


DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Jacobs</i>	DATE <i>9-16-10</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>1001120</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Forner, Deps, CMS file</i> 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			

Center for Medicaid, CHIP, and State Operations
Disabled and Elderly Health Programs Group (DEHPG)

RECEIVED

SEP 08 2010

SEP 16 2010

Dear State Medicaid Director:

Department of Health & Human Services
OFFICE OF THE DIRECTOR

This letter provides detail about the Medicare Part D beneficiary reassignment process and information about notification files to the States of individuals reassigned to a different prescription drug plan (PDP) for 2011.

Process for Reassigning Low-Income Subsidy (LIS) Eligible Beneficiaries

The Centers for Medicare & Medicaid Services (CMS) has started the process of annual reassignments for certain LIS-eligible individuals. Steps in this process include:

- Identifying beneficiaries whose LIS eligibility will continue in 2011;
- Identifying which plans in each PDP region have a 2011 premium at or below the LIS benchmark for that region (or have volunteered to waive a de minimis amount above the benchmark);
- Identifying non-renewing PDPs and Medicare Advantage (MA) plans;
- Confirming that beneficiaries are assigned to plans in their region of residence, based on State Medicare Modernization Act (MMA) files; and,
- Determining which individuals remain in their auto-assigned plans.

Detailed guidance and additional information can be found in following documents:

- Section 30.1.5 of Chapter 3 (Eligibility, Enrollment, and Disenrollment) of the Medicare Prescription Drug Benefit Manual, available on the Web at <http://www.cms.hhs.gov/MedicarePresDrugEligEnroll/>
- Guidance memo entitled “*2011 Reassignment of Low-Income Subsidy Beneficiaries in PDPs*” dated August 13, 2010, available on our website at http://www.cms.gov/LowIncSubMedicarePresCov/06_AutoandFacilitatedEnrollmenttoLowIncomeBeneficiaries.asp#TopOfPage
- Guidance memo entitled “*2011 Reassignment of Low-Income Subsidy Beneficiaries in Terminating Medicare Advantage (MA) Plans*” dated August 13, 2010, available on our website at http://www.cms.gov/LowIncSubMedicarePresCov/06_AutoandFacilitatedEnrollmenttoLowIncomeBeneficiaries.asp#TopOfPage.

CMS Notifications to Beneficiaries

All beneficiaries in continuing plans will receive an Annual Notice of Change from their 2010 Part D plan. In addition, CMS will mail the following notices to affected beneficiaries:

- “PDP Reassignment Notice”: In early November 2010, CMS will mail *blue* notices to all LIS beneficiaries who will be reassigned to a new PDP because the plan into which they were previously auto-enrolled will have a premium above the regional LIS benchmark; or their current PDP is terminating.
- “MA Reassignment Notice”: Also in early November, CMS will mail *blue* notices to all LIS beneficiaries enrolled in an MA plan that is terminating or has a service area reduction. These individuals will be assigned to PDPs.

Both of these blue reassignment notices will include a list of locally available plans that have no premium liability for people eligible for the full premium subsidy in 2011. Beneficiaries can use this information to compare their plan options. Except in plan termination situations, the notice also will inform them of the new monthly premium amount, if they stay in their current Part D plan.

- “Choosers Notice”: In early to mid-November 2010, CMS will mail *tan* notices to LIS beneficiaries who are in a PDP in which they will have a premium liability, but are not being reassigned by CMS because they actively chose their current plan. These so-called “choosers” voluntarily elected their current PDP (that is, they were not auto-enrolled, facilitated-enrolled, or reassigned into their current PDP by CMS) and will qualify for 100 percent premium subsidy in 2011, but their PDP’s premium will be above the regional LIS benchmark amount in 2011. Like the blue reassignment notice, the tan “choosers” notice will inform them of the new monthly premium amount for which they will be liable if they stay in their current PDP and include a list of PDPs that have no premium liability for people eligible for the full premium subsidy in 2011.

- “Affordable Care Act (ACA) Reassignment Notice”: In December 2010, CMS will mail a *second blue* notice to all LIS beneficiaries who will be reassigned to a new PDP. This includes those reassigned in the PDP and MA reassignments processes referenced above. This second notice will identify which drugs in their current drug regimen are covered in the 2011 plan to which they are being reassigned, and how to request an exception or appeal and to file a grievance.

The CMS has created a guide to 2010 Part D mailings sent from CMS, the Social Security Administration (SSA) and the plans. This guide will summarize each notice’s message, explain when it will be sent, and include the color of the paper on which the notice will be printed. This guide will be available in early September on our Limited Income and Resources Web page at <http://www.cms.hhs.gov/LimitedIncomeandResources/> (scroll down and click on “2010 Mailings by CMS, SSA, and Plans”). The model beneficiary letters also will be posted on this Web page, as they become available.

State Notification

On or about October 8, 2010, CMS will send a file to each State listing the LIS-eligible individuals in their State who will receive a blue PDP reassignment letter. On or about

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October 18, 2010, CMS will send a second file to each state listing LIS-eligible individuals who will receive a blue MA reassignment letter. The purpose of these one-time files on reassignments is to assist States in providing effective customer service to affected beneficiaries. Customer service representatives at 1-800-MEDICARE will be prepared to answer questions about the reassignment process and about beneficiaries' full range of options. In addition, plan information will be available at www.medicare.gov.

The reassignment files that CMS will be sending to States will contain a list of full duals, partial duals, Supplemental Security Income (SSI)-only eligible individuals, and approved LIS applicants residing in their State who will be receiving blue notices from CMS informing them that they will be reassigned. Individuals whom a State Pharmaceutical Assistance Program has requested that CMS carve-out of the reassignment process, under its authority to enroll on behalf of its members, will not be included in this file. This exclusion will ensure that such beneficiaries are reassigned only once. The file format and specifications are on our website at http://www.cms.gov/LowIncSubMedicarePresCov/06_AutoandFacilitatedEnrollmenttoLowIncmeBeneficiaries.asp#TopOfPage. These reassignments will subsequently appear on your normal monthly MMA response file starting October 19, 2010.

Thank you for your continued assistance with our efforts to ensure that low-income Medicare beneficiaries, including dual eligibles, maintain affordable and comprehensive coverage under the Medicare Part D prescription drug benefit. Please direct any questions about the reassignment process and the file formats to Tracey Baker at Tracey.Baker@cms.hhs.gov or (410) 786-7794.

Sincerely,

A handwritten signature in dark ink, reading "Barbara Coulter Edwards". The signature is written in a cursive, flowing style.

Barbara Coulter Edwards
Director

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CMS Regional Administrators

CMS Associate Regional Administrators
Division of Medicaid and Children's Health

Rick Fenton
NASMD Acting Director
American Public Human Services Association

Joy Wilson
Director, Health Committee
National Conference of State Legislatures

Matt Salo
Director of Health Legislation
National Governors Association

Debra Miller
Director for Health Policy
Council of State Governments

Christine Evans, M.P.H.
Director, Government Relations
Association of State and Territorial Health Officials

Alan R. Weil, J.D., M.P.P.
Executive Director
National Academy for State Health Policy