

Part D Information for State Policymakers

November 7, 2008

Part D Plan Reassignment and “Choosers”

The Centers for Medicare & Medicaid Services (CMS) is taking several actions in order to reach out to the beneficiaries receiving the low-income subsidy who are facing a change in their Part D premiums in 2009, including providing more information to beneficiaries about these changes via two letters.

Plan Reassignment

In order to ensure that Medicare beneficiaries do not face new drug costs in 2009, this fall CMS is re-assigning some low-income beneficiaries with the full premium subsidy to new Medicare Part D prescription drug plans, effective January 1, 2009. In general, CMS will re-assign low-income beneficiaries with the full premium subsidy who were previously automatically enrolled into a plan whose premium in 2009 no longer falls within the premium subsidy limit. These individuals will be randomly re-assigned to plans in their region with a premium at or below the regional low-income premium subsidy amount. (For more information for State Policymakers about the low-income subsidy, including how the reassignment process works, see the link below.)

In early November, these beneficiaries received a blue letter from CMS indicating which plan they are being reassigned to for January 1, 2009. This letter also provided information for beneficiaries to make their own plan choices. (A link to the blue reassignment letter is found below.)

“Choosers”

This year, CMS is also mailing a letter to “choosers.” Choosers are low-income beneficiaries who qualify for the full premium subsidy and who chose to join a Medicare prescription drug plan that was “free” (no premium liability) when they first joined Part D, but whose premium will be above the regional low-income premium subsidy amount in 2009. To respect individual choice, CMS does not reassign beneficiaries who joined plans on their own or switched to different plans than those they were automatically enrolled into by CMS. Elections made on behalf of beneficiaries by “authorized representatives”, such as some State programs, are treated as individual choice and are not subject to reassignment.

The letter to choosers informs beneficiaries what their out-of-pocket payment will be in 2009 if they stay in their current plan. The letter also lists the zero premium plans available and provides a list of important things to think about when considering plan options such as pharmacy networks, drugs covered, and satisfaction with current plan. To best coordinate Medicare and State efforts, beneficiaries that were assigned to plans by State programs will not receive the chooser letter, even though they are not being reassigned. Instead, the State programs can coordinate their own notifications. (A link to the chooser letter, which is printed on tan paper, is found below.)

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Additional Resources

Part D Information for State Policymakers can be found at:

http://www.cms.hhs.gov/States/065_Backgrounders.asp#TopOfPage

The blue reassignment letter and tan choosers letter, as well as other CMS mailings to Medicare beneficiaries, can be found at:

<http://www.cms.hhs.gov/LimitedIncomeandResources/LISNoticesMailings/list.asp#TopOfPage>