

U.S. House and Senate Notification
Wednesday, June 30, 2010

To: Congressional Health Staff

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

Re: CMS Provides Additional Guidance to Medicare Prescription Drug Plans on De Minimis Policy

The Centers for Medicare & Medicaid Services (CMS) has provided guidance to Medicare prescription drug plans (PDPs) and Medicare Advantage plans with prescription drug coverage (MA-PDs) on how it will implement the de minimis policy authorized under the Affordable Care Act (ACA). This policy allows PDPs and MA-PDs to voluntarily waive, for low income subsidy (LIS) recipients, the portion of the monthly adjusted beneficiary premium that is a de minimis amount above the LIS benchmark. The regional LIS benchmark sets the maximum amounts CMS will pay to subsidize beneficiary drug plan premiums for LIS recipients each year. CMS will announce the de minimis amount in August, when the benchmarks are released.

The de minimis policy will reduce the number of low income beneficiaries who are reassigned to a new drug plan due to the fact that their current drug plan has a premium for the following year that is above the LIS benchmark. The policy allows LIS recipients to remain in a drug plan that is a de minimis amount above the benchmark without paying a premium.

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