

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Baltimore, Maryland 21244-1850



CENTER FOR BENEFICIARY CHOICES

DATE: November 22, 2006

TO: All Part D Plan Sponsors and Medicare Advantage Organizations

FROM: Anthony Culotta, Director
Medicare Enrollment and Appeals Group

SUBJECT: 2007 Annual Enrollment Period (AEP) Processing Information

As we enter the 2007 AEP season, we want to ensure that all Part D Plan Sponsors and Medicare Advantage Organizations take the necessary steps to ensure a smooth and successful enrollment experience for all beneficiaries. The purpose of this letter is to focus on several key issues related to end-of-year enrollment processing.

Information Required Prior to the Enrollment Effective Date - REMINDER

All necessary information about being a member of the plan, including membership ID numbers and 4-Rx data elements, must be provided to each individual prior to the effective date of enrollment. For enrollments received in the last few days of December, each plan must ensure that this important information is provided as quickly as possible, but not later than 7 business days after the date the plan receives the enrollment request. While providing this information is not dependent upon your receipt of a Transaction Reply accepting the enrollment, we encourage you, as we have in the past, to submit enrollment and disenrollment transactions promptly and on a flow basis beginning on November 15, 2006. Please **do not** hold or otherwise unnecessarily delay submitting enrollment transactions to CMS. Once CMS confirms your enrollment transaction, please submit the required 4Rx data **immediately** to CMS.

Special Handling of Enrollment Requests

Please apply the following processing rules to enrollment requests received at the end of the AEP:

1. Enrollment forms received via U.S. Mail delivery on Tuesday, January 2, 2007, may be considered "received" on Sunday, December 31, 2006, and thus accepted for AEP enrollment. All plans should immediately begin preparations for processing

enrollment requests received at this time to ensure access to Part D benefits for new enrollees as quickly as possible.

2. Enrollment forms received through January 6, 2007, with a U.S. Postal Service postmark on or before December 31, 2006, may be accepted and considered received on the postmarked date. You do not need to retain envelopes. AEP enrollment forms received in the mail after January 6, 2007, regardless of postmark, must be denied.
3. Carefully review your internal controls and processes that support enrollment processing, your customer service scripts and reference materials for both enrollees and providers, and your ability to handle the expected increases in call volume as the new benefit year begins. Coordination between your enrollment and customer service staff areas is particularly critical during this time.

Clarification of Special Enrollment Periods (SEP) for LIS Eligible Beneficiaries:

We want to clarify the SEP for individuals with low-income subsidy (LIS) for 2007:

1. Similar to 2006, individuals **who become eligible for LIS in 2007** will have (1) opportunity to choose a Part D plan. If the individual does not choose a plan before CMS facilitates enrollment of the individual into a plan, the individual retains (1) opportunity to make a change under this SEP.
2. NEW for 2007: Individuals **who already had LIS prior to January 1, 2007**, will have (1) opportunity in 2007 to enroll into or disenroll from a Part D plan. This SEP extends throughout 2007. Individuals who fall into this category include those who qualified in 2006 and continue to qualify in 2007.

Also keep in mind that individuals **who lose their low-income subsidy eligibility** as of January 1, 2007, as a result of the LIS re-determination process also have an SEP. This SEP runs from January through March 2007 and allows for (1) enrollment election.

CMS is pleased to be working with you as we move into the second year of the Part D Prescription Drug Benefit. We appreciate your cooperative spirit and remain committed to working with you to ensure that beneficiaries have access to Part D drugs at all times. If you have any questions about these requirements, please contact your account manager.