



Information partners can use on:

REASSIGNMENT

Medicare Prescription Drug Coverage

Revised October 2011

In the fall of 2011, Medicare will reassign certain people who qualify for Extra Help into new Medicare Prescription Drug Plans to make sure they continue to pay \$0 premium for their drug coverage. Medicare will reassign certain people who qualify for Extra Help as of January 1, 2012, if they're 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 benchmark amount in 2012.

This tip sheet provides important information to help you counsel people affected by reassignment.

Who is being reassigned?

People Whose Plans Are Leaving the Medicare Program

Medicare will reassign people who get Extra Help if their Medicare Prescription Drug Plan or Medicare Health Plan is leaving the Medicare Program as of December 31, 2011. These people will be reassigned into a new Medicare Prescription Drug Plan regardless of whether they joined their current plan on their own, or Medicare enrolled them in the plan.

People Whose Premium Costs Are Increasing

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

- They qualify for the full 100% premium subsidy as of January 1, 2012.
- Medicare enrolled them in their current Medicare Prescription Drug Plan.
- Their plan's premium will be above the regional low-income premium subsidy benchmark for 2012.

In some cases, plans with premiums up to \$2.00 over the regional low-income premium subsidy benchmark may volunteer to waive that "de minimis" amount for people who qualify for the full 100% premium subsidy. People in plans that volunteer to waive this de minimis amount won't be reassigned, and will continue to pay \$0 for their monthly drug plan premium. Plans that volunteer to waive the de minimis amount can't charge a premium for basic coverage to anyone who qualifies for the full 100% premium subsidy. People who choose to join an enhanced plan will have to pay part of the premium.



Who won't be reassigned?

- **Medicare won't reassign people who qualify for the partial premium subsidy unless their plan is leaving the Medicare Program.** 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 reassign 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 benchmark in 2012. 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. These people will get a letter on tan paper (CMS Product No. 11267) by early November to make sure they know about their premium liability and understand their options.
- **Medicare won't reassign people who were enrolled in a plan by an authorized representative, such as a State Pharmaceutical Assistance Program (SPAP), who asked Medicare not to reassign them.**
- **Medicare won't reassign people who are enrolled in a qualified employer or union group plan.**

Example Reassignment Scenarios

Example 1: Mrs. Smith was auto-enrolled into XYZ Drug Plan in 2010, and she still qualifies for the full (100%) premium subsidy in 2012. Her plan premium will be \$5.72 over the regional low-income premium subsidy amount in 2012. She will be reassigned 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 2012. His plan premium will be \$3.50 over the regional low-income premium subsidy amount in 2012. Mr. Alonzo will be reassigned 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 2012. He switched to QRX Drug Plan on his own in August 2009. His plan premium will be \$4.75 over the regional low-income premium subsidy amount in 2012. Mr. Banks won't be reassigned, because he joined his current drug plan on his own. He will have to pay \$4.75 (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 reassigned to?

- Generally, Medicare will reassign people to 2012 Medicare Prescription Drug Plans that have premiums at or below the regional low-income premium subsidy amount. This is true whether their current plan is a Medicare health plan or drug plan that's leaving the Medicare program, or whether their drug plan premium is increasing. 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 plan offers another Medicare Prescription Drug Plan in the region with a \$0 premium, Medicare will reassign 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. Anyone who qualifies for Extra Help can switch Medicare drug 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 reassigned?

People affected by reassignment will get a notice on blue paper in the mail from Medicare by early November. There are three versions of the notice: two for people whose plans are leaving the Medicare Program (CMS Product No. 11208 and CMS Product No. 11443), 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 reassigned 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 available for \$0 premium and their phone 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, 2011, Medicare will reassign them into a new plan with coverage effective January 1, 2012.



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, 2012. 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 Medicare know they got a notice on blue or tan paper when they call.

Timeline of Reassignment Activities

October 1

Plans that will be leaving the Medicare Program notify their plan members.

Mid-October

Medicare performs reassignment (for an effective date of January 1, 2012) and notifies states and Medicare Prescription Drug Plans that will be gaining or losing plan members.

Late October

Medicare mails all three versions of the reassignment notice on blue paper to people who will be reassigned to a new Medicare Prescription Drug Plan

Mid-November

Medicare mails a tan letter to people who won't be reassigned, but who will face a premium liability in their current Medicare Prescription Drug Plan in 2012.

Early December

Medicare mails a second blue letter to all people who are being reassigned letting them know which drugs they currently use are included on their new plan's formulary.

December 31

Last day for people who qualify for reassignment to switch plans, or notify their current plan that they want to stay, before Medicare's reassignment takes effect.

January 1, 2012

Coverage in their new plan begins for people who have been reassigned.