



Information Partners Can Use on:

RE-ASSIGNMENT

Medicare Prescription Drug Coverage

As of October 2006

Medicare is re-assigning certain people who qualify for extra help into new Medicare Prescription Drug Plans for coverage effective January 1, 2007. Re-assignment is based on those who qualify for extra help as of January 1, 2007. People who no longer qualify for extra help as of January 1, 2007, won't be re-assigned.

Who is Medicare re-assigning?

Medicare will re-assign people already enrolled in a Medicare Prescription Drug Plan whose premium in 2007 would increase above the regional low-income premium subsidy amount. Medicare will re-assign people if

- their Medicare Prescription Drug Plan premium is more than \$2 above the regional low-income subsidy amount, and
- Medicare enrolled them in the plan.

Medicare **won't** re-assign people who joined plans on their own or switched to different Medicare Prescription Drug Plans than those Medicare enrolled them in, even if their premiums in 2007 increase above the regional low-income premium subsidy amount.

What about the \$2 difference between the subsidy amount and the plan premium?

Medicare will re-assign people whose premium in 2007 will exceed a "de minimis" amount. If the Medicare Prescription Drug Plan premium will fall in the "de minimis" range (i.e. from \$0.01 to \$2.00 over the premium subsidy amount for the region), the person won't be re-assigned. If the person qualifies for a full (100%) premium subsidy, the Medicare Prescription Drug Plan must only charge a premium amount equal to the regional low-income premium subsidy amount. This ensures people who qualify for a full premium subsidy pay no premium, even in plans whose premium is in the "de minimis" range.



Note that the “de minimis” policy doesn’t apply to people who qualify for the partial premium subsidy. People who qualify for the partial premium subsidy will pay a percentage of the premium subsidy amount plus the difference by which the plan premium exceeds the subsidy amount.

Remember, people who qualify for the full premium subsidy and join a plan on their own **above** the regional low-income subsidy amount will have to pay the difference between the plan premium and the subsidy amount as their monthly premium.

What plans will these people be re-assigned to?

Medicare will re-assign people to 2007 Medicare Prescription Drug Plans that have premiums at or below the regional low-income premium subsidy amount.

Remember, Medicare **won’t** enroll people into Medicare Prescription Drug Plans sponsored by employers, in the territories, or with enhanced benefit packages.

- If the company (sponsor organization) offering a person’s current drug plan is offering another Medicare Prescription Drug Plan in the region that has premiums at or below the regional low-income premium subsidy amount, Medicare will re-assign the person to that plan.
- If the company (sponsor organization) offering a person’s current drug plan **doesn’t** offer another Medicare Prescription Drug Plan in the region that has premiums at or below the regional low-income premium subsidy amount, Medicare will randomly assign these people to other plans in the region that have premiums at or below the low-income premium subsidy amount.

Note that starting with enrollments effective in 2007, Medicare won’t enroll people into Medicare Prescription Drug Plans with premiums that fall in the “de minimis” range (i.e. plans with premiums over the regional low-income premium subsidy amount by \$2.00 or less).



Can people switch plans?

Yes. All people who qualify for extra help will have at least one opportunity to switch plans during 2007.

- People who have Medicare and get full Medicaid benefits **or** help from Medicaid paying their Medicare premiums (belong to a Medicare Savings Program) can switch plans anytime for coverage effective the first day of the next month.
- People who get Supplemental Security Income (SSI) benefits but not Medicaid **or** applied and qualify for extra help can switch plans at least once through the end of 2007.

To switch Medicare drug plans, people should call the new plan to find out how to join. Joining a new plan will end their current Medicare drug plan coverage. Their new plan coverage would start the first day of the next month.

When and how will people who Medicare is re-assigning be notified?

Medicare will mail the notice (11209) on blue paper by early November to those whose premiums are increasing.

The notice will tell them what plan they will be re-assigned to, how to stay in their current Medicare Prescription Drug Plan if they want, and how to join a new plan. The notice will also include 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 this notice don't tell their current plan that they want to stay or join a new plan on their own by December 31, 2006, Medicare will re-assign them into a new plan with coverage effective January 1, 2007.

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 Medicare drug plan has time to mail a membership card, acknowledgement letter, and welcome package before the new coverage becomes effective on January 1, 2007. 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.



Timeline of Re-assignment Activities

September

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 subsidy amount

October

October 1-31st—Medicare Prescription Drug Plans send Annual Notice of Change (ANOC) to all current enrollees, including information on 2007 changes to premium

Mid-October—Medicare performs re-assignment and notifies gaining/losing Medicare Prescription Drug Plans and states

November

Early November—Medicare mails re-assignment notice on blue paper

December

December 31—Last day for people affected by re-assignment to switch plans before Medicare's re-assignment takes effect

January

January 1, 2007—Re-assignment takes effect

For more information

People who have questions about Medicare prescription drug coverage should visit www.medicare.gov on the web, or call 1-800-MEDICARE (1-800-633-4227).

TTY users should call 1-877-486-2048. They should let Medicare know they received a notice on blue paper when they call.