

**Auto-enrollment Process**  
**July 7, 2005**

- Q. The MMA requires that any full benefit dual eligible that fails to enroll in a PDP or an MA-PD this fall be auto-enrolled on a random basis among all PDPs in a given PDP region that have premiums at or below the low-income benchmark. How is this random assignment process going to work?
- A. Consistent with the statute (section 1860D-1(b) (1) (C)), CMS will randomly auto-assign all Medicare/Medicaid dual eligibles who do not make an active choice of a PDP this fall. We intend to employ a two-step methodology to meet the “random basis” requirement.

First, we will randomly assign all affected individuals among all PDP sponsoring organizations that offer at least one plan with a premium at or below the low income premium subsidy amount—that is, a plan with a monthly premium that does not exceed the available premium assistance. Then, within each of these sponsoring organizations, individuals will be randomly assigned among all PDPs with premiums at or below the low income premium subsidy amount. See the example below:

**EXAMPLE**

There are 4 PDP sponsoring organizations in a region that offer one or more plans with premiums at or below the low income premium subsidy amount. The numbers of PDPs with an appropriate premium are as follows:

Organization A—1 PDP  
Organization B—1 PDP  
Organization C—2 PDPs  
Organization D—3 PDPs

Step 1: The auto-enrollment population would first be divided equally and randomly among the four organizations. Thus, each organization would be assigned 25 percent of the available population.

Step 2: Within each sponsoring organization, the population would again be divided equally and randomly. Thus, all of Organization A’s enrollees would be assigned to its one appropriate PDP; the same would be true for Organization B; 50 percent of the population assigned to Organization C would be assigned randomly to each of its two plans; and 33.3 percent of the population assigned to Organization D would be assigned randomly to each of its three plans.

Thus, each of the organizations offering a PDP with a premium at or below the premium subsidy amount would receive an equal share of the dual eligible population, regardless of the number of bids submitted or approved. We believe

that this approach is most consistent with the statutory intent of an equitable distribution of enrollment among available PDP sponsors and plans, and that it will help assure that beneficiaries with limited incomes are in plans whose features reflect plan designs that are likely to be popular with all beneficiaries. Note that these dual eligible individuals will have an ongoing opportunity to change their enrollment.