



Information Partners Can Use on:

RE-ASSIGNMENT

Medicare Prescription Drug Coverage

Revised August 2009

In the fall of 2009, Medicare will re-assign certain people who qualify for Extra Help into new Medicare Prescription Drug Plans to make sure they continue to pay no premium for their drug coverage. Medicare will re-assign certain people who qualify for Extra Help as of January 1, 2010 if they are currently enrolled in a Medicare Prescription Drug Plan that meets one of these conditions:

- The plan is leaving the Medicare Program.
- The plan's premium will be above the regional low-income premium subsidy amount in 2010.

This tip sheet provides important information to help you counsel people affected by re-assignment.

Who is being re-assigned?

People Whose Plans Are Leaving the Medicare Program

Medicare will re-assign people who get Extra Help if their Medicare Prescription Drug Plan is leaving Medicare as of December 31, 2009. These people will be re-assigned regardless of whether they joined the Medicare Prescription Drug Plan on their own, or Medicare enrolled them in the plan.

People Whose Premium Costs Are Increasing

Medicare will also re-assign people who get Extra Help if all of the following are true:

- They qualify for the full 100% premium subsidy as of January 1, 2010.
- Their Medicare Prescription Drug Plan premium will be above the regional low-income premium subsidy amount for 2010.
- Medicare enrolled them in the plan.



Who won't be re-assigned?

- Medicare won't re-assign people who qualify for the partial premium subsidy unless their plan is leaving Medicare. People who qualify for the partial premium subsidy whose premium costs are increasing will pay a percentage of the premium subsidy amount, plus the difference by which the plan premium exceeds the subsidy amount.
- Medicare won't re-assign people who qualify for the full premium subsidy who joined a plan on their own, or switched to a different Medicare Prescription Drug Plan than the one Medicare enrolled them in, even if their premium increases above the regional low-income premium subsidy amount in 2010. If these people stay in their current plan, they will have to pay the difference between the plan premium and the subsidy amount as their monthly premium.
- Medicare won't re-assign people who were enrolled in a plan by an authorized representative, such as a State Pharmaceutical Assistance Program (SPAP).
- Medicare won't re-assign people who are enrolled in a qualified employer or union group plan.

Example Re-Assignment Scenarios

Example 1: Mrs. Smith was auto-enrolled into XYZ Drug Plan in 2007, and she still qualifies for the full (100%) premium subsidy in 2010. Her plan premium will be \$5.72 over the regional low-income premium subsidy amount in 2010. She will be re-assigned into a new plan, and she will continue to pay a \$0 monthly premium.

Example 2: Mr. Alonzo was facilitated-enrolled into LMN Drug Plan in 2009, and he still qualifies for the full (100%) premium subsidy in 2010. His plan premium will be \$1.50 over the regional low-income premium subsidy amount in 2010. Mr. Alonzo will be re-assigned into a new plan, and he will continue to pay a \$0 monthly premium.

Example 3: Mr. Banks was auto-enrolled into ABC Drug Plan in March 2007, and he still qualifies for the full 100% premium subsidy in 2010. He switched to QRX Drug Plan on his own in August 2009. His plan premium will be \$2.75 over the regional low-income premium subsidy amount in 2010. Mr. Anderson won't be re-assigned, because he joined his current drug plan on his own. He will have to pay \$2.75 (the difference between the plan premium and the subsidy amount) as his monthly premium unless he joins a new plan.



Which plans will people be re-assigned to?

Generally, Medicare will re-assign people to 2010 Medicare Prescription Drug Plans that have premiums at or below the regional low-income premium subsidy amount. Medicare won't enroll people into Medicare Prescription Drug Plans sponsored by employers, offered in the territories, or with enhanced benefit packages.

- If the company (sponsor organization) that offers a person's current drug plan offers another Medicare Prescription Drug Plan in the region with a premium at or below the regional low-income premium subsidy amount, Medicare will re-assign the person to that plan. If the company has more than one of these plans in the region, Medicare will randomly assign people among those plans.
- If the company (sponsor organization) that offers a person's current drug plan doesn't offer another Medicare Prescription Drug Plan in the region with a premium at or below the regional low-income premium subsidy amount, Medicare will randomly assign the person to another plan in the region with a premium at or below the low-income premium subsidy amount.

Can people switch plans?

Yes. All people who qualify for Extra Help can switch plans at any time. To switch Medicare drug plans, people should call the new plan to find out how to join. Joining a new plan will automatically end their current Medicare drug plan coverage the last day of the current month. Their new plan coverage would start the first day of the next month.

How will Medicare notify people who are being re-assigned?

By early November, Medicare will mail a notice on blue paper to people affected by re-assignment. There are two versions of the notice: one for people whose plans are leaving Medicare (CMS Product No. 11208), and one for people whose premiums are increasing above the regional low-income premium subsidy amount (CMS Product No. 11209). The notice tells people which plan they will be re-assigned to, explains how to stay in their current Medicare Prescription Drug Plan if available, and lets them know how to join a new plan. The notice also includes a list of plans in the region with premiums at or below the regional low-income premium subsidy amount and their telephone numbers. If people who get a notice don't tell their current plan that they want to stay or join a new plan on their own by December 31, 2009, Medicare will re-assign them into a new plan with coverage effective January 1, 2010.



What else do people need to know?

Encourage people to enroll early. If people want to switch plans on their own, they should do so as soon as possible so that their new drug plan can mail membership materials before the new coverage begins on January 1, 2010. This way, even if they go to the pharmacy on the first day their new coverage begins, they can get their prescriptions filled without delay.

For more information

People who have questions about Medicare prescription drug coverage should visit www.medicare.gov, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. They should let the Medicare customer service representative know they got a notice on blue paper when they call.

Timeline of Re-assignment Activities

Mid-September: Medicare identifies Medicare Prescription Drug Plans that have enrollees who will be re-assigned to a plan with a premium at or below the regional low-income premium subsidy amount.

October 2: Plans that will be leaving the Medicare Program notify their enrollees.

Mid-October: Medicare performs re-assignment (for an effective date of January 1, 2010) and notifies states and Medicare Prescription Drug Plans that will be gaining or losing enrollees.

Early November: Medicare mails both versions of the re-assignment notice on blue paper.

December 31: Last day for people who qualify for re-assignment to switch plans, or notify their current plan that they want to stay, before Medicare's re-assignment takes effect.

January 1, 2010: Re-assignment takes effect.