

U.S. House and Senate Notification
Tuesday, March 9, 2010

To: Congressional Health Staff

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

Subject: CMS Terminates Contract with Fox Insurance Company Drug Plan

Today, the Centers for Medicare & Medicaid Services (CMS) terminated its contract with Fox Insurance Company. After an onsite review of the plan and its services, CMS determined that the plan's significant deficiencies – not meeting Medicare's requirements to provide enrollees with prescription drugs or recognized standards of care – poses a serious risk to the health of Fox enrollees. The termination is effective immediately.

CMS is immediately transitioning the more than 123,000 Medicare beneficiaries enrolled in Fox plans to other coverage to ensure these beneficiaries will not experience any delays or disruption in access to their needed medicines. All members will temporarily obtain their drugs through LI-NET, a program run by Medicare and administered by Humana to ensure that beneficiaries receive their Part D drugs without restriction until they are enrolled in a new plan. Beneficiaries need to take no action to be transitioned to LI-NET, and should not experience any disruption at the pharmacy counter. CMS is notifying relevant partners such as pharmacies, pharmacy organizations, states Medicaid agencies, and other stakeholders of this action so that they are prepared to help affected beneficiaries with this transition. Affected beneficiaries will have an opportunity to enroll in a new Part D plan by May 1-- those who do not choose a plan will be enrolled into a new plan by Medicare.

The press release regarding the contract termination with Fox Insurance Company Drug Plan is available at http://www.cms.hhs.gov/apps/media/press_releases.asp.

If you have any questions about this announcement, please contact the CMS Office of Legislation. Thank you.