

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

**ACTION REFERRAL**

*File*

TO	DATE
<i>Myers / Stone / Leach</i>	<i>11-9-09</i>

<b>DIRECTOR'S USE ONLY</b>	<b>ACTION REQUESTED</b>
1. LOG NUMBER <i>1011216</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR <i>cc: Ms. Forbner, Dept, CMS files</i>	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____
	<input checked="" type="checkbox"/> Necessary Action

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

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DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



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

NOV 09 2009

NOV 04 2009

Department of Health & Human Services  
OFFICE OF THE DIRECTOR

Dear State Medicaid Director:

On September 8, 2009, a letter was sent to you regarding the Medicare Part D beneficiary reassignment process taking place in October 2009. Today's letter provides you with detail about an additional reassignment that CMS plans to conduct. Due to the decision by several organizations not to participate in the Medicare Advantage (MA) program for the 2010 contract year, a number of low-income subsidy (LIS) beneficiaries would be at-risk of being without Part D coverage in January 2010. Therefore, in November 2009, CMS will conduct another reassignment of all LIS beneficiaries in the terminating MA plans who do not otherwise have Part D coverage. This reassignment is **in addition** to the normal reassignment process described in the September 8 letter and requires no action on your part.

Process for Additional Reassignment of Low-Income Subsidy (LIS) Eligible Beneficiaries

This additional reassignment will involve LIS beneficiaries who are not already enrolled in a stand-alone Prescription Drug Plan (PDP) and whose:

- MA plan is terminating, or
- MA plan will have a service area (such as a county) reduction, resulting in non-coverage in the beneficiary's area.

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 process. This exclusion will ensure that such beneficiaries are reassigned only once.

The CMS reassignment and notification process will be the same as for reassignment as described above in the September 8 letter found at <http://www.cms.hhs.gov/LowIncSubMedicarePresCov/>. Therefore, much of the key information outlined in the September 8 letter about the reassignment process will apply.

Detailed guidance on the reassignment process, methodology and file layout is specified in the September 8, 2009 Medicare Part D reassignment letter. Additional information can be found in 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/MedicarePresDrugEligEnrol/>.

CMS Notifications to Beneficiaries

All beneficiaries in terminating plans will receive a notice from a plan. In addition, CMS will mail the following notices to affected beneficiaries:

- “Reassignment Notice” - In late November, CMS will mail *blue* notices to all LIS beneficiaries who will be reassigned to a new PDP because their MA plan is terminating and they are not already enrolled in a PDP plan.

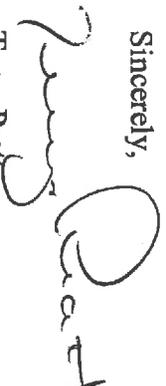
The blue reassignment notice will include a list of locally available PDPs that have no premium liability for people eligible for the full premium subsidy in 2010. Beneficiaries can use this information to compare their plan options.

- “Outreach Notice to Non-LIS Beneficiaries” – In late November, CMS will also send an outreach letter to non-LIS beneficiaries in terminating MA plans. This outreach notice will be on white paper. It will remind beneficiaries that their current plan is terminating, urge them to choose a new health or drug plan by December 31, and inform them how to get more information about their choices.

CMS will make these notices available on our website.

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 attached file formats to Tracey Baker at [Tracey.Baker@cms.hhs.gov](mailto:Tracey.Baker@cms.hhs.gov) or (410) 786-7794.

Sincerely,



Terry Pratt  
Acting Director

cc:

CMS Regional Administrators

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

Ann C. Kohler  
NASMD Executive Director  
American Public Human Services Association

State Medicaid Director – Page 3

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