDS Community Information Group, also known as CIG, recommends that Plan Sponsors provide CMS' RDS Center with updated Retiree files and process any response files or notifications. The Plan Sponsor should then communicate this list to the Cost Preparers and Cost Reporters involved with the Interim Payment Process as cost data can only be reported for beneficiaries, Benefit Options, and subsidy periods in the current Covered Retiree List.

The first stage of the Interim Payment Process is Compile Incurred Costs. During this stage, Cost Preparers compile incurred cost data of Medicare Part D drugs for Qualifying Covered Retirees by Benefit Option and Plan Month. Cost Preparers should use the most current Covered Retiree List to compile cost data. This stage is explained in greater detail in Training Module 1: Compile Incurred Costs.

The second stage of the Interim Payment Process is Report Compiled Costs. During this stage, Cost Reporters report cost data to CMS' RDS Center for Qualifying Covered Retirees by Manual Data Entry on the RDS Secure Website or by Mainframe transmission. This stage is explained in greater detail in Training Module 2: Report Compiled Costs.

The third stage of the Interim Payment Process is Build and Submit Payment Requests. During this stage, the Payment Requester carefully reviews previously submitted cost data, builds the Payment Request by selecting which Benefit Options to include, and submits the request to CMS' RDS Center. This stage is explained in greater detail in Training Module 3: Build and Submit Payment Request.

The fourth and final stage of the Interim Payment Process is Determine and Render Payment. During this stage, CMS' RDS Center validates the Payment Request, makes payment adjustments to the request if necessary, sends the subsidy payment using Electronic Funds Transfer Banking Information (also known as EFT), and notifies the Plan Sponsor of the payment status. This stage is explained in greater detail in Training Module 4: Determine and Render Payment.

Payment Setup is not a part of the Interim Payment Process, but rather a part of the Application Lifecycle. However, Payment Setup is critical to the Interim Payment Process. During Payment Setup, the Plan Sponsor determines who reports cost data for each Benefit Option, how the information is transmitted to CMS' RDS Center, and who requests interim payments if the Plan Sponsor has elected an Interim Payment Frequency.

Payment Setup is covered in Module 5: Payment Setup. Although Payment Setup technically must occur before initiating the Interim Payment Process, it is covered at the end of this course because you cannot successfully complete Payment Setup without first understanding the Interim Payment Process.

Slide 10

**Knowledge Check**

Which of the following stages is not part of the Interim Payment Process?

- A) Payment Setup
- B) Compile Incurred Costs
- C) Report Compiled Costs
- D) Build and Submit Payment Requests
- E) Determine and Render Payment

Try again

CLEAR SUBMIT

**Slide notes**

Knowledge Check

Let's take a few moments to check what you have learned by answering the multiple choice question below. It is recommended that you wait until I am done reading before selecting and submitting your answer. Which of the following stages is not part of the Interim Payment Process?

Is it A) Payment Setup

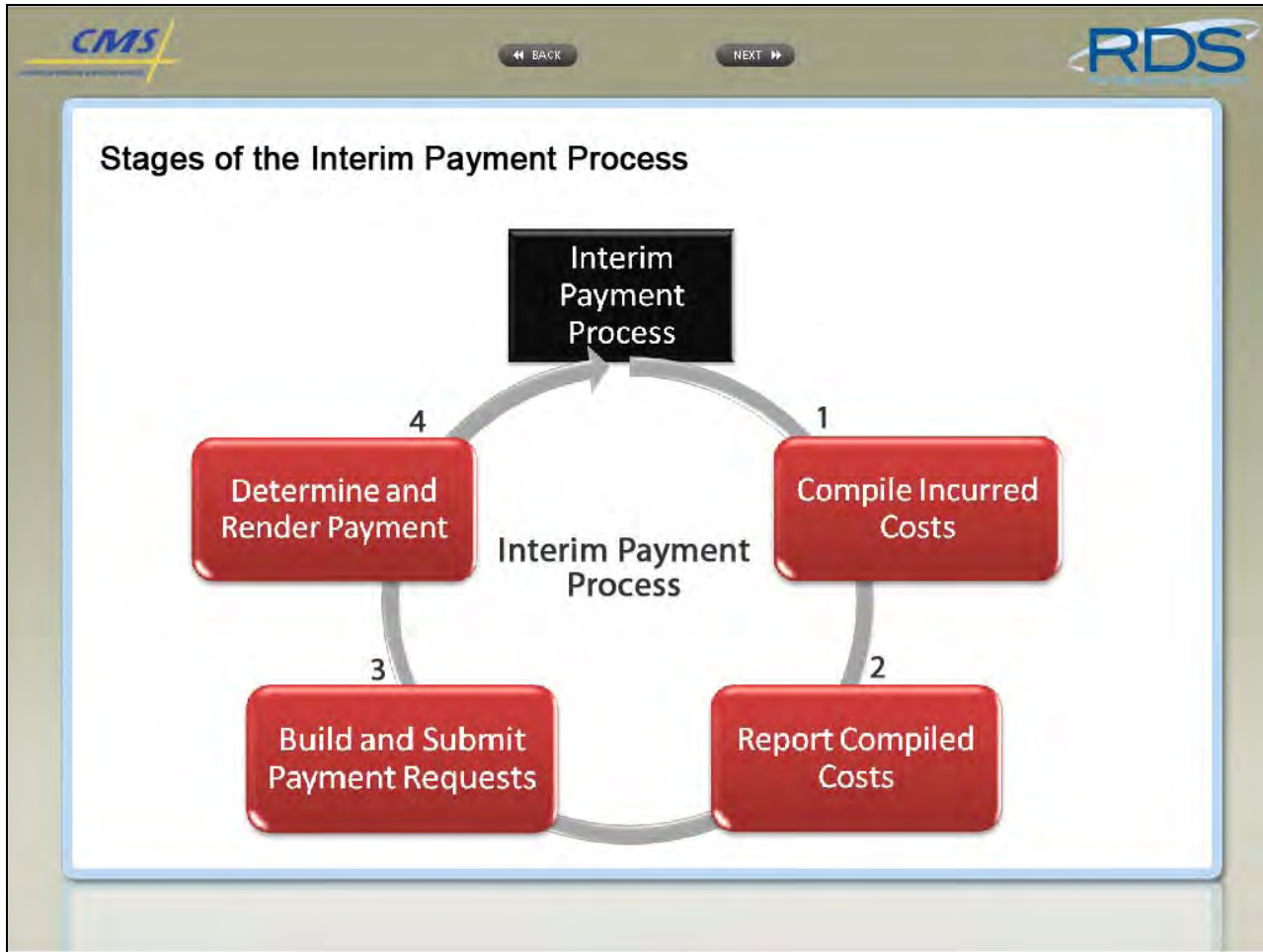
B) Compile Incurred Costs

C) Report Compiled Costs

D) Build and Submit Payment Requests

or E) Determine and Render Payment

Slide 11

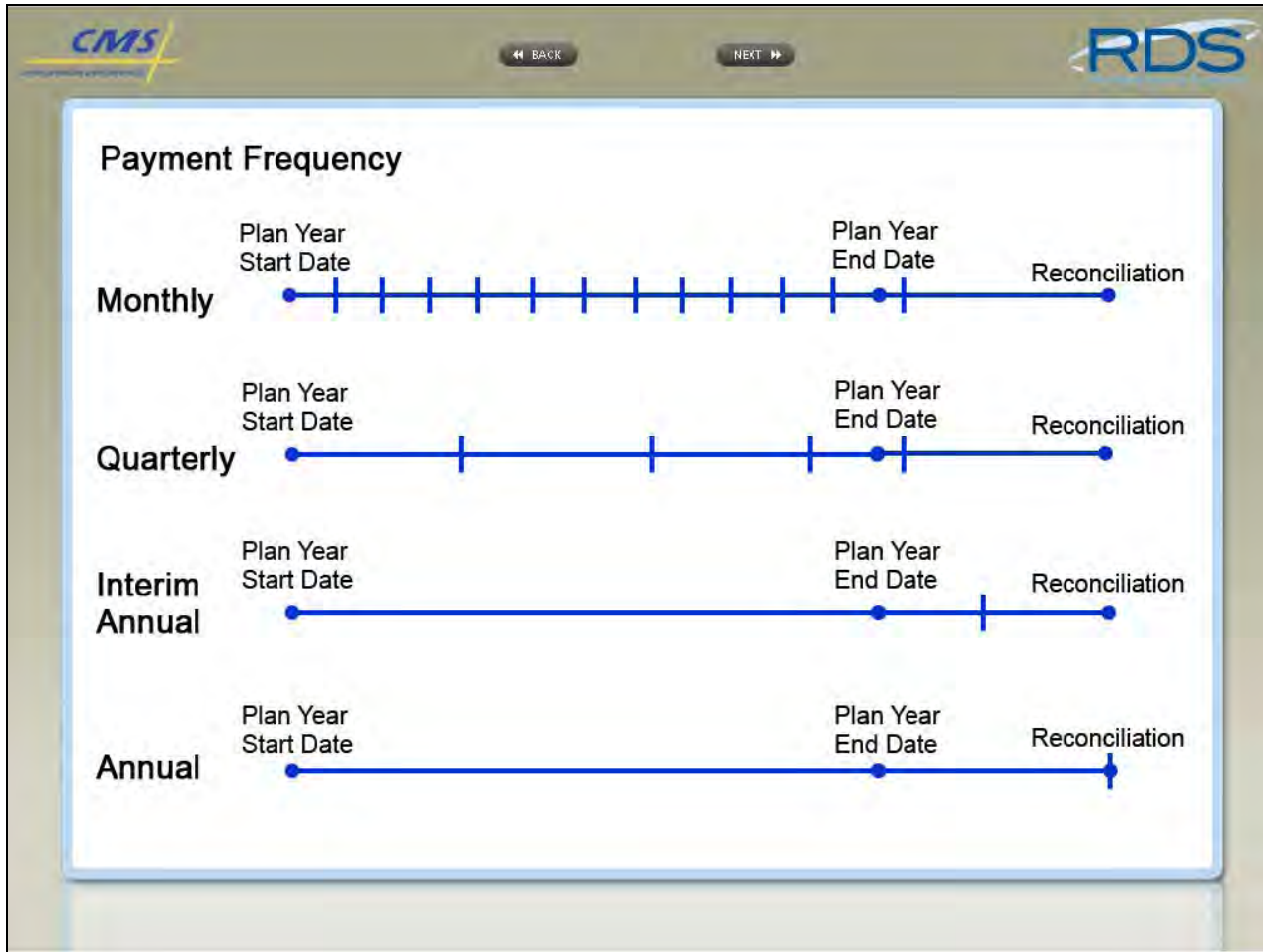


**Slide notes**

To review, there are four stages of the Interim Payment Process which include the following:

Compile Incurred Costs; Report Compiled Costs; Build and Submit Payment Requests; and Determine and Render Payment.

Slide 12



**Slide notes**

Payment Frequency

As mentioned earlier, a Plan Sponsor often repeats the Interim Payment Process several times throughout the Application Lifecycle. The maximum number of times this process repeats is determined by the Payment Frequency selected for the Application. The Payment Frequency is the chosen frequency to submit Payment Requests. After the Application is submitted, the Payment Frequency cannot be changed. The Plan Sponsor may select a Payment Frequency of Monthly, Quarterly, Interim Annual, or Annual payments.

Monthly: Allows Plan Sponsors to make a max of twelve Interim Payment Requests for a Plan Year.

Quarterly: Allows Plan Sponsors to make a max of four Interim Payment Requests for a Plan Year.

Interim Annual: Allows Plan Sponsors to make a max of one Interim Payment Request for a Plan Year after the Plan Year has ended but before Reconciliation.

Annual: Plan Sponsors that chose an Annual Payment Frequency, or otherwise did not receive any Interim Payments, and that wish to receive a subsidy, must use the Reconciliation process to submit Final Cost Reports and submit their one and only subsidy Payment Request.

Slide 13

The slide content is displayed within a presentation window. At the top left is the CMS logo. At the top center are two navigation buttons: 'BACK' with a left arrow and 'NEXT' with a right arrow. At the top right is the RDS logo. The main content area is a white box with a blue border containing the following text:

**Payment Frequency**

- Monthly
- Quarterly
- Interim Annual

**Slide notes**

Only Plan Sponsors who have specified a Payment Frequency of Monthly, Quarterly, or Interim Annual may request interim subsidy payments based upon the last reported interim cost data.

Slide 14

**Knowledge Check**

Which of the following Payment Frequencies does not allow for Interim Payment Requests?

- A) Monthly
- B) Quarterly
- C) Interim Annual
- D) Annual

Try again

CLEAR SUBMIT

**Slide notes**

Knowledge Check. Let's take a few moments to check what you have learned by answering the multiple choice question below. It is recommended that you wait until I am done reading before selecting and submitting your answer. Which of the following Payment Frequencies does not allow for Interim Payment Requests?

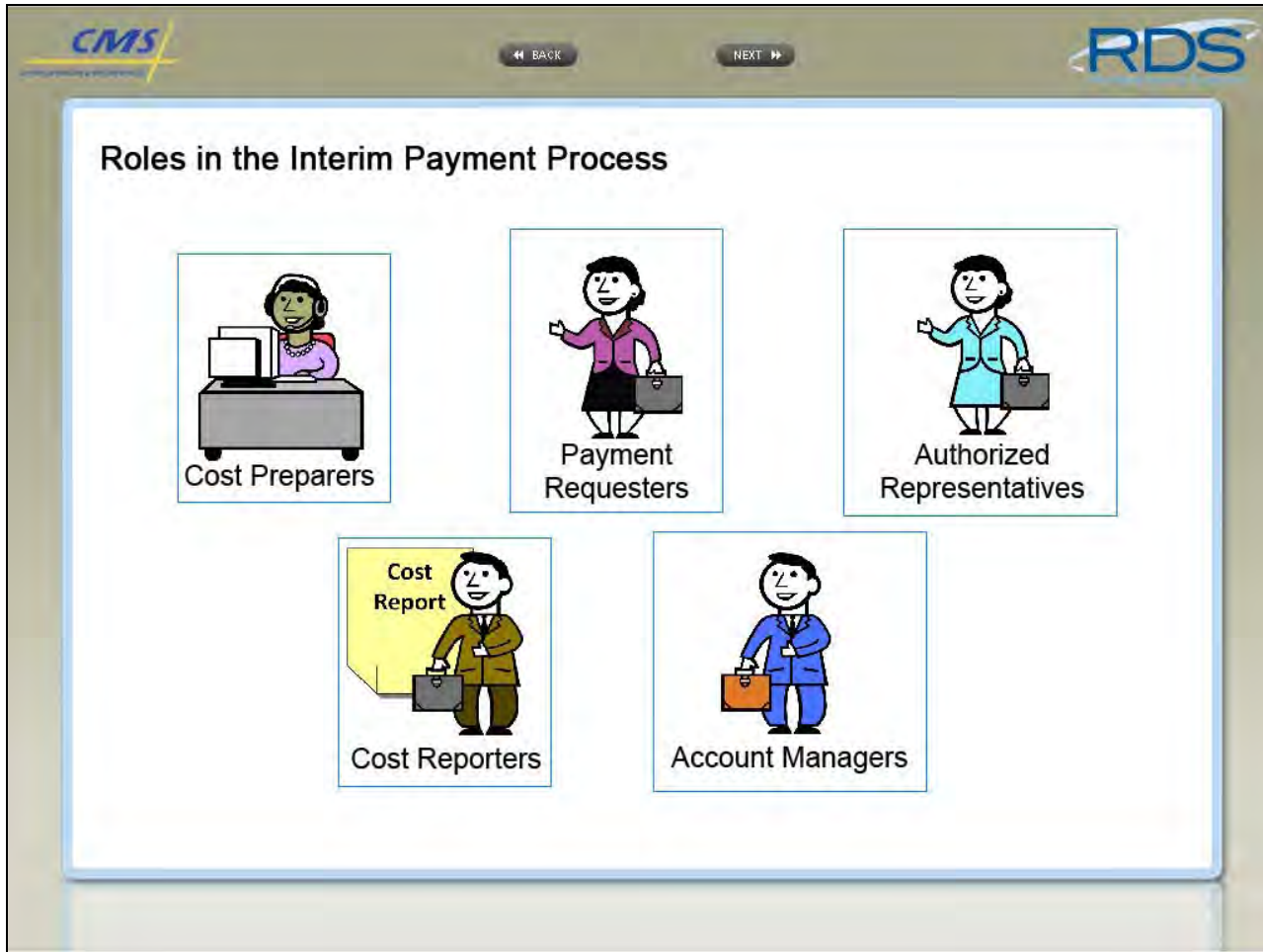
Is it A) Monthly.

B) Quarterly.

C) Interim Annual.

or D) Annual.

Slide 15



**Slide notes**

Roles in the Interim Payment Process. There are five main functions in the Interim Payment Process which include the following: Cost Preparers; Cost Reporters; Payment Requesters; Account Managers; and Authorized Representatives.

The Cost Preparers compile incurred costs of Medicare Part D drugs for Qualifying Covered Retirees by Benefit Option and Plan Month.

The Cost Reporters report cost data to CMS' RDS Center for Qualifying Covered Retirees by manual Data Entry on the RDS Secure Website or by Mainframe.

The Payment Requesters carefully review previously submitted costs, build the Payment Request by selecting which Benefit Options to include, and submit the request to CMS' RDS Center. The RDS Community Information Group recommends that the Account Manager oversees all the other roles and coordinates the Interim Payment Process.

The Authorized Representative always has the Request Payment privilege. This is because the Authorized Representative is the only individual who may submit the Final Reconciliation Payment Request.

These functions, including how to assign them to RDS Participants, are discussed in the following training modules of this course.

Slide 16

The slide is titled "Summary" and is part of a training module. It features a header with the "CMS" logo on the left and the "RDS" logo on the right. In the center of the header, there are two navigation buttons: "BACK" with a left-pointing arrow and "NEXT" with a right-pointing arrow. The main content area is a white box with a blue border containing the following text:

**Summary**

In this training module, you learned about the Interim Payment Process and should now be able to:

- ✔ Define the Interim Payment Process
- ✔ Explain how the Interim Payment Process fits into the Application Lifecycle
- ✔ List and describe the stages of the Interim Payment Process
- ✔ Define Interim Payment Frequency and describe the frequency options
- ✔ List roles involved with the Interim Payment Process

**Slide notes**

Summary

In this training module, you learned about the Interim Payment Process and should now be able to:

Define the Interim Payment Process

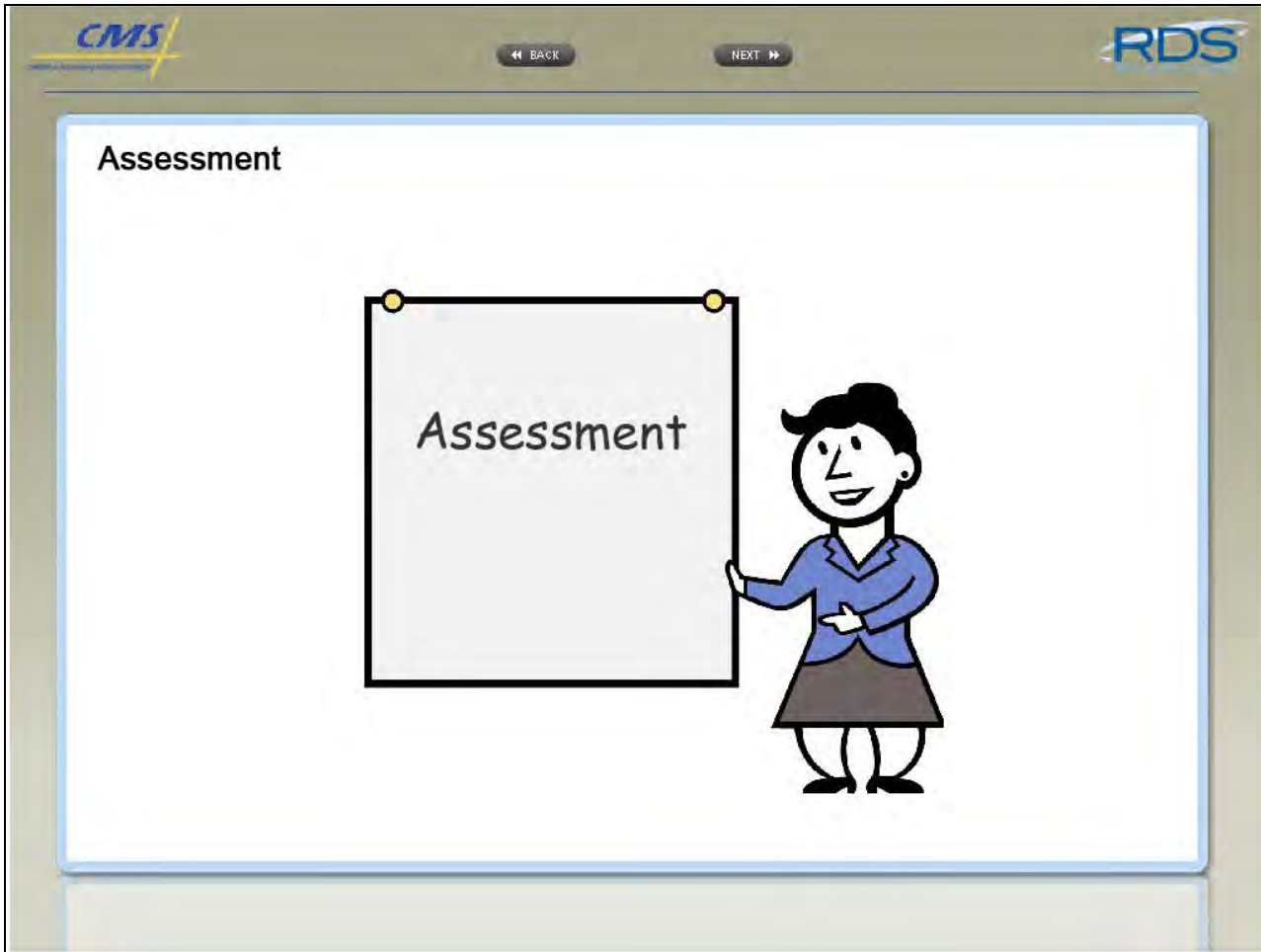
Explain how the Interim Payment Process fits into the Application Lifecycle

List and describe the stages of the Interim Payment Process

Define Interim Payment Frequency and describe the frequency options

List roles involved with the Interim Payment Process

Slide 17



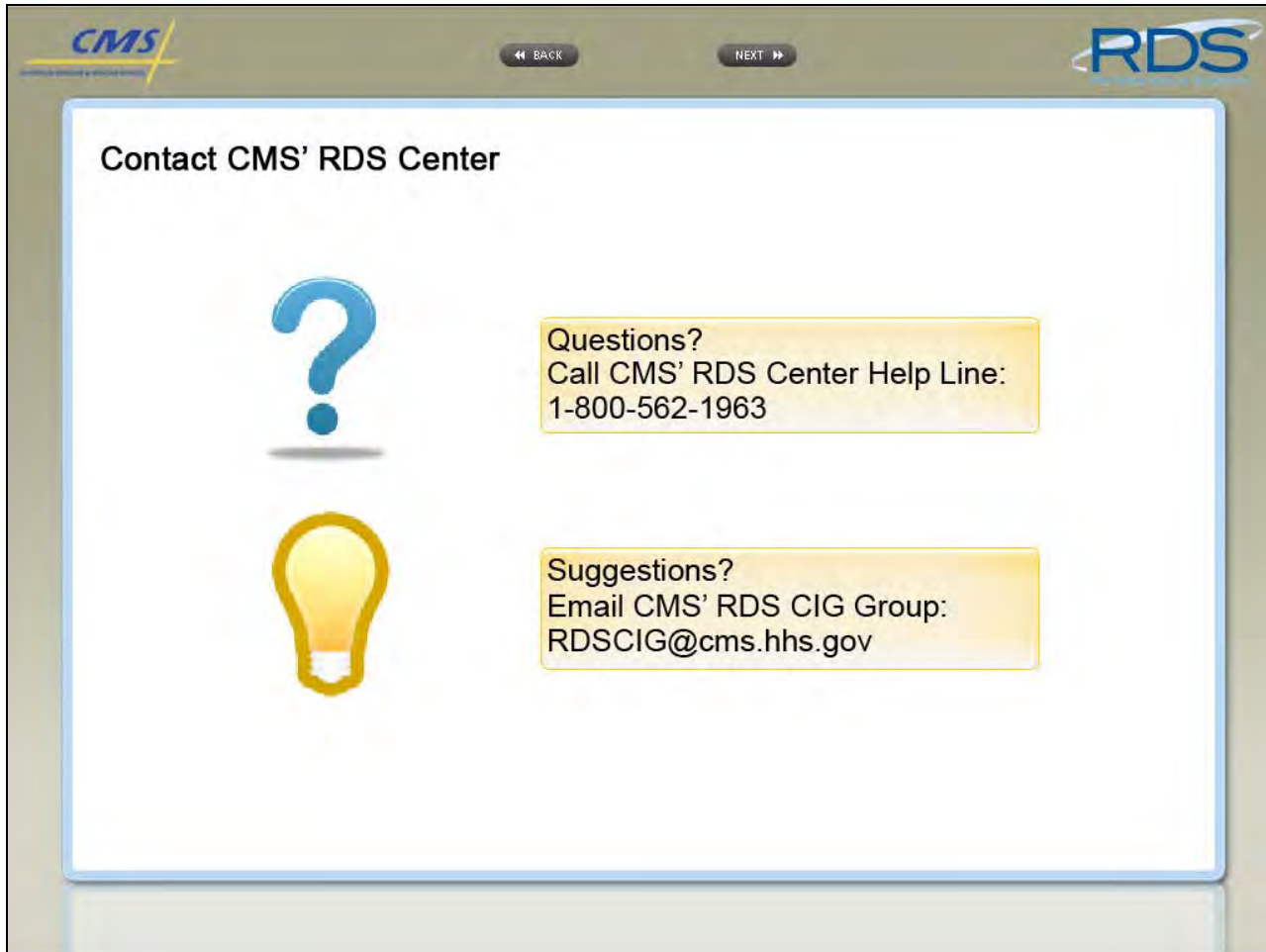
**Slide notes**

Now that you have finished this module; let's assess what you have learned. I will present you with 3 questions that will either be multiple-choice or true-false. It is recommended that you wait until I am done reading before selecting and submitting your answer. If you would like to skip this assessment, you may select the Next button above every question.

Slides 18 - 20

Questions will be selected randomly from a pool that can be found in [Appendix A](#).

Slide 21

The slide features a light blue border and a white background. At the top left is the CMS logo, and at the top right is the RDS logo. In the center, there is a large blue question mark icon above a yellow lightbulb icon. To the right of the question mark is a yellow box containing the text: "Questions? Call CMS' RDS Center Help Line: 1-800-562-1963". To the right of the lightbulb is another yellow box containing the text: "Suggestions? Email CMS' RDS CIG Group: RDSCIG@cms.hhs.gov". Navigation buttons for "BACK" and "NEXT" are located at the top center of the slide.

**Contact CMS' RDS Center**

Questions?  
Call CMS' RDS Center Help Line:  
1-800-562-1963

Suggestions?  
Email CMS' RDS CIG Group:  
RDSCIG@cms.hhs.gov

**Slide notes**

Contact CMS' RDS Center

If you have any questions about the Interim Payment Process or have any other RDS issues, contact CMS' RDS Center Help Line at 1-800-562-1963.

If you have suggestions about this Web-Based Training, about the RDS Program, or any other technical assistance products that you would like, email your suggestions to RDSCIG@cms.hhs.gov.

Slide 22

The screenshot shows a training slide with a light green background. In the top left corner is the 'CMS' logo, and in the top right corner is the 'RDS' logo. A 'BACK' button is centered at the top. The main content area is a white rectangle with a blue border containing the following text:

**Congratulations!**

You have just completed the training module. You should now have a better understanding of the overview for the Interim Payment Process.

Thank you for your participation. Click the Exit button in the lower-right corner or close your browser to exit this training module.

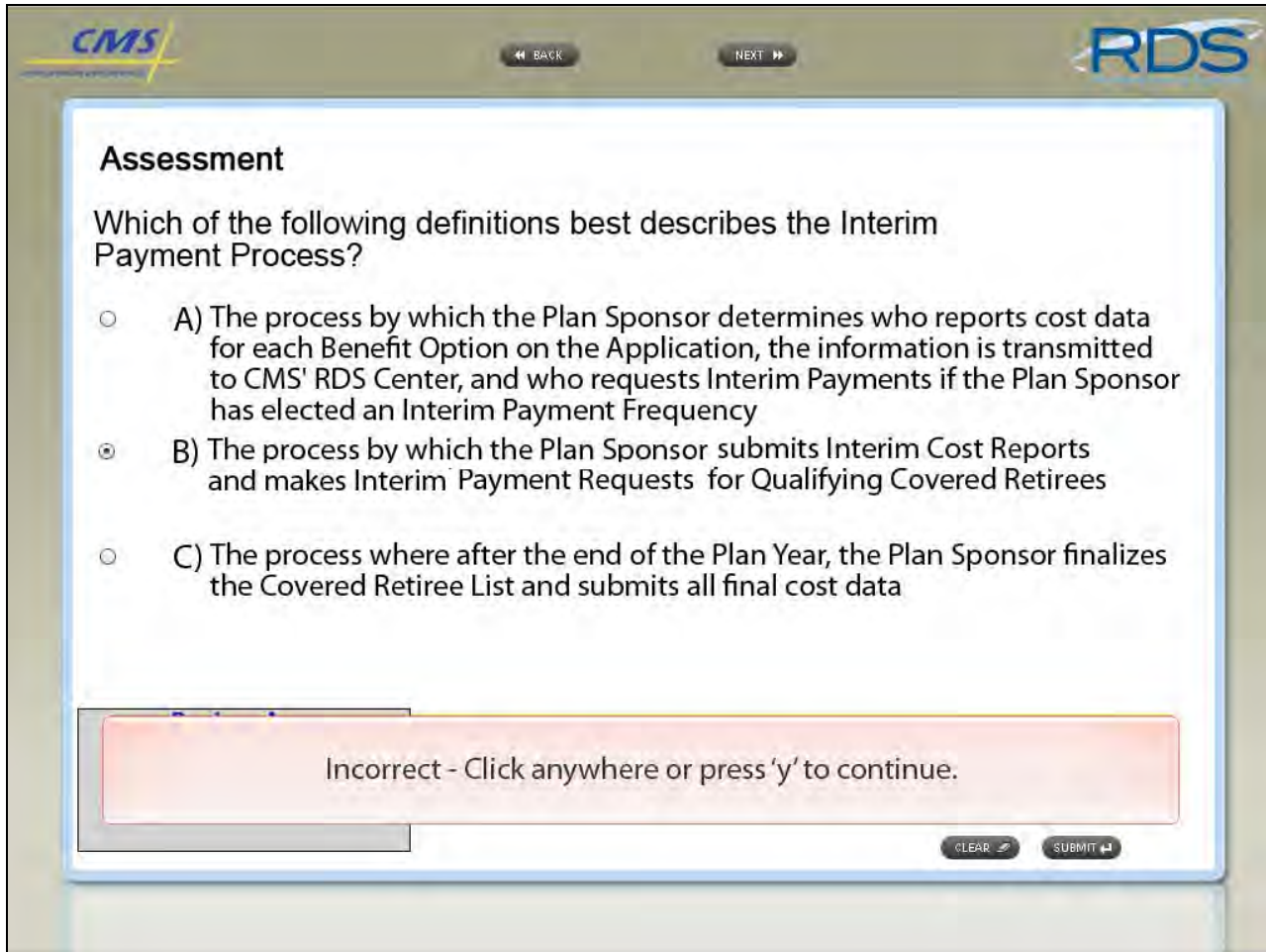
In the bottom right corner of the slide, there is a pink 'Exit' button.

**Slide notes**

Congratulations! You have just completed the training module. You should now have a better understanding of the overview for the Interim Payment Process.

Thank you for your participation. Click the Exit button in the lower-right corner or close your browser to exit this training module.

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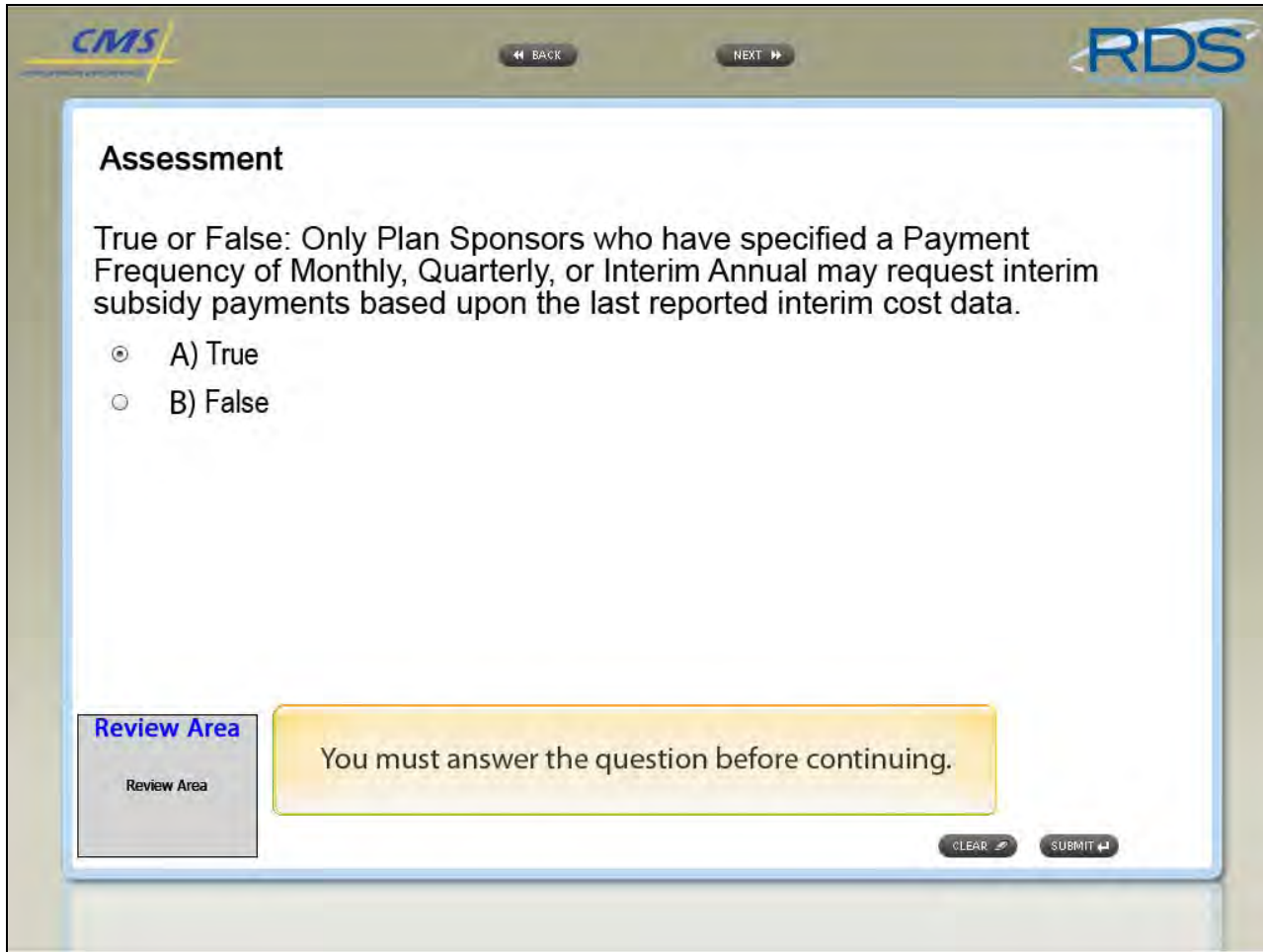


**Slide notes**

Which of the following definitions best describes the Interim Payment Process? Is it:

- A) The process by which the Plan Sponsor determines who reports cost data for each Benefit Option on the Application, the information is transmitted to CMS' RDS Center, and who requests Interim Payments if the Plan Sponsor has elected an Interim Payment Frequency.
- B) The process by which the Plan Sponsor submits Interim Cost Reports and makes Interim Payment Requests for Qualifying Covered Retirees.
- or C) The process where after the end of the Plan Year, the Plan Sponsor finalizes the Covered Retiree List and submits all final cost data.

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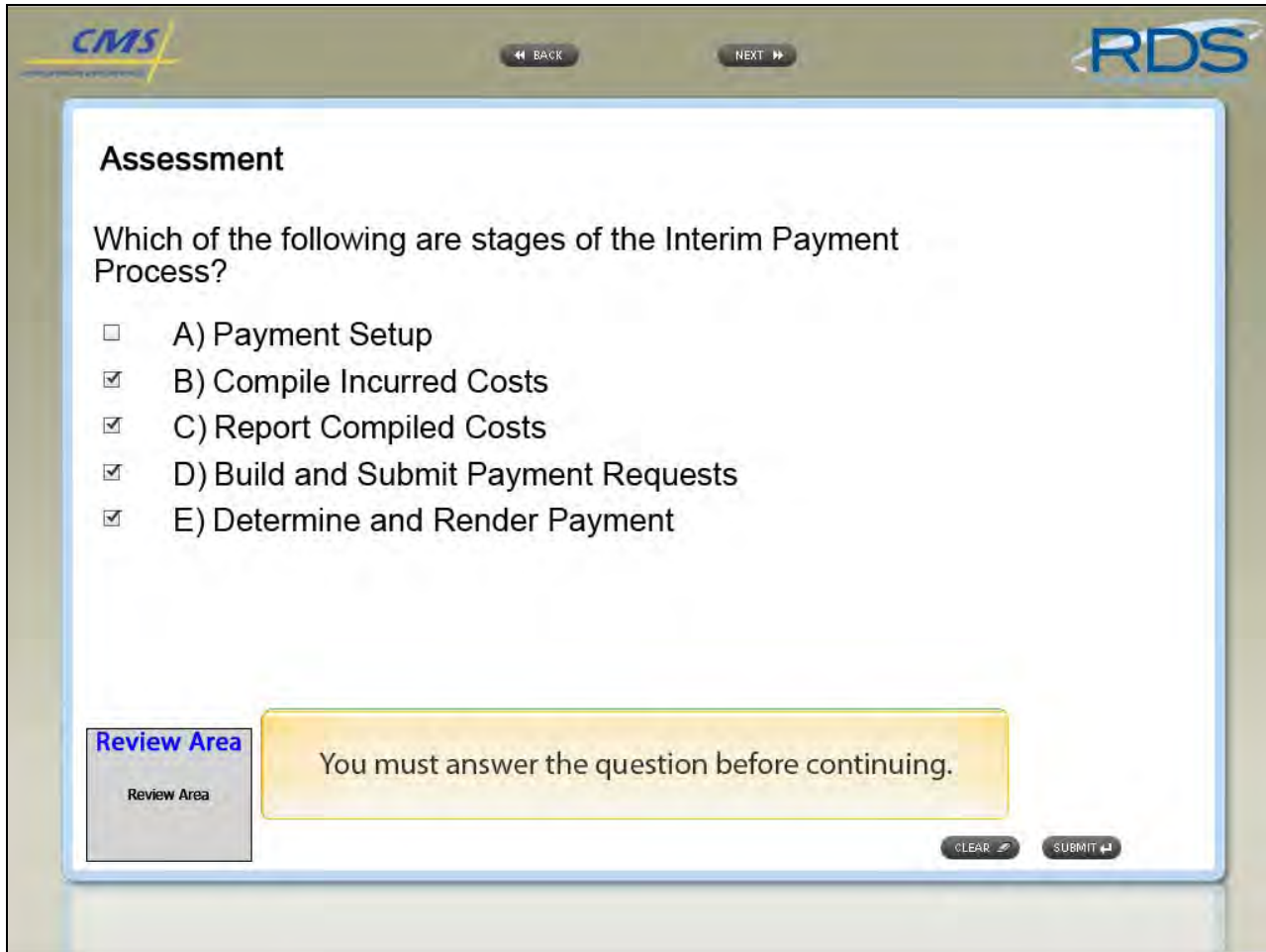
**Slide notes**

True or False: Only Plan Sponsors who have specified a Payment Frequency of Monthly, Quarterly, or Interim Annual may request interim subsidy payments based upon the last reported interim cost data. Is it

A) True.

Or B) False.

5 ddYbXj| '5 '7 cbH'



**Slide notes**

Which of the following are stages of the Interim Payment Process? Is it:

- A) Payment Setup
- B) Compile Incurred Costs
- C) Report Compiled Costs
- D) Build and Submit Payment Requests
- E) Determine and Render Payment