

U.S. House and Senate Notification
Tuesday, June 29, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Informs Low Income Beneficiaries of Availability of Premium-Free Medicare Drug Plans

CMS mailed letters to 1.6 million Part D Low Income Subsidy (LIS, or Extra Help) recipients reminding them that they can save on premium costs by switching to a Medicare Drug Plan that charges no premium to beneficiaries enrolled in LIS. These 1.6 million “choosers” have selected a drug plan at some point since Part D started in 2006 and that drug plan now has a premium too high to qualify for a full premium subsidy. While CMS reassigns beneficiaries who had been autoenrolled into a drug plan that no longer qualifies for a full premium subsidy, we do not override plan choices made affirmatively by beneficiaries.

CMS already sends “choosers” a reminder each fall that alternative, zero-premium drug plans are available, but advocates have expressed concern that the notice may be ignored amid all the other benefit information beneficiaries receive at that time. The additional reminder serves to highlight the availability of lower cost drug plan choices and provides advice and contact information for assistance in choosing a Medicare drug plan. LIS recipients are allowed to change their drug plan during any month of the year.

A sample letter is available at:

<http://www.cms.gov/LimitedIncomeandResources/downloads/11465.pdf>

If you have any additional questions, please contact the CMS Office of Legislation